



**Minutes of the Open Session of the
Governance Committee**

Tuesday, February 6, 2018

**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
Peter Moran (via teleconference)
Bob Rebitzer (via teleconference)

Members Absent

None

Agenda Item	Comments/Discussion	Approvals/ Action
1. CALL TO ORDER/ ROLL CALL	The open session meeting of the Governance Committee of El Camino Hospital (the "Committee") was called to order at 5:31pm by Chair Fung. A verbal roll call was taken. Mr. Moran and Mr. Rebitzer participated via teleconference. All Committee members were present.	
2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Chair Fung 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 Fung asked if any member of the Committee or the public wished to remove an item from the consent calendar.</p> <p>Chair Fung requested that Item 4b: Appointment of Board Directors to Advisory Committees be pulled. He noted that Mr. Kalbach is the Vice Chair of the Governance Committee and this should be reflected on the Committee slate.</p> <p>Motion: To approve the consent calendar: Minutes of the Open Session of the Governance Committee Meeting (December 13, 2017); and for information: Progress Against FY18 Committee Goals and Article of Interest.</p> <p>Movant: Kalbach Second: Rebitzer Ayes: Fung, Lai, Kalbach, Moran, Rebitzer Noes: None Abstain: None Absent: None Recused: None</p> <p>Motion: To approve the consent calendar: Appointment of Board Directors to Advisory Committees, revised as noted above.</p> <p>Movant: Kalbach Second: Lai Ayes: Fung, Lai, Kalbach, Moran, Rebitzer Noes: None Abstain: None Absent: None Recused: None</p> <p>In response to Chair Fung's question, Cindy Murphy, Director of Governance Services explained that the Article of Interest was provided by a</p>	<i>Consent Calendar approved</i>

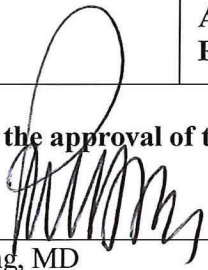
	consultant from the Governance Institute.	
5. REPORT ON BOARD ACTIONS	Chair Fung referred to the written reports in the packet and highlighted the need to improve reporting on the Board's decision making rationale back to the Committees. He also described recommendations from the Committee that were approved by the District Board, including the Revised ECH Board Member Election and Re-Election Process.	
6. UPDATE ON EL CAMINO HOSPITAL BOARD RECRUITMENT	Chair Fung reported that Mr. Gary Kalbach and Ms. Julie Kliger were appointed to the El Camino Hospital Board at the January 16, 2018 meeting of the El Camino Healthcare District Board.	
7. DRAFT REVISED BOARD AND COMMITTEE EDUCATION POLICY	<p>Cindy Murphy, Director of Governance Services, described the proposed changes to the Education Policy as further detailed in the packet.</p> <p>In response to Chair Fung's questions, Ms. Murphy described the frequency of Board use of these funds, primarily for Estes Park conferences. She noted that Committees rarely, if ever, use these funds.</p> <p>Ms. Murphy and the Committee discussed the report on educational activities including 1) a format that is not burdensome, 2) providing a value add to the other Board members (especially if encouraging them to attend), 3) whether the report should be written or verbal, and 4) whether the report should be suggested or required.</p> <p>The Committee suggested that the Policy include the section on Return on Investment, but change the word "required" to "expected" and simplifying the report to include just the takeaways learned that would be useful for the Board in carrying out its duties.</p> <p>Motion: To recommend that the Board approve the proposed revisions to the Board and Committee Education Policy, including the suggestions above.</p> <p>Movant: Moran Second: Kalbach Ayes: Fung, Lai, Kalbach, Moran, Rebitzer Noes: None Abstain: None Absent: None Recused: None</p>	<i>Policy recommended for approval</i>
8. REVIEW OF ECH BYLAWS SECTIONS 5.1 AND 5.2	<p>Chair Fung referenced the process for the appointment of Hospital Board directors approved by the District Board at its October 17, 2017 meeting.</p> <p>Mr. Moran explained that Hospital Bylaws allow for a nominating committee of the Hospital Board that is not currently being used to recruit and nominate Hospital Directors. The Committee discussed the current process for recruiting Hospital Directors through the District Board's Ad Hoc Committee and how to incorporate the knowledge and broad networks of the Hospital Board members in sourcing candidates for any future process. The Committee noted that the appointment is ultimately decided by the District Board. JoAnn McNutt from Nygren Consulting noted that the Governance Committee and Hospital Board currently have input in the process when they make recommendations regarding competencies that are used to evaluate Hospital Board candidates. Chair Fung noted that additional feedback is incorporated from the two relatively new advisors to the District Ad Hoc Committee, one of the community members on the Governance Committee, and one Non-District Board Member of the</p>	

