



**Minutes of the Open Session of the  
Governance Committee  
Tuesday, April 3, 2018**

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

**Members Present**

**Gary Kalbach, Vice Chair  
Christina Lai  
Peter Moran  
Bob Rebitzer**

**Members Absent**

**Peter C. Fung, MD, Chair**

Agenda Item	Comments/Discussion	Approvals/ Action
<b>1. CALL TO ORDER/ ROLL CALL</b>	The open session meeting of the Governance Committee of El Camino Hospital (the "Committee") was called to order at 5:33pm by Vice Chair Kalbach. A silent roll call was taken. Chair Fung was absent. All other Committee members were present.	
<b>2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES</b>	Vice Chair Kalbach asked if any Committee members may have a conflict of interest with any of the items on the agenda. No conflicts were noted.	
<b>3. PUBLIC COMMUNICATION</b>	None.	
<b>4. CONSENT CALENDAR</b>	<p>Vice Chair Kalbach asked if any member of the Committee or the public wished to remove an item from the consent calendar. No items were removed.</p> <p><b>Motion:</b> To approve the consent calendar: Minutes of the Open Session of the Governance Committee Meeting (February 6, 2018); Proposed FY19 Governance Committee Dates; Draft Revised ECH Bylaws Section 5.1 and 5.2; Draft Revised Process for Election and Re-Election of NDBMs to the ECH Board; and for information: Progress Against FY18 Committee Goals and Article of Interest.</p> <p><b>Movant:</b> Moran  <b>Second:</b> Rebitzer  <b>Ayes:</b> Lai, Kalbach, Moran, Rebitzer  <b>Noes:</b> None  <b>Abstain:</b> None  <b>Absent:</b> Fung  <b>Recused:</b> None</p> <p>Mr. Kalbach suggested that the Articles of Interest be shared with the Board.</p>	<b><i>Consent Calendar approved</i></b>
<b>5. REPORT ON BOARD ACTIONS</b>	Vice Chair Kalbach referred to the written report in the packet. Cindy Murphy, Director of Governance Services noted that three District Board seats will be filled at the election in November – two for 4-year terms and one for a 2-year term (due to Director Chiu's departure last year and the appointment to fill his vacancy).	
<b>6. DELEGATION OF AUTHORITY TO BOARD ADVISORY COMMITTEES</b>	<p>The Committee discussed including a mechanism for informational reporting back to the Board for any exercise of delegated authority (for example, including Committee reports on the Board's consent calendar for information).</p> <p>Mary Rotunno, General Counsel, described the Compliance Committee and Board requests to reduce the number of policies reviewed and approved by</p>	<b><i>Staff directed to develop proposed delegation areas and solicit</i></b>

	<p>the Board while still meeting regulatory and Joint Commission requirements. She noted that some policy approvals can potentially be delegated by the Board to management, a staff Committee, or a Board Committee.</p> <p>Mr. Rebitzer suggested that the Governance Committee have an FY19 goal related to reviewing other areas of appropriate delegation. Ms. Murphy suggested potential areas of delegation for the Finance Committee with established thresholds (e.g., capital requests, physician contracts).</p> <p>The Committee noted that the Investment Committee does not require any additional delegation beyond their current oversight. Any change in asset allocation goes to the Board for approval.</p> <p>In response to Mr. Moran's questions, the Committee and staff discussed the Board's approval in concept of the Executive Compensation Committee's proposed delegation of authority.</p> <p>The Committee requested that staff 1) develop specific recommendations of potential areas of delegation for each Committee, 2) solicit feedback from those Committees on the potential delegation, and 3) bring the recommendations and feedback to the Governance Committee in FY19.</p> <p>The Committee discussed how to evaluate whether or not a delegation of authority is successful. With respect to the Executive Compensation Committee, the Committee and staff noted that this can be evaluated by 1) demonstrated adherence to policies and procedures (documenting information in meeting minutes, maintaining copies of consultant reports with market data), 2) time savings (from informational report outs rather than discussion at the Board level), and 3) Board satisfaction, which can be measured by survey.</p> <p>Ms. Murphy reported that proposed procedures for delegating authority to the Executive Compensation Committee is on the Board's agenda for April. She explained the general timing for executive compensation-related approvals in June (annual base salaries, individual incentive goals) and October (achievement of goals and payout amounts).</p> <p><b>Motion:</b> To direct staff to take proposals to the other Advisory Committees regarding matters that the Board might delegate to those Committees.</p> <p><b>Movant:</b> Moran  <b>Second:</b> Rebitzer  <b>Ayes:</b> Lai, Kalbach, Moran, Rebitzer  <b>Noes:</b> None  <b>Abstain:</b> None  <b>Absent:</b> Fung  <b>Recused:</b> None</p>	<p><i>feedback from other Advisory Committees</i></p>
<p><b>7. ADJOURN TO CLOSED SESSION</b></p>	<p><b>Motion:</b> To adjourn to closed session at 6:04pm pursuant to <i>Gov't Code Section 54957.2</i> for approval of the Minutes of the Closed Session of the Governance Committee Meeting (February 6, 2018); pursuant to <i>Gov't Code Section 54957</i> for discussion and report on personnel performance matters – Senior Management: Board Governance/Management Relationships and Effectiveness.</p> <p><b>Movant:</b> Moran  <b>Second:</b> Lai  <b>Ayes:</b> Lai, Kalbach, Moran, Rebitzer  <b>Noes:</b> None  <b>Abstain:</b> None</p>	<p><i>Adjourned to closed session at 6:04pm.</i></p>

