



**Minutes of the Open Session of the
Executive Compensation Committee
Thursday, March 22, 2018**

**El Camino Hospital | 2500 Grant Road, Mountain View, CA 94040
Conference Room A (administration)**

Members Present

**Teri Eyre
Neysa Fligor
Julie Kliger
Bob Miller, Chair
Julia Miller**

Members Absent

**Pat Wadors
Jaison Layney**

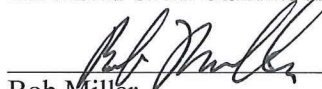
Agenda Item	Comments/Discussion	Approvals/ Action
1. CALL TO ORDER/ ROLL CALL	The open session meeting of the Executive Compensation Committee of El Camino Hospital (the “Committee”) was called to order at 3:59pm by Chair Bob Miller. A silent roll call was taken. Ms. Pat Wadors and Mr. Jaison Layney were absent. All other Committee members were present.	
2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Chair B. Miller 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 B. Miller asked if any member of the Committee or the public wished to remove an item from the consent calendar. Cindy Murphy, Director of Governance Services, requested that Agenda Item 4b: Proposed FY19 Committee Meeting Dates be pulled for discussion.</p> <p>Motion: To approve the consent calendar: Minutes of the Open Session of the Executive Compensation Committee Meeting (January 31, 2108), and for information: Progress Against FY18 Committee Goals and Article of Interest.</p> <p>Movant: J. Miller Second: Kliger Ayes: Eyre, Fligor, Kliger, B. Miller, J. Miller Noes: None Abstentions: None Absent: Layney, Wadors Recused: None</p> <p>Ms. Murphy discussed the proposed pacing for Hospital Board meetings in FY19 and potential conflicts with the proposed Committee dates. The Committee discussed their availability and noted that there were no conflicts with September 20, 2018. Chair B. Miller noted that he will reach out to the community members of the Committee regarding their continued interest in serving on the Committee for the next fiscal year.</p> <p>Motion: To approve the consent calendar: Proposed FY19 Committee Meeting Dates, amended to reflect a September 20, 2018 meeting.</p> <p>Movant: Fligor Second: Kliger Ayes: Eyre, Fligor, Kliger, B. Miller, J. Miller Noes: None Abstentions: None Absent: Layney, Wadors</p>	<i>Consent calendar approved</i>

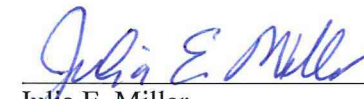
	<p>Recused: None</p> <p>Chair B. Miller outlined the Committee's progress against its FY18 Committee goals.</p>	
<p>5. REPORT ON BOARD ACTIONS</p>	<p>Chair B. Miller reported that the Board approved all of the Committee's recommendations, noting that there were some Board members who were concerned about target executive compensation above the 50th percentile (up to the 75th percentile).</p> <p>Chair B. Miller also discussed the Board's consideration of and concerns about delegation of authority and the prevalence of the topic in other Committees' Self Assessments. He explained that the next step is for the Committee to determine the procedures for that delegated authority.</p> <p>Ms. Fligor further described the Board concerns about movement above target compensation, even for extraordinary performance.</p> <p>Cindy Murphy, Director of Governance Services, referred to the recent Board actions as further detailed in the packet, highlighting the new hires of Bruce Harrison as President, SVMD and Deb Muro as permanent CIO. Dan Woods, CEO, described Mr. Harrison's prior experience in building physician programs.</p> <p>Chair B. Miller welcomed Ms. Kliger to the Committee.</p>	
<p>6. PROGRESS AGAINST FY18 ORGANIZATIONAL GOALS</p>	<p>Dan Woods, CEO, provided an overview of the progress against the FY18 Organizational Goals.</p> <p>Mr. Woods noted that in subsequent presentations, the quality goals will be listed first, and that the organization is on track to meet all goals by the end of the fiscal year. He described the measures and performance for each goal as further detailed in the packet.</p> <p>Chair B. Miller suggested that staff include concrete numbers for the external benchmarks referenced in the chart.</p> <p>In response to Ms. J. Miller's question regarding occupancy rates, Mr. Woods described management's review of productivity and daily data reports. Stephen Pollack from Mercer noted that the occupancy rate by itself is a difficult data point to evaluate management, as there are many other variables that control it and it should not be incentivized.</p> <p>In response to Ms. Kliger's question, staff described the timing and process of setting the organizational goals for FY19, which includes review and feedback from the Finance, Quality, and Executive Compensation Committees. Chair B. Miller noted that this Committee reviews the structure of the goals.</p>	
<p>7. ADJOURN TO CLOSED SESSION</p>	<p>Motion: To adjourn to closed session at 4:28pm.</p> <p>Movant: Kliger</p> <p>Second: Eyre</p> <p>Ayes: Eyre, Fligor, Kliger, B. Miller, J. Miller</p> <p>Noes: None</p> <p>Abstentions: None</p> <p>Absent: Layney, Wadors</p> <p>Recused: None</p>	<p><i>Adjourned to closed session at 4:28pm</i></p>
<p>8. AGENDA ITEM 13: RECONVENE OPEN SESSION/ REPORT OUT</p>	<p>Open session was reconvened at 5:33pm. Agenda items 8-12 were addressed in closed session.</p> <p>During the closed session, the Committee approved the Minutes of the</p>	

	Closed Session of the Executive Compensation Committee Meeting of January 31, 2018 by a unanimous vote in favor of all members present (Eyre, Fligor, Kliger, B. Miller, and J. Miller). Ms. Wadors and Mr. Layney were absent.	
9. AGENDA ITEM 14: DELEGATION OF AUTHORITY	<p>Motion: To recommend that the Board approve Draft Resolution 2018-__ including (a) delegation of authority to approve adjustments to annual salary ranges for all executives excluding the CEO, (b) a statement that the ECC is subject to the Brown Act and will report decisions made within its delegated authority to the Board, and (c) amending the ECC Charter and Policies 3.01, 3.02, 3.03, and 3.04 to comport with the delegation of authority and to recommend that the Board approve the Draft Procedures to be Followed by the El Camino Hospital Compensation Committee When Approving Compensation Pursuant to a Delegation of Authority Under California Nonprofit Corporation Law §5210.</p> <p>Movant: Fligor Second: J. Miller Ayes: Eyre, Fligor, Kliger, B. Miller, J. Miller Noes: None Abstentions: None Absent: Layney, Wadors Recused: None</p>	
10. AGENDA ITEM 15: BIENNIAL REVIEW OF COMMITTEE CHARTER	At the suggestion of staff, the Committee deferred this topic until its May meeting to review a revised charter with the changes related to the Delegation of Authority as discussed in Agenda Item 14.	
11. AGENDA ITEM 16: BIENNIAL COMMITTEE SELF- ASSESSMENT RESULTS REVIEW	<p>The Committee discussed various ratings on the self-assessment including:</p> <ul style="list-style-type: none"> - Policies and philosophies have been clarified with recent recommendations to the Board; - Lacking clear understanding of CEO priorities and Board goals; Ms. Murphy explained that the purpose of the April 25 Educational Session is to address how Committees can better support organizational strategy. She also noted that staff will continue to bring that kind of Board-related information back to the Committee; - There has been progress regarding the Board's receptivity to Committee's recommendations. <p>The Committee suggested that the item related to "evaluating the CEO's performance and development plan" be removed in subsequent surveys, as it was not applicable to this Committee.</p> <p>Chair B. Miller thanked the Committee for the healthy dynamic and thorough discussions. Ms. Eyre commended Chair B. Miller for his leadership as Committee Chair.</p>	
12. AGENDA ITEM 17: FY19 COMMITTEE GOALS	<p>Chair B. Miller noted that the goals may need to be revised if the Board approves delegating authority to the Committee.</p> <p>Ms. Fligor suggested replacing the first goal (related to scores/goals/payouts) with a goal related to succession planning and development for the C Suite: the Committee will ensure that there are complete talent profiles – there are interim successors for each position (not identified for the Committee, but the work has been done) , relevant competencies are included and there are plans developed to address any yellow and/or red areas. Ms. Eyre also requested that the talent profiles include scenario planning for the future of ECH. The Committee agreed that a follow up review of the talent planning</p>	<i>FY19 goal discussion to be paced for the Committee's May meeting</i>

	<p>process would be appropriate in Q3 or Q4.</p> <p>Julie Johnston, Director, Total Rewards, suggested combining goals 1 and 3 as further detailed in the packet.</p> <p>The Committee and staff discussed the fourth goal related to evaluation of the independent compensation consultant, including process and timing.</p> <p>The Committee requested that revised goals, including one related to Succession Planning be brought back to the Committee's May meeting.</p>	
13. AGENDA ITEM 18: FY18 COMMITTEE PACING PLAN	There were no questions or comments from the Committee on the pacing plan.	
14. AGENDA ITEM 19: CLOSING COMMENTS	Chair B. Miller thanked the Committee and staff for a productive meeting.	
15. AGENDA ITEM 20: ADJOURNMENT	<p>Motion: To adjourn at 6:10pm.</p> <p>Movant: J. Miller</p> <p>Second: Kliger</p> <p>Ayes: Eyre, Fligor, Kliger, B. Miller, J. Miller</p> <p>Noes: None</p> <p>Abstentions: None</p> <p>Absent: Layney, Wadors</p> <p>Recused: None</p>	<i>Meeting adjourned at 6:10pm</i>

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


Bob Miller
Chair, Executive Compensation Committee


Julia E. Miller
Secretary, ECH Board of Directors

Prepared by: Sarah Rosenberg, Contracts & Board Services Coordinator