

AGENDA

Executive Compensation Committee Meeting of the El Camino Hospital Board

Wednesday, January 20, 2016 **4:30 p.m.**

El Camino Hospital

Medical Staff Conference Room, First floor

2500 Grant Road, Mountain View, California

Julia Miller will be participating via teleconference from the following address:

1209 L Street, Sacramento, CA 95814

MISSION: To advise and assist the El Camino Hospital (ECH) Board of Directors (“Board”) in matters related to governance, board development, board effectiveness, and board composition, i.e., the nomination and appointment/reappointment process. The Governance Committee ensures the Board and Committees are functioning at the highest level of governance standards.

AGENDA ITEM	PRESENTED BY		ESTIMATED TIMES
1. CALL TO ORDER	Jeff Davis, Chair		4:30 – 4:31 p.m.
2. ROLL CALL	Jeff Davis, Chair		4:31 – 4:32
3. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Jeff Davis, Chair		4:32 – 4:33
4. PUBLIC COMMUNICATION	Jeff Davis, Chair		4:33 – 4:36
5. CONSENT CALENDAR ITEMS: Any Committee Member may remove an item for discussion before a motion is made.	Jeff Davis, Chair	<i>public comment</i>	Motion Required 4:36 – 4:37
Approval: - Minutes of Executive Compensation Committee Meeting, Open Session (11/17/15) ATTACHMENT 5			
6. EXECUTIVE INCENTIVE GOAL SETTING PHILOSOPHY ATTACHMENT 6	Tomi Ryba, President and CEO Mick Zdeblick, COO Andrew Lewis, Sullivan Cotter and Associates	<i>public comment</i>	Possible Motion 4:37 – 5:07
7. ADJOURN TO CLOSED SESSION	Jeff Davis, Chair		5:07 – 5:08
8. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Jeff Davis, Chair		5:08
Approval of Meeting Minutes of the Closed Session (11/17/15) <i>Gov’t Code Section 54957.2</i>			

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 650-988-7504 prior to the meeting so that we may provide the agenda in alternative formats or make disability-related modifications and accommodations.

<p>9. Report involving <i>Gov't Code Sections 54957 and 54957.6</i> for report and discussion on personnel matters; and <i>Health and Safety Code Section 32106(b)</i> for a report involving health care facility trade secret. - Executive Compensation Consultant Interviews</p>	<p>Bob Miller, Vice Chair Teri Eyre, Member</p>		<p>Discussion 5:10 – 7:10</p>
<p>10. Report involving <i>Gov't Code Sections 54957 and 54957.6</i> for report and discussion on personnel matters; and <i>Health and Safety Code Section 32106(b)</i> for a report involving health care facility trade secret. - Executive Compensation Consultant Summary Discussion</p>	<p>Jeff Davis, Chair</p>		<p>Discussion 7:10 – 8:10</p>
<p>11. Adjourn to Open Session</p>	<p>Jeff Davis, Chair</p>		<p>8:10 – 8:11</p>
<p>12. RECONVENE OPEN SESSION/REPORT OUT</p>	<p>Jeff Davis, Chair</p>		<p>8:11 – 8:12</p>
<p>To report any required disclosures regarding permissible actions taken during Closed Session.</p>			
<p>13. EXECUTIVE COMPENSATION CONSULTANT SELECTION</p>	<p>Jeff Davis, Chair</p>	<p><i>public comment</i></p>	<p>Motion 8:12 – 8:14</p>
<p>14. FY16 COMMITTEE GOALS AND PACING PLAN ATTACHMENT 15</p>	<p>Jeff Davis, Chair</p>	<p><i>public comment</i></p>	<p>Possible Motion 8:14 – 8:19</p>
<p>15. CLOSING COMMENTS</p>	<p>Jeff Davis, Chair</p>		<p>Discussion 8:19 – 8:24</p>
<p>16. ADJOURNMENT</p>	<p>Jeff Davis, Chair</p>		<p>8:24 – 8:25 p.m.</p>

Upcoming Executive Compensation Committee Meetings in FY16:

- March 23, 2016 (Semi-Annual Board and Committee Educational Session)
- March 24, 2016
- May 17, 2016

ATTACHMENT 5

**Minutes of the Open Session of the
Executive Compensation Committee
Tuesday, November 17, 2015
El Camino Hospital, 2500 Grant Road, Mountain View California
CEO Conference Room
And
8500 Pena Boulevard, Denver, Colorado 80249**

Members Present

Jeffrey Davis, MD (joined via teleconference at 5:40 pm)
Teri Eyre
Jing Liao
Bob Miller
Prasad Setty

Members Absent

Lanhee Chen

Agenda Item	Comments/Discussion	Approvals/Action
1. CALL TO ORDER	Vice Chair Bob Miller called the Executive Compensation Committee of El Camino Hospital to order and 4:30 pm.	
2. ROLL CALL	Silent roll call was taken. All members except Lanhee Chen were in attendance. Dr. Davis participated via teleconference	
3. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Vice Chair Miller asked if any Committee member may have a conflict of interest with any of the items on the agenda. No conflict of interest was reported.	
4. PUBLIC COMMUNICATION	None.	
5. CONSENT CALENDAR ITEMS	<p>Motion: To approve the Minutes of the September 17, 2015 Executive Compensation Committee meeting.</p> <p>Movant: Eyre</p> <p>Second: Setty</p> <p>Ayes: Eyre, Liao, Miller, Setty</p> <p>Noes: None</p> <p>Abstain: None</p> <p>Absent: Chen, Davis</p>	<i>Consent Calendar Approved</i>

	<p>Recused: None</p>	
<p>6. REPORT ON BOARD ACTIONS</p>	<p>Tomi Ryba, CEO advised the Committee that the Board approved the proposed FY16 Organizational Goal Metrics and proposed FY16 Individual Executive Incentive Goals. She noted that the Board approved the FY16 General Counsel’s goals although the Committee had not reviewed them due to timing issues. She reported that the Board would like there to be more discussion at the Committee level regarding the goal setting philosophy and specifically whether the goals are stretch enough.</p> <p>Dr. Davis joined the meeting at 5:40 pm.</p> <p>Ms. Ryba also reported that the Board wants further Succession Planning completed and that staff will be bringing that back to the Committee in March.</p>	
<p>7. LETTERS OF REBUTTABLE PRESUMPTION OF REASONABLENESS</p>	<p>Andrew Lewis of Sullivan Cotter Associates presented the Draft Letters of Reasonableness (CEO and Executives) to the Committee, noting that some revisions were made at the request of Vice Chair Miller to provide for consistent statistical references. Corrected versions of the Draft Letters were provided to each of the Committee members.</p> <p>Motion: To Recommend that the Board approve the Draft Revised Letters of Rebuttable Presumption of Reasonableness.</p> <p>Movant: Setty Second: Eyre Ayes: Davis, Eyre, Liao, Miller, Setty Noes: None Abstain: None Absent: Chen Recused: None</p>	
<p>8. EXECUTIVE COMPENSATION CONSULTANT RFP AD HOC COMMITTEE REPORT</p>	<p>Vice Chair Miller reported that he and Ms. Eyre worked with Julie Johnston, Director, Total Rewards, to draft the proposed Consultant RFP and requested comments from the Committee. Mr. Setty commented that the scope of the RFP was clear and included most everything the Committee would need from its Consultant. Mr.</p>	<p><i>RFP Approved.</i></p>

	<p>Setty suggested that the Committee could also use executive goal setting support and advice re communicating executive compensation decisions to the community. Committee members noted their agreement with Mr. Setty's suggestion.</p> <p>Motion: To approve the draft RFP as presented by the Ad Hoc Committee amended to include experience with executive goal setting and advising the Board and Committee around communicating executive compensation decisions to the community.</p> <p>Movant: Liao Second: Setty Ayes: Davis, Eyre, Liao, Miller, Setty Noes: None Abstain: None Absent: Chen Recused: None</p> <p>Vice Chair Miller commented that, unless there were objections, he and Ms. Eyre would work with Ms. Johnston to revise the RFP in accordance with the Committees action and send it out without further review by the Committee. No objections were noted.</p>	
<p>9. ADJOURN TO CLOSED SESSION</p>	<p>Motion: To adjourn to closed session at 5:05 pm Movant: Eyre Second: Setty Ayes: Davis, Eyre, Liao, Miller, Setty Noes: None Abstain: None Absent: Chen Recused: None</p>	
<p>10. AGENDA ITEM 14 - RECONVENE OPEN SESSION/REPORT OUT</p>	<p>Open Session was reconvened at 6:15 pm. The following action was taken in Closed Session: Approval of the Closed Session Minutes of September 17, 2015 (Davis, Eyre, Liao, Miller, Setty in favor; Chen absent).</p>	
<p>11. AGENDA ITEM 15 - FY 16 PACING PLAN</p>	<p>The Committee requested that staff add further discussion regarding executive goal setting philosophy to the January 20th Committee meeting, review of the executive performance evaluation process to the March 24th meeting and a joint meeting with the Board in February or March.</p>	

12. AGENDA ITEM 16 - CLOSING COMMENTS	Vice Chair Miller thanked everyone for attending.	
13. AGENDA ITEM 17 - ADJOURNMENT	Motion: To adjourn to closed session at 6:17 pm Movant: Setty Second: Eyre Ayes: Davis, Eyre, Liao, Miller, Setty Noes: None Abstain: None Absent: Chen Recused: None	<i>Meeting Adjourned</i>

Attest as to the approval of the foregoing minutes by the Executive Compensation Committee and by the Board of Directors of El Camino Hospital:

Jeffrey Davis, MD
Chair, ECH Executive Compensation
Committee

Peter Fung, MD
ECH Board Secretary

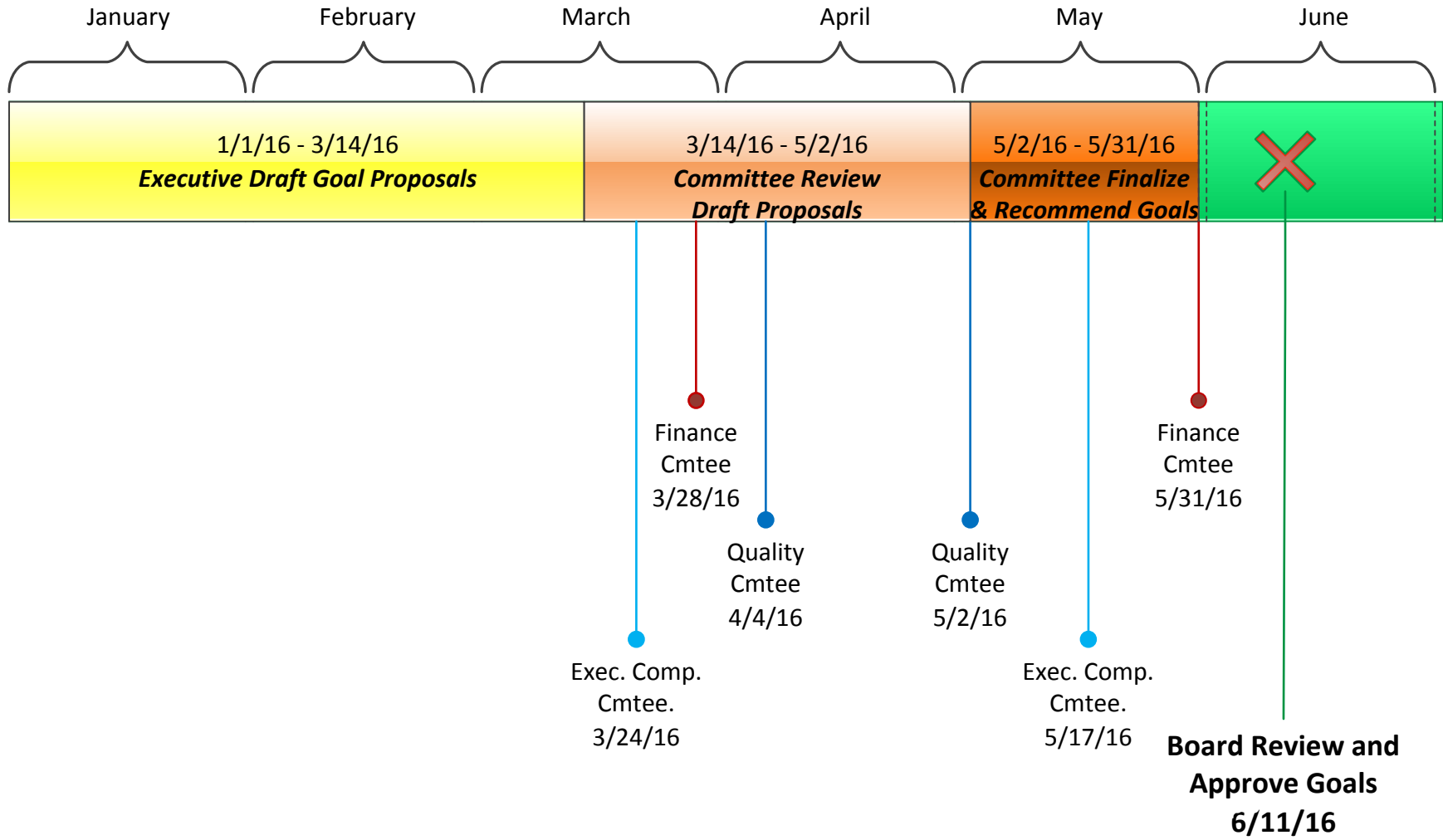
Prepared by: Cindy Murphy, Board Liaison

ATTACHMENT 6

COMMITTEE MEETING AGENDA ITEM COVER SHEET DRAFT

Item:	Executive Incentive Goal Setting Philosophy Executive Compensation Committee January 20, 2016
Responsible party:	Julie Johnston, Director of Total Rewards
Action requested:	Possible Motion
Background:	<ul style="list-style-type: none"> • The Board of Directors requested that the Committee look at best practice and ECH approach to setting organizational and individual executive goals. • Andy Lewis and Rick Yarger will guide the discussion. • Internally, goals setting starts at the strategic and conceptual level, moves to proposed goals and measures, then review and approval process • Key dates for FY 2017 goal setting as noted in attached timeline
Committees that reviewed the issue and recommendation, if any:	<ul style="list-style-type: none"> • N/A
Summary and session objectives :	<ul style="list-style-type: none"> • Review current process • Discuss executive incentive goal setting best practices • Discuss “stretch” and target performance at threshold, target, and maximum
Suggested discussion questions:	<ol style="list-style-type: none"> 1. What is working well in current process? What could be improved? 2. What suggestions does the Committee have for the Board to consider? 3. Should organizational and individual goals be linked or totally separate? 4. Do ECH goals have enough stretch? Too much?
Proposed Committee motion, if any:	The Committee recommends the following changes be considered by the Board and/or leadership:
Attachments:	Incentive Plan Goal Setting (Sullivan Cotter presentation) Executive Performance Incentive Plan Policy

FY17 Individual & Organizational Goals Setting Timeline





CONFIDENTIAL

Incentive Plan Goal Setting

January 20, 2016



SullivanCotter
AND ASSOCIATES, INC.

INTEGRITY INDEPENDENCE INSIGHT INFORMATION

Introduction and Background



- Sullivan, Cotter and Associates, Inc. (SullivanCotter) was asked at the November Executive Compensation Committee (ECC) meeting to provide guidance around best practices for executive incentive plan goal setting.
- This document provides an overview of how to select appropriate performance measures, the weighting of organization vs. individual goals, and calibrating performance levels to align with potential payout opportunities.

Best Practices in Incentive Plan Performance Measures and Goals



- Organizations find that **effective** goals and performance measures:
 - Are based on **business strategy**.
 - Are **quantifiable** under existing financial, reporting and/or other relevant internal systems.
 - Are within participants' **control or influence**.
 - Comprise a **manageable number** (often not exceeding five):
 - Organizational/enterprise metrics are often most appropriate for a CEO.
 - Trend is toward limiting or eliminating unique goals for senior leaders with the understanding that the leadership team is united in owning the organization's success (or failure).
 - Reflect what **truly drives organizational success**, not a position's day-to-day duties/responsibilities. Performance of job duties is rewarded with base salary increases.

Organizational Goals in Incentive Plans

- The CEO and management team work together to define incentive plan goals aligned with the organization's mission and strategic objectives.
- The draft goals are often shared with committees with relevant oversight of each performance measure (e.g., Finance Committee reviews financial goals, Quality Committee reviews quality goals, etc.), and the performance measures are refined based on feedback from the committees.
- Draft goals are then reviewed and approved by the Compensation Committee before being shared with the full Board.
- Committees also review the proposed performance standards at the defined levels (e.g., threshold, target and maximum) and seek to validate that the performance standards align with the compensation philosophy.

Individual/Discretionary Component of Incentive Awards

- Similarly, the CEO typically recommends incentive awards for his or her direct reports, provides an explanation of the rationale where needed, and the Committee only requests modifications if substantive.

Performance Management Context



Programs that focus entirely on organizational goals are successful when:

- The executive team works together effectively in a collaborative environment.
- Goals are thought of as “ours” not “mine” and each executive believes that he or she has an impact on the organization’s success:
 - This is particularly important for positions that might not have a direct impact on revenue, quality, or patient satisfaction (e.g., legal services).
- All executives are performing at a consistent level:
 - If one or more executives are not performing at the same level but receive the same incentive award, it can lead to resentment by some of the executives towards others.
- There is a strong culture of individual accountability.
- The organization’s Board has embraced the notion of organization-level goals for all.

Programs that incorporate a meaningful level of individual performance are successful when:

- The CEO manages his or her executive team by defining meaningful, prioritized goals for each executive that align with the organization’s goals.

Performance Management Process

- Many health care organizations do not use a formal performance management process for C-suite executives; rather, senior executives are managed and developed on an individual basis by the CEO.
- Those organizations who include their most senior executives in the formal performance management review use the system for staff development and/or determining merit increases.
 - In some cases, a minimum performance rating is required in order to be eligible for an incentive award and/or merit increase.