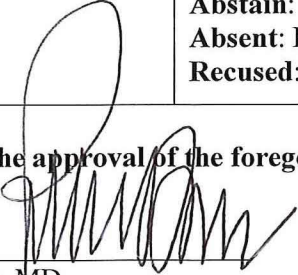


	<p><b>Absent:</b> Fung <b>Recused:</b> None</p>	
<p><b>8. AGENDA ITEM 12: RECONVENE OPEN SESSION/ REPORT OUT</b></p>	<p>Open session was reconvened at 6:35pm. Agenda items 8-11 were addressed in closed session. During the closed session, the Committee approved the Minutes of the Closed Session of the Governance Committee Meeting (February 6, 2018) by a unanimous vote in favor of all members present (Kalbach, Lai, Moran, and Rebitzer). Chair Fung was absent.</p>	
<p><b>9. AGENDA ITEM 13: PROPOSED PROTOCOL FOR BOARD COMMUNICATION WITH STAFF</b></p>	<p>Dan Woods, CEO, reported that at its January Retreat, the Board requested that staff develop a protocol for Board communication with staff. He explained that Ms. Murphy, the Director of Governance Services, is the primary point of contact and that Board members can directly contact the CEO.</p> <p>Ms. Murphy explained that the protocol was initially developed for requests for staff work, and the revisions expand that existing protocol to include communication and codify current practice. She noted her role is to evaluate and triage requests. The Protocol provides for exceptions where the Chairs and Executive Sponsors of Committees are free to communicate with each other and there are designated assistants for clerical matters.</p> <p>The Committee discussed the necessity of reporting absences and suggested that expected response times be within 2 business days and planned absences of greater than 2 business days are reported.</p> <p><b>Motion:</b> To recommend that the Board adopt the Guidelines for Communication with the CEO and other El Camino Hospital Staff, as amended to include 2 business day response times and absence reporting.</p> <p><b>Movant:</b> Moran <b>Second:</b> Lai <b>Ayes:</b> Lai, Kalbach, Moran, Rebitzer <b>Noes:</b> None <b>Abstain:</b> None <b>Absent:</b> Fung <b>Recused:</b> None</p>	<p><i>Protocol recommended for approval</i></p>
<p><b>10. AGENDA ITEM 14: PROPOSED FY19 BOARD GOALS</b></p>	<p>Dan Woods, CEO, reported that at its January Retreat, the Board requested that staff develop FY19 proposed Board goals. Board member comments were compiled and categorized into themes that provided the basis for the suggested goals and proposed tactics.</p> <p>Mr. Rebitzer suggested that tactics for strategic governance include: 1) issue-focused agendas (rather than status reports or process-focused), 2) Board-level materials, and 3) meetings of reasonable length. The Committee discussed an ultimate goal of 2 hour meetings, 30 page packets with any additional optional detail in an appendix, and certain percentage of time focused on strategy.</p> <p>The Committee discussed how to make Board meeting materials more effective and suggