



Minutes of the Open Session of the Governance Committee
Tuesday, April 4, 2017
El Camino Hospital | Conference Room A (ground floor)
2500 Grant Road, Mountain View, CA 94040

Members Present

Lanhee Chen
Peter C. Fung, MD, Chair
Gary Kalbach, Vice Chair
David Reeder

Members Absent

Christina Lai
Pete Moran

Agenda Item	Comments/Discussion	Approvals/Action
1. CALL TO ORDER/ ROLL CALL	Committee Chair Peter C. Fung, MD called the Governance Committee of El Camino Hospital to order at 5:29 pm. Mr. Moran and Ms. Lai were absent. Mr. Chen joined the meeting at 5:44pm during Agenda Item 8: ECH Board Director Compensation.	
2. POTENTIAL CONFLCITS OF INTEREST DISCLOSURES	Chair Fung asked if any Committee member may have a conflict of interest with any of the items on the agenda. No conflicts were reported.	
3. PUBLIC COMMUNICATION	None.	
4. CONSENT CALENDAR	<p>This item was deferred until a quorum was present.</p> <p>Chair Fung asked if any member of the Committee wished to remove any items from the consent calendar. No items were removed.</p> <p>Motion: To approve the consent calendar: Minutes of the Open Session of the Governance Committee Meeting (February 7, 2017), Proposed FY18 Governance Committee Dates; and for information: Progress Against FY17 Governance Committee Goals and Article of Interest.</p> <p>Movant: Reeder Second: Chen Ayes: Chen, Fung, Kalbach, and Reeder Noes: None Abstain: None Absent: Lai and Moran Recused: None</p>	<i>Consent Calendar approved</i>
5. REPORT ON BOARD ACTIONS	Chair Fung referred to the written reports and highlighted the Hospital Board's strategic study sessions and the District Board's approval of the General Obligation Bonds refinancing.	
6. ECH COMMITTEE RECRUITMENT UPDATE	<p>Cindy Murphy, Board Liaison, reported that new Executive Compensation Committee member Jaison Layney has attended his first meeting and the Committee has recommended that the Board appoint Ms. Patricia Wadors.</p> <p>She noted that she has prompted all of the Committee Chairs to inquire whether Committee members would like to serve on their respective Committees for another year.</p>	

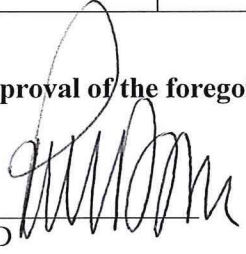
7. ECH BOARD RECRUITMENT UPDATE	<p>David Reeder, Chair of the District Ad Hoc Committee, reported that the Committee reviewed the resumes of potential candidates for Hospital Board positions and will be interviewing 7 candidates on April 19th and April 20th. The District Board plans to interview candidates at its May 22nd meeting.</p>	
8. ECH BOARD MEMBER COMPENSATION POLICY	<p>Cindy Murphy, Board Liaison, provided additional information to the Committee regarding national data for Board Director compensation and a recommendation from Don Sibery, Interim CEO for a flat Board Chair stipend and Committee Chair stipends for agenda preparation.</p> <p>Ms. Murphy noted that the CEO's recommendation was based on his experience at a prior organization and the Board Chair's activities, and that the Board Chair currently receives the least compensation of any Board member.</p> <p>The Committee was also asked to consider the stipend for attendance at Board meetings and the limitation on payment for videoconference or teleconference participation. Committee members noted that participation on the Board is in service to the community. Mr. Kalbach commented that the District Ad Hoc Committee hopes to appoint new members who are close to the District and are able to attend meetings in person.</p> <p>The Committee discussed their support of the Board Chair stipend because of the responsibilities of the position beyond meeting attendance (including the annual Board Retreat, agenda preparation calls, bi-weekly meetings with the CEO, other conference calls, occasional dinner meetings, etc.).</p> <p>In response to Chair Fung's question, Ms. Murphy explained that the policy for the District Board is a separate policy, where a statute limits Board Director compensation to \$100 per meeting, up to 5 meetings per month.</p> <p>Motion: To recommend to the Board to change the compensation for Chair to an annual \$12,000 stipend, payable in quarterly installments.</p> <p>Movant: Kalbach Second: Chen Ayes: Chen, Fung, Kalbach, and Reeder Noes: None Abstain: None Absent: Lai and Moran Recused: None</p> <p>The Committee discussed that the agenda preparation stipend for Committee Chairs should be counted separately from any meeting attendance payments, as sometimes the Chair prepares the agenda but is unable to attend the meeting.</p> <p>Motion: To recommend that the Board add a \$100 stipend for Committee Chairs for participating in each agenda preparation call/meeting.</p> <p>Movant: Kalbach Second: Reeder Ayes: Chen, Fung, Kalbach, and Reeder Noes: None</p>	<p><i>Board Chair and Committee Chair stipends recommended for Board approval</i></p>