	<p>Hospital Board.</p> <p>Ms. Murphy described the current process to solicit nominations from the Hospital Board: she sends a message with the approved competencies and the job description to the Hospital Board members, Advisory Committee members, Foundation Board members, and Executive Team encouraging anyone in their networks to submit applications to the District Ad Hoc Committee. The Committee commented that duplicative or competing nominating committees would not be useful.</p> <p>The Committee suggested amending the Hospital Bylaws to 1) remove Section 5.1 and 2) revise Section 5.2 to reflect that any Hospital Board nominations will be forwarded to the District's Ad Hoc Election Committee.</p> <p>Ms. Murphy suggested that any bylaws revision recommendations be held until the Committee's next meeting to allow for legal review.</p> <p>Ms. Lai also suggested that the solicitation of nominations from the Hospital Board be codified in the District Board's Process for Election and Re-Election of Non-District Board Members to the El Camino Hospital Board of Directors.</p>	
<p>9. BIENNIAL ADVISORY COMMITTEE SELF ASSESSMENTS</p>	<p>Mr. Rebitzer commented that it was difficult to determine the takeaways from the individual Committee self-assessments. He noted that there was an increase in the Quality Committee's overall scores over time and a disconnect between the Finance and Investment Committee's scores of themselves and the Board's independent ratings for each of those Committees.</p> <p>Ms. McNutt reviewed the Governance Committee's self-assessment and highlighted the improvement in scores from 2016 to 2018 and their overall strength. She reported that the lowest rated items were 1) the Committee's effective monitoring of board effectiveness and improvement recommendations and 2) Committee chair leadership. The Committee discussed the need to refine the communication between Board and Committees (both to the Board and back to the Committees).</p> <p>Ms. McNutt also noted that eliminating non-value added work is an area of improvement for all Committees.</p>	
<p>10. ASSESSMENT OF ADVISORY COMMITTEE STRUCTURE</p>	<p>Ms. McNutt reviewed the Assessment of the Committee Structure, noting that the assessment comments described added value from the expanded Committee structure, and opportunities for development include:</p> <ul style="list-style-type: none"> - Increasing cross-committee collaboration - Creating a feedback loop from the Board to the Committees and the Committees to the Board <p>Ms. McNutt and the Committee also discussed the history and feedback regarding considering delegating authority to the Committees. She commented that delegated authority would reflect the maturation of the Board and capitalize on the expertise of the Committees. The Committees discussed how any delegation should include 1) articulated spending authorities or parameters within which the Committee can operate and 2) strong feedback mechanisms between the Committees and the Board.</p> <p>Mr. Rebitzer requested additional data on best practices and market prevalence of delegated Committees and communication between the entities. Mr. Kalbach asked Ms. McNutt for recommendations and/or options of what delegations of authority can look like. Ms. McNutt noted that the delegation should be on a case-by-case or Committee-by-Committee</p>	

	<p>basis and enable rather than hinder both management and the Board.</p> <p>Ms. Murphy reported that the Executive Compensation Committee is bringing a recommendation to consider delegation of authority (to the Committee) to the Hospital Board at its February 14th meeting to introduce the idea and solicit feedback from the Board.</p> <p>The Committee suggested that the Board should give direction to the Governance Committee as to how it should advance any delegation of authority.</p> <p>Ms. McNutt explained that each Committee will do a deep dive of its respective self-assessment report.</p> <p>Ms. McNutt left the meeting at 6:43pm.</p>	
11. ADJOURN TO CLOSED SESSION	<p>Motion: To adjourn to closed session at 6:43pm.</p> <p>Movant: Kalbach</p> <p>Second: Lai</p> <p>Ayes: Fung, Lai, Kalbach, Moran</p> <p>Noes: None</p> <p>Abstain: None</p> <p>Absent: Rebitzer</p> <p>Recused: None</p>	<i>Adjourned to closed session at 6:43pm.</i>
12. AGENDA ITEM 15: RECONVENE OPEN SESSION/ REPORT OUT	<p>Open session was reconvened at 6:58pm. Agenda items 12-14 were addressed in closed session. During the closed session, the Committee approved the Minutes of the Closed Session of the Governance Committee Meeting (December 13, 2017) by a unanimous vote in favor of all members present (Fung, Kalbach, Lai, Moran (via teleconference), and Rebitzer (via teleconference)).</p>	
13. AGENDA ITEM 16: FY18 COMMITTEE PACING PLAN	<p>Ms. Murphy explained that the District Ad Hoc Committee has concluded its work and the recruitment topic for discussion at the Committee's April meeting is not needed until the fall. She also explained that the two new items on the pacing plan (Board goals and Board communication with staff) were discussed during the Board Retreat, where the Board requested Governance Committee review.</p> <p>In response to Chair Fung's question, Ms. Murphy explained that Dan Woods, CEO is holding a meeting with the management to review the results of the 2016 Board Self-Assessment. The Committee requested that the Board/Management relationships and effectiveness discussion be moved to the Committee's April meeting.</p> <p>Chair Fung noted that he will be absent for the Committee's April meeting and invited Mr. Kalbach as Vice Chair of the Committee to participate in the agenda setting process.</p> <p>Motion: To approve the revised Pacing Plan, as noted above.</p> <p>Movant: Kalbach</p> <p>Second: Moran</p> <p>Ayes: Fung, Lai, Kalbach, Moran, Rebitzer</p> <p>Noes: None</p> <p>Abstain: None</p> <p>Absent: None</p> <p>Recused: None</p>	

14. AGENDA ITEM 17: ROUND TABLE DISCUSSION	There were no additional comments from the Committee.	
15. AGENDA ITEM 18: ADJOURNMENT	Motion: To adjourn at 7:01pm. Movant: Kalbach Second: Lai Ayes: Fung, Lai, Kalbach, Moran, Rebitzer Noes: None Abstain: None Absent: None Recused: None	<i>Meeting adjourned at 7:01pm.</i>

Attest as to the approval of the foregoing minutes by the Governance Committee of El Camino Hospital:



Peter C. Fung, MD
Chair, Governance Committee