



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

Thursday, March 23, 2017

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

Conference Rooms A&B (ground floor)

Members Present

Lanhee Chen, Chair
Teri Eyre (via teleconference)
Jaison Layney
Bob Miller, Vice Chair

Members Absent

None

Agenda Item	Comments/Discussion	Approvals/Action
1. CALL TO ORDER/ ROLL CALL	The open session meeting of the Executive Compensation Committee of El Camino Hospital (the "Committee") was called to order at 4:00pm by Chair Chen. All Committee members were present. Ms. Eyre participated via teleconference.	
2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Chair Chen asked if any Committee members may have a conflict of interest with any of the items on the agenda. No conflicts were noted.	
3. PUBLIC COMMUNICATION	None.	
4. CONSENT CALENDAR	<p>Chair Chen asked if any member of the Committee or the public wished to remove an item from the consent calendar. Mr. Layney requested that the FY18 Meeting Dates be discussed.</p> <p>Mr. Layney noted that he would not be able to attend the proposed meeting on September 21st. The Committee requested that staff find and schedule an alternative date. The Committee members explained that all of the other proposed dates work with their schedules.</p> <p>Motion: To approve the consent calendar: Minutes of the Open Session of the Executive Compensation Committee Meeting (February 16, 2017); Proposed FY18 Committee Meeting Dates; and the FY17 Pacing Plan. For information: Progress Against FY17 Committee Goals; Progress Against FY17 Organizational Goals; and Article of Interest.</p> <p>Movant: Miller Second: Layney Ayes: Chen, Eyre, Layney, Miller Noes: None Abstentions: None Absent: None Recused: None</p>	<i>Consent calendar approved</i>
5. REPORT ON BOARD ACTIONS	<p>Chair Chen noted that the CEO Search is progressing nicely in coordination with the firm Russell Reynolds. The CEO Search Committee has selected candidates who will be interviewed in San Jose in a few weeks.</p> <p>Mr. Miller thanked staff for the inclusion of the written report on Board actions.</p>	
6. PROPOSED FY18 COMMITTEE GOALS	<p>Kathryn Fisk, CHRO, noted that the goals are relatively similar and asked if the Committee had any additions or suggestions.</p> <p>Mr. Miller suggested adding a goal related to performance management or</p>	<i>FY18 Committee Goals recommended for</i>

	<p>succession planning. Mr. Sibery noted that the Governance Committee will be discussing whether or not to continue creating and approving annual Committee goals, as all of the work is already captured in the pacing plan. Mr. Miller noted that as long as the work related to succession planning is clear in the pacing plan for FY18, it does not need to be duplicated as a goal.</p> <p>In response to Chair Chen's question, Ms. Fisk noted that Mercer is in its first year of a three year contract with ECH and that the executive compensation consultant is discussed every three years.</p> <p>Motion: To recommend that the Governance Committee and the Board review and approve the ECC's proposed FY18 Committee Goals.</p> <p>Movant: Miller Second: Layney Ayes: Chen, Eyre, Layney, Miller Noes: None Abstentions: None Absent: None Recused: None</p>	<i>approval</i>
7. ADJOURN TO CLOSED SESSION	<p>Motion: To adjourn to closed session at 4:07pm.</p> <p>Movant: Miller Second: Chen Ayes: Chen, Eyre, Layney, Miller Noes: None Abstentions: None Absent: None Recused: None</p>	<i>Adjourned to closed session at 4:07pm.</i>
8. AGENDA ITEM 15: RECONVENE OPEN SESSION/ REPORT OUT	<p>Open session was reconvened at 4:52 pm. Agenda items 8-14 were addressed in closed session.</p> <p>During the closed session, the Committee approved the Minutes of the Closed Session of the Executive Compensation Committee Meeting of February 16, 2017 as amended by a unanimous vote in favor of all members present (Chen, Eyre, Layney, Miller).</p>	
9. AGENDA ITEM 16: COMMITTEE RECRUITMENT	<p>Motion: To recommend that the Board appoint Ms. Patricia Wadors to the Executive Compensation Committee for a term of service expiring June 30, 2017, renewable annually.</p> <p>Movant: Miller Second: Layney Ayes: Chen, Eyre, Layney, Miller Noes: None Abstentions: None Absent: None Recused: None</p>	<i>Ms. Wadors recommended for appointment</i>
10. AGENDA ITEM 17: PROPOSED EXECUTIVE BENEFIT DESIGN CHANGES	<p>Motion: To recommend that the Board adopt 1) changes to the executive retirement plan as shown in Mercer's materials as Option 2, full grandfathering, and 2) integration with the 403(b) on the basis of what the employee could have contributed not what they actually contributed, and 3) changes to severance program recommended by Mercer (12 months for executives and 18 months for the CEO).</p> <p>Movant: Miller</p>	<i>Executive Benefit Design Changes recommended for Board approval</i>

	Second: Layney Ayes: Chen, Eyre, Layney, Miller Noes: None Abstentions: None Absent: None Recused: None	
11. AGENDA ITEM 18: CLOSING COMMENTS	Mr. Miller thanked staff for their facilitation of the recruitment process. The Committee and staff also discussed availability in May and decided to keep the meeting on May 23 rd . Chair Chen noted that he will need to leave a bit early that day, and Mr. Miller agreed to assume the responsibilities of Chair for the remainder of the meeting.	
12. AGENDA ITEM 19: ADJOURNMENT	Motion: To adjourn at 5:47 pm. Movant: Miller Second: Layney Ayes: Chen, Eyre, Layney, Miller Noes: None Abstentions: None Absent: None Recused: None	<i>Meeting adjourned at 5:47 pm.</i>

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



Lanhee Chen
Chair, Executive Compensation Committee



Peter C. Fung, MD
Secretary, ECH Board of Directors

Prepared by: Cindy Murphy, Board Liaison
Sarah Rosenberg, Board Services Coordinator