



Minutes of the Open Session of the Governance Committee
Tuesday, June 6, 2017
El Camino Hospital | Conference Room A (ground floor)
2500 Grant Road, Mountain View, CA 94040

Members Present

Peter C. Fung, MD, Chair
Gary Kalbach, Vice Chair
Christina Lai
Pete Moran (via teleconference)

Members Absent

Lanhee Chen
David Reeder

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 5:30 pm. Mr. Chen and Mr. Reeder were absent. Mr. Moran joined the meeting during Agenda Item 4: Consent Calendar and participated via teleconference. All other Committee members were present.	
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>Cindy Murphy, Board Liaison, explained that because there was no quorum present, the items to be addressed by the Committee can be forwarded to the Hospital Board with an indication regarding any the committee members present had any objection to the recommendations.</p> <p>The Committee discussed whether or not the Committee had completed its goal related to making a recommendation to the Hospital Board on the governance structure. Chair Fung requested that the FY17 goals be updated to note that all of the Governance Committee goals were completed.</p> <p>The minutes will be brought back to the Committee for approval at its August meeting.</p>	
5. REPORT ON BOARD ACTIONS	<p>Chair Fung referred to the written reports and highlighted the District Board's decision to change the Hospital Board's structure by adding two more appointed members.</p> <p>Chair Fung described the District Board's reasoning for voting to make the CEO a non-voting member of the ECH Board. Don Sibery, Interim CEO described his experiences as a CEO with a vote on the Board.</p> <p>The Committee members expressed concerns about the CEO as a non-voting member and fundamentally changing the relationship between the CEO the Board, especially in the midst of the CEO search.</p> <p>Chair Fung also noted that the District Board appointed Mr. Robert Rebitzer to the Hospital Board and that the Hospital Board elected its officers for two year terms beginning July 1, 2017 (Lanhee Chen, Board Chair; John Zoglin, Vice Chair, and Julia Miller Secretary/Treasurer).</p>	

<p>6. ECH BOARD RECRUITMENT UPDATE</p>	<p>Chair Fung reported that items to discuss included the timeline to fill the additional two seats on the ECH Board (recently added by the District Board at its May 15, 2017 meeting), whether or not to revisit the competency evaluation used in selecting additional Directors, and whether or not to appoint an already identified qualified candidate.</p> <p>The Committee discussed the timing of a new appointment and desired competencies, including:</p> <ul style="list-style-type: none"> - The formation of a new District Ad Hoc Committee - Historical implications when multiple Board members have been on-boarded at the same time - Desired competencies including: those lost with Dennis Chiu's departure from the District Board, scenario planning related to health care uncertainty - Ms. Gini Deshpande's competencies and how they complement, rather than duplicate, Mr. Bob Rebitzer's competencies - The potential of losing a fully vetted, well-qualified candidate if the process does not progress quickly enough - A stable Board for an incoming CEO <p>Though a quorum was not present, Committee members Kalbach, Lai, and Moran each commented that the District Board should appoint Ms. Desphande to the Hospital Board at its June 20, 2017 meeting following the approval of the bylaws changes.</p> <p>For the remaining vacancy (an appointed member of the Hospital Board), the Committee discussed and recommended that the District Ad Hoc Committee to be formed at the District Board's June 20th meeting should employ a procedure that includes assessment of competency gaps, public notification of an opening, and use of a recruiting firm, if necessary.</p>	<p><i>Process recommendations to be forwarded to the District Board</i></p>
<p>7. ECH BYLAWS REVISION</p>	<p>Mary Rotunno, General Counsel, explained that the Corporations Code (as amended January 1, 2016) specifies that a non-voting ex officio member of the Board is not a Director, and the revisions reflect this clarification. She also noted the revisions include a new category, "2017 Directors," which describe the 2 new director positions added by the District Board at its May 15, 2017 meeting.</p> <p>The Committee members present stated that the proposed changes correctly reflect the decisions made by the District Board on May 15, 2017. However, Mr. Kalbach, Mr. Lai, and Mr. Moran expressed serious concerns about having the CEO as a non-voting member and stated that they strongly believe that the CEO should remain as an ex-officio Director with full voting rights and would not support those revisions to the bylaws.</p>	<p><i>Committee comments regarding the bylaws to be forwarded to the Hospital and District Boards</i></p>
<p>8. UPDATE ON BOARD PROCESSES ASSESSMENT WORK</p>	<p>Ms. Murphy reported that Via Consulting's recommendations have been implemented, though some have been used more consistently than others. She recommended more consistency with executive presentations, especially following templates. She noted that Board meeting evaluation forms were discontinued as the Board did not find them useful.</p> <p>She also reviewed the summary in the packet that detailed meeting and material lengths over time. Mr. Sibery commented</p>	

	that if Committees were not only advisory, that could reduce meeting lengths. Ms. Murphy noted that some Committee work is being repeated at the Board level. In response to Mr. Moran's question, Ms. Murphy explained that the strategic planning sessions primarily occurred in closed session, which has contributed to the increase in percentage of meeting time in closed session.	
9. PROPOSED FY18 GOVERNANCE COMMITTEE GOALS	<p>The Committee discussed recent cancelations of the Board & Committee Educational Gatherings and that they have been very useful. Ms. Murphy explained that these two meetings are part of the FY18 master calendar and the Committee will be asked to review an educational plan at its August meeting.</p> <p>Ms. Murphy explained that ideas from Mr. Moran were incorporated into the proposed goals.</p> <p>The Committee discussed proposed goals including:</p> <ul style="list-style-type: none"> - Evaluating the effectiveness and usefulness of the expanded Committee structure - To assess the District board's plan to implement ECH Board Structure expansion and make recommendations (Q1); assess the effectiveness of the plan over the course of FY18 and make recommendations (Q4) - To make recommendations for assessment of Board/management relationships; the Committee recommended delaying this review until FY19 when a new CEO has been in place <p>The Committee and staff discussed the difficulty to prepare for simultaneously on-boarding a new CEO and an undetermined number of new Board members in the next few months.</p>	<i>Governance Committee goals forwarded for Hospital Board review and approval</i>
10. PROPOSED FY18 ADVISORY COMMITTEE GOALS	<p>Mr. Moran discontinued participation in the meeting.</p> <p>In response to Ms. Lai's question, staff clarified the Investment Committee's executive dashboard.</p> <p>Ms. Murphy reported that the Finance and Quality Committees had just finalized their goals and will be forwarded to the Board for review and approval. There were no further questions on the Compliance, Executive Compensation, and Investment Committee goals and the Committee members present voiced no concerns.</p>	<i>Advisory Committee goals forwarded for Hospital Board review and approval</i>
11. REVIEW BOARD DIRECTOR COMPENSATION POLICY	The Committee noted that they are comfortable with the prior Committee discussions and decisions regarding the compensation policy. No further recommendations are being considered or advanced by the Committee.	
12. ADJOURN TO CLOSED SESSION	The meeting was adjourned to closed session at 6:50pm.	<i>Adjourned to closed session at 6:50pm.</i>
13. AGENDA ITEM 16: RECONVENE OPEN SESSION/ REPORT OUT	<p>Agenda items 13-15 were addressed in closed session.</p> <p>Open session was reconvened 6:53pm. There were no actions taken during the closed session.</p>	
14. AGENDA ITEM 20: FY17 PACING PLAN	<p>Mr. Moran rejoined the meeting via teleconference.</p> <p>In response to Director Fung's question, Ms. Murphy noted that while the ECH strategic planning update is currently paced for</p>	

	August FY18, it may be more appropriate for staff to bring the report later in the year. She also noted that the Board/Management relationship assessment and recommendations will be paced for Q1 FY19.	
15. AGENDA ITEM 21: ROUND TABLE DISCUSSION	No comments were made.	
16. AGENDA ITEM 22: ADJOURNMENT	The meeting was adjourned at 6:56 pm.	<i>Meeting adjourned at 6:56pm.</i>

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