Benchmarking Sample of Incentive Plan Performance Measures and Weights



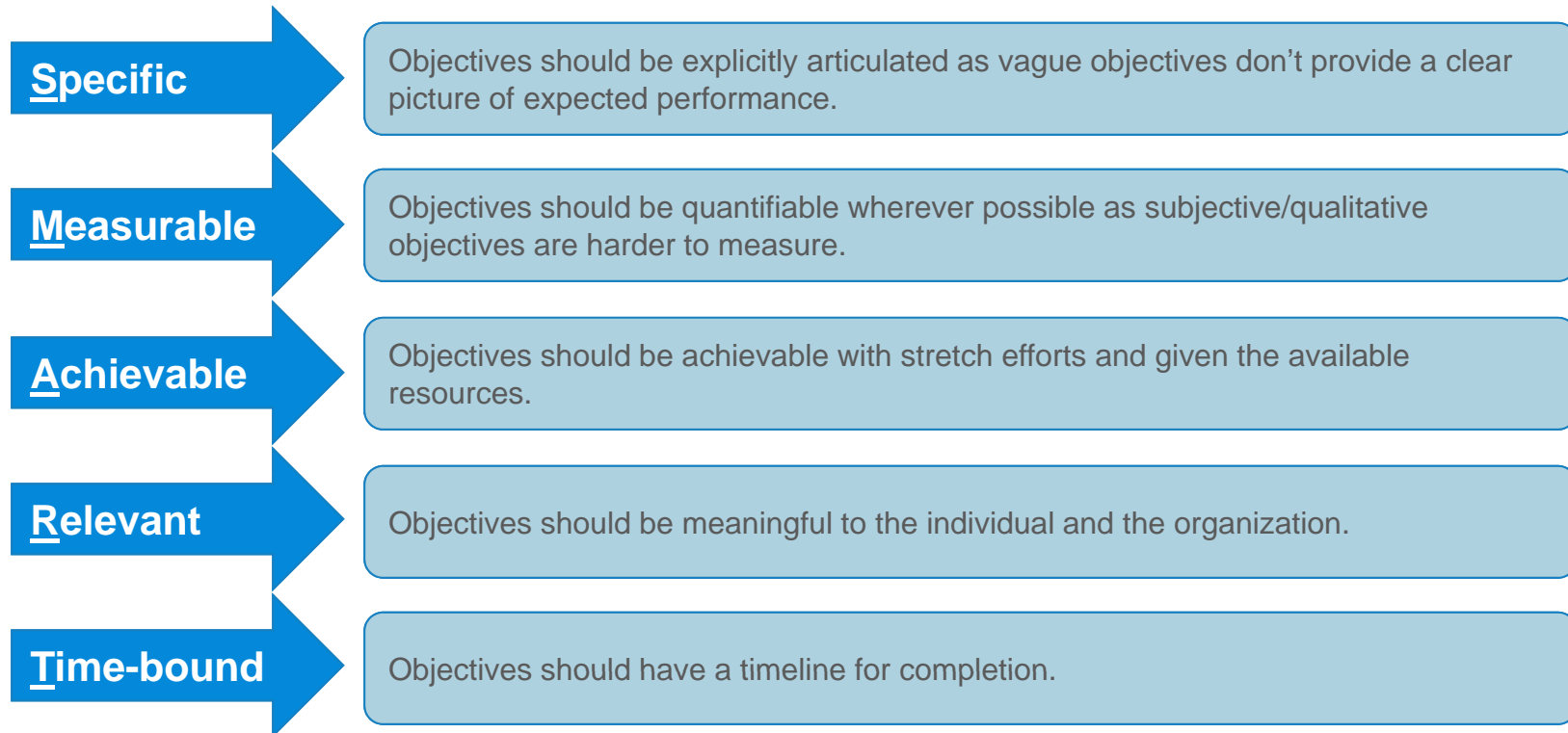
- A key decision point for the incentive plan is the use of organization vs. individual goals. Three approaches are summarized below:

	Cascading		Enterprise		Management by Objective
	Places more emphasis on organizational performance for executives with more enterprise-wide accountability, and more unit/individual goals for executives with less influence over the organization as a whole.		Assigns all individuals the same degree of organizational and unit/individual goals in order to align all executives to reinforce enterprise-wide objectives. This reinforces team performance to achieve common goals.		Tailors goals for each participant to align with the contributions of that participant towards the organization's success. This approach emphasizes the unique roles of each participant and increases the burden on the CEO to set and manage performance objectives.
	Organization Weight	Individual Weight	Organization Weight	Individual Weight	Customized Goal Weight
Chief Executive Officer	90%	10%	70%	30%	100%
Senior Executives	75%	25%	70%	30%	100%

SMART Goals



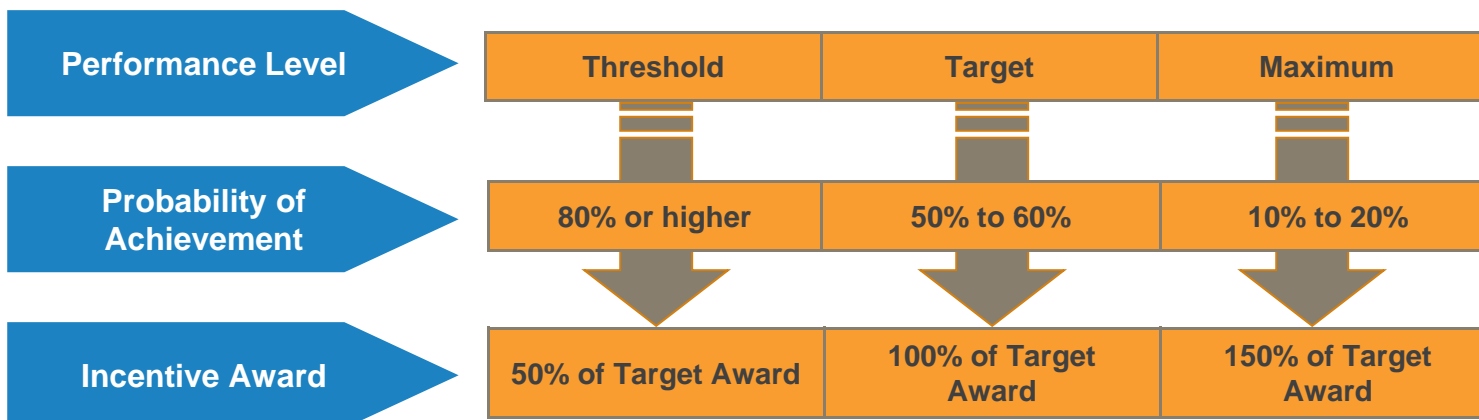
- Rigorous performance metrics should be SMART:



Setting Rigorous Incentive Plan Goals



- Specific performance levels should be established for each measure, based on projected/budgeted performance. The organization’s historical performance and competitor performance can help inform the goal-setting process.
 - Organizations often consider a combination of factors when determining the difficulty of performance goals, which may include a subject assessment of the probability of goal attainment, reference to external industry benchmarks, and/or relation to the prior year’s performance.
- Performance standards are established for each performance measure and are typically developed at threshold, target and maximum performance levels.
 - **Threshold:** Represents the minimum acceptable level of performance for the payout of an award; achievement of goal is highly likely.
 - **Target:** A stretch goal beyond expected performance; goal is attainable, but it is not assured.
 - **Maximum:** Goal far exceeds expectations; achievement of goal is possible, but not highly likely.



Sample Framework: Individual Goals



- Individual goals should align with the broader organization goals and strategic objectives.

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Goal Level	Focus Area	Performance Measure	Current Year Goals			Weight	Prior Year Measure	Expected Current Year Measure
			Threshold	Target	Maximum			
Individual	Financial Performance	Reduce expenses	Reduce expenses by 2%	Reduce expenses by 4%	Reduce expenses by 6%	30%	Expenses reduced 3%	Reduce expenses by 4%

Reason for Selection								
Results of Improvement								
⑦ Data Collected By								
⑧ Historical Performance	2015 Actual Measure:							
	2015 Goal:	25th %ile	50th %ile	75th %ile	90th %ile			
	2015 Achievement:							
⑨ Industry Benchmark	2016 Benchmark:	25th %ile	50th %ile	75th %ile	90th %ile			
	2016 Goal Percentile:	Threshold	Target	Maximum				

Sample Framework: Individual Goals, continued



- **(1) Focus Area** – Define the organizational strategy focus area that this objective supports.
- **(2) Performance Measure** – Describe how the objective aligns with the organization’s priorities and how the objective will be measured.
- **(3) Threshold/Target/Maximum** – Set challenging but realistic threshold/target/max objectives. As a general rule:
 - Thresholds should be set such that they are achieved about 80% of the time .
 - Targets should be set such that they are achieved about 50-60% of the time.
 - Maximums should be set such that they are achieved about 10-20% of the time.
- **(4) Weight** – Assign the appropriate weight to the objective, which should reflect the importance of the objective, its impact on broader organizational objectives, and the extent to which you can drive outcomes.
- Consider the difficulty of the objectives based on the following:
 - **(5)** Performance in the prior year.
 - **(6)** Expected/budgeted performance for this year.
- **(7) Data Collected By** – Provide the method of measurement for this objective. Indicate the source of the measurement and the method by which the final metric will be calculated.
 - If the objective lends itself to a benchmark measurement, provide:
 - **(8) Historical Performance** – If the objective was also an objective in the prior year, provide the level of achievement.
 - **(9) Industry Benchmark** – Current benchmark and the benchmark achievement level for threshold, target and max.

**EL CAMINO HOSPITAL
BOARD OF DIRECTORS POLICIES AND PROCEDURES**

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 COO. Participation in the plan is subject to approval by the Hospital Board of Directors.

B. Reviewed/Revised:

New: 9/15/09, 12/08/10, 2/13/13, 6/11/14 for 7/1/14 effective date

C. Policy Summary:

The Performance Incentive Plan is one component of the executive total compensation program which includes base salary, benefits, and other cash compensation. The Performance Incentive Plan is a 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 criteria for payout. There will be no payout unless all three criteria are met. The Hospital must be accredited by the Joint Commission and the individual executive must “meet expectations” on their performance review. In addition, the Hospital will establish a financial measure that must be achieved each fiscal year (i.e., a percent of operating margin) for payout to occur.
3. Amount of incentive pay – 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% (80% for the CEO) of performance incentive pay will be based. Whenever possible, each goal will have performance measures for threshold, target, and maximum levels and payouts will be on a continuum.
5. Individual Goals – at the beginning of the fiscal year, each participant will propose performance goals and measurements that support the strategic/business plan upon which 30% (20% for CEO) of performance incentive pay will be based. Whenever possible, each goal will have performance measures for threshold, target, and maximum levels and payouts will be on a continuum.
6. Performance Incentive Payout – Incentive compensation will be paid within 30 days of the Board of Directors approving the payout amounts. In order to receive incentive compensation, executives must be 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, organizational goals, CEO's individual goals, and performance incentive payout amounts.
2. The Executive Compensation Committee Charter defines the responsibilities delegated by the Hospital Board such as reviewing and recommending goals and performance incentive payout amounts.
3. The CEO recommends the organizational and individual goals and recommends incentive payout amounts to the Committee.
4. The Chief Human Resources Officer and/or Director Compensation and Benefits are responsible for overseeing administration of the program and implementing actions approved by the Board.

ATTACHMENT 15



**Executive Compensation Committee
Goals for FY 2016**

Progress as of January 13, 2016

Purpose

The purpose of the Executive Compensation Committee (“Compensation 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 Compensation Committee shall advise the Board to meet all applicable legal and regulatory requirements as it relates to executive compensation.

Staff: Kathryn Fisk, Chief Human Resources Officer and Julie Johnston, Director HR Compensation and Benefits

The Chief HR Officer and Director HR Compensation and Benefits shall serve as the primary staff support to 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 attend meetings at the discretion of the Committee Chair. These individuals shall be recused when the Committee is reviewing his/her compensation. The CEO is an ex-officio of this Committee.

Goals	Timeline by Fiscal Year (Timeframe applies to when the Board approves the recommended action from the Committee, if applicable.)	Metrics
<p>1. Oversee the implementation of the policy changes approved by the Board ensuring strategic alignment and proper oversight of compensation-related decisions.</p>	<p>Q2 – October Board meeting - Complete</p> <p>Q3 – January Board meeting - Complete</p> <p>Q4 – June Board meeting – On Track</p> <p>Q4 – June Board meeting – On Track</p>	<ul style="list-style-type: none"> • Recommend FY15 performance incentive payouts. Complete. • Recommend acceptance of the letter of rebuttable presumption of reasonableness. Complete • Review and recommend FY17 organizational and individual goals for the Executive Performance Incentive Plan • Recommend FY17 Base Salaries

Board Approved – June 10, 2015

Goals	Timeline by Fiscal Year (Timeframe applies to when the Board approves the recommended action from the Committee, if applicable.)	Metrics
<p>2. Evaluate the effectiveness of the Executive Compensation and Benefit compensation and benefit plan design.</p>	<p>Q3 – Committee selects consultant and defines scope of work (i.e., peer group, market position, incentive plan design, base salary administration, goal-setting and performance review process) – On Track</p> <p>Q4 – Committee receives report from Consultant and discusses findings and recommendations. Committee develops FY17 Committee goals based on results and discussion to better align with strategies and Board’s direction. On track.</p>	<ul style="list-style-type: none"> • Conduct an RFP to select Executive Compensation and Benefits Consultant • Continue reviewing long-term strategy and goals and how the executive program supports their achievement. • Consultant completes comprehensive market analysis of pay and benefit practices and presents recommendations for consideration
<p>3. Evaluate the effectiveness of the executive performance review process and the annual/biannual cycle that includes self-assessment, stakeholder feedback, talent profiling, and executive leadership development.</p>	<p>Q1 – Receive summary report regarding FY 15 executive performance reviews – Not Complete</p> <p>Q4 – Recommend changes to the annual review process to CEO/CHRO</p> <p>Q3 – Receive report</p> <p>Q4 – Receive report regarding 360 review process and/or pulse check results</p> <p>This will be discussed at January 20th meeting and plan for completion will be addressed.</p>	<ul style="list-style-type: none"> • Executive Performance Reviews • Succession Planning and Leadership Development • 360 Review/Stakeholder feedback

Submitted by:

Nandini Tandon, PhD, Chair, Executive Compensation Committee

Kathryn Fisk and Julie Johnston, Executive Sponsors, Executive Compensation Committee