	<p>Abstain: None Absent: Lai and Moran Recused: None</p> <p>Committee members commented that the compensation policy provisions for limitations for participating via video or teleconference and the amount of the stipend for attendance at Board meetings should remain the same. They noted that limiting compensation for calling in to once per month helps encourage more engaged, in-person participation.</p>	
<p>9. PROPOSED REVISED HCH BOARD OFFICER ELECTION PROCEDURE</p>	<p>Mary Rotunno, General Counsel, joined the meeting via teleconference and explained that the Board officer election procedure includes revisions to clarify the dates for submission of declarations of interest and position statements to the Board Liaison and a revised process for voting that provides for an initial round of preliminary balloting by roll call vote as opposed to a written ballot. Ms. Rotunno and Ms. Murphy clarified that the voting as articulated in the procedure as revised will meet legal requirements.</p> <p>In response to Mr. Reeder's question, Ms. Murphy commented that she preferred concrete dates in the procedure rather than the more abstract "two weeks before the May Board meeting."</p> <p>In response to Director Fung's questions, Ms. Rotunno explained that for an 8 member Board, a 5 vote majority is needed for a motion to pass and that an abstention is essentially the same as a "no" vote.</p> <p>Motion: To recommend that the Board approve the Draft Revised Hospital Board Officers Nomination and Selection Procedures and Board Chair Competencies.</p> <p>Movant: Kalbach Second: Reeder Ayes: Chen, Fung, Kalbach, and Reeder Noes: None Abstain: None Absent: Lai and Moran Recused: None</p> <p>Ms. Rotunno left the meeting.</p>	<p><i>Draft Revised Hospital Board Officers Nomination and Selection Procedures and Board Chair Competencies recommended for Board approval</i></p>
<p>10. PROPOSED FY18 BOARD & COMMITTEE MASTER CALENDAR</p>	<p>Ms. Murphy explained that the Proposed Board & Committee Calendar is generally brought to the Committee for review in June, but is in the materials for reference early as the Committee considers the formation of the proposed Strategic Oversight Planning Committee.</p> <p>She noted that the Strategic Oversight Planning Committee, as proposed, would meet two weeks ahead of the Finance Committee meetings (6x per year), which includes a meeting in mid-July, when the Board has traditionally been dark.</p> <p>Ms. Murphy explained that the FY17 October Board & Committee Educational Gathering was cancelled because of lack of attendance and the FY17 April session was cancelled because of the strategic planning process.</p> <p>Mr. Reeder discussed scheduling Quality Committee meetings and the difficulty of balancing reporting the latest quality data and</p>	

	<p>the quick turnaround of materials needed for the Board packets.</p> <p>The Committee agreed to examine the scope and deliverables of the proposed Committee first and then review potential scheduling.</p> <p>Ms. Murphy noted that the February Board meeting in 2018 will fall on Valentine's Day.</p>	
11. BOARD ADVISORY COMMITTEE GOAL SETTING PROCESS	<p>Chair Fung referred to the written materials, noting that goals for each Advisory Committee are embedded in each Committee's pacing plan. He explained Mr. Sibery's recommendation to consider relying on pacing plans to guide Committee work and discontinue the development and use of Committee goals.</p> <p>The Committee discussed how each Committee's annual goals are a summary view of the work of the Committee and provide mechanisms for 1) communication of a Committee's priorities for the year to the Board and 2) tracking the Committees' progress against those priorities without the Board reviewing the detail of the pacing plans.</p> <p>The Committee did not recommend any changes to the annual Board Advisory Committee Goal setting process.</p>	
12. ADJOURN TO CLOSED SESSION	<p>Motion: To adjourn to closed session at 6:06pm.</p> <p>Movant: Reeder</p> <p>Second: Kalbach</p> <p>Ayes: Chen, Fung, Kalbach, and Reeder</p> <p>Noes: None</p> <p>Abstain: None</p> <p>Absent: Lai and Moran</p> <p>Recused: None</p>	<i>Adjourned to closed session at 6:06pm.</i>
13. AGENDA ITEM 18: RECONVENE OPEN SESSION/ REPORT OUT	<p>Agenda items 13-17 were addressed in closed session.</p> <p>Open session was reconvened 7:04pm. During the closed session the Committee approved the Closed Session Minutes of the Committee's February 7, 2017 meeting by a unanimous vote of 4 members present (Chen, Fung, Kalbach, and Reeder). Ms. Lai and Mr. Moran were absent.</p>	
14. AGENDA ITEM 19: DRAFT STRATEGIC PLANNING OVERSIGHT COMMITTEE CHARTER	<p>The Committee directed staff to pace the topic for further discussion after the Board considers adopting a new strategic plan (currently scheduled for June 28, 2017).</p>	
15. AGENDA ITEM 20: FY17 PACING PLAN	<p>There were no comments on the pacing plan.</p>	
16. AGENDA ITEM 21: ROUND TABLE DISCUSSION	<p>No comments were made.</p>	

17. AGENDA ITEM 22: ADJOURNMENT	Motion: To adjourn at 7:05 pm. Movant: Reeder Second: Kalbach Ayes: Fung, Kalbach, and Reeder Noes: None Abstain: None Absent: Lai and Moran Recused: None	<i>Meeting adjourned at 7:05pm.</i>
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Attest as to the approval of the foregoing minutes by the Governance Committee of El Camino Hospital:



Peter C. Fung, MD
Chair, ECH Governance Committee