EXECUTIVE COMPENSATION COMMITTEE
REVISED December 1, 2015
PACING PLAN FOR FY 2016

FY2016: Q1		
JULY	AUGUST	SEPTEMBER 17, 2015
<p>No Board Meeting</p>		<p>Committee to take action on:</p> <ol style="list-style-type: none"> 1. FY 15 organizational score 2. FY 15 individual scores for CEO & exec team 3. FY 15 performance incentive payout amounts (execs and CEO) 4. Discuss creation of ad-hoc and/or sub-committee(s) 5. Minutes of April 22 and May 28, 2015 meeting 6. Revise Executive Compensation Policy 7. Add General Counsel to Exec. Comp and Benefits Plan; FY 16 Base Salary <p>Committee to receive:</p> <ol style="list-style-type: none"> 1. Report regarding FY 15 Executive Performance
FY2016: Q2		
OCTOBER	NOVEMBER 17, 2015	DECEMBER
<p>14 - Board to take action on the following items:</p> <ol style="list-style-type: none"> 1. Accept Moss Adam's financial audit 2. Approve FY 15 organizational score 3. Approve FY 15 executive individual scores 4. Approve FY15 executive payout amounts (discuss in closed, vote in open) 5. Determine CEO's discretionary score and FY 15 individual score 6. Approve FY15 CEO payout amount (discuss in closed, vote in open) 7. Add General Counsel to Exec Plan; FY16 Base Salary <ul style="list-style-type: none"> • Executive incentive payouts 10/30/15 • RFP Ad Hoc Committee meets 	<p>Committee to take action on:</p> <ol style="list-style-type: none"> 1. Letter of rebuttable presumption 2. Minutes from September 17, 2015 meeting <p>Committee to Discuss :</p> <ol style="list-style-type: none"> 1. Executive Compensation Consulting RFP process: Scope of Work, Candidate firms, Selection process and criteria <ul style="list-style-type: none"> • Staff initiates RFP for consultant <p><i>*Semi-Annual Board and Committee Gathering November 4, 2015</i></p>	<p>No Board Meeting</p> <ul style="list-style-type: none"> • Mitch Olejko prepares cover letter for rebuttable presumption action • Responses to RFP due

FY2016: Q3		
JANUARY 20, 2016	FEBRUARY	MARCH 24, 2016
<ul style="list-style-type: none"> ▪ Committee to interview EC Consultant candidates and make recommendation to the Board. ▪ Executive Goal Setting Philosophy <p>13– Board to take action on the following items:</p> <ol style="list-style-type: none"> 1. Accept letter of rebuttable presumption <ul style="list-style-type: none"> • Beginning of benefit /executive benefit plan year • Jan 7 - Ad hoc Committee Reviews Responses to RFP 	<p>10 - Board to Consider ECC recommendation re ECC Consultant</p> <ul style="list-style-type: none"> • Notify selected consulting firm. Complete contracting agreement <p>Possible Joint Meeting with the Board</p>	<p>Committee to take action on:</p> <p>Committee to review and discuss:</p> <ol style="list-style-type: none"> 1. Update on FY 17 Strategic Planning and progress against FY 16 performance incentive goals 2. Update on succession planning, leadership development, and talent profiles 3. Executive Performance Appraisal Process 4. Long-Term Strategy <p>*Semi Annual Board and Committee Gathering March 23, 2015</p> <p>Staff supports information requests from consultant.</p> <p>Possible Joint Meeting with the Board</p>

FY2016: Q4		
APRIL	MAY 17, 2016	JUNE
<p>Staff reviews preliminary findings. Consultant reviews findings with Chair</p>	<p>Committee will take action on:</p> <ol style="list-style-type: none"> 1. Receive report on Executive Comp and Benefits 2. Determine proposed Committee FY 17 goals and action plan based on findings and recommendations 3. Review & may approve salary ranges for FY17 4. Review and discuss CEO's recommendations on FY 17 base salaries. may determine recommendation. 5. Review and discuss CEO's recommendations on FY 17 organizational and executive individual performance incentive goals. Determine recommendation. 6. Discuss and may determine recommendation on CEO's FY 17 base salary 7. Discuss and determine recommendation on CEO's FY 17 individual goals 8. Approval of March 2016 minutes <p>Committee will review and discuss:</p> <ol style="list-style-type: none"> 1. Update on 360 Review/Stakeholder feedback 2. Long Term Strategy 	<p>8- Board to take action on the following items:</p> <ol style="list-style-type: none"> 1. FY 17 organizational goals 2. FY 17 executive individual goals 3. FY 17 CEO individual goals 4. FY 17 executive base salaries 5. FY 17 CEO base salary 6. FY 17 Committee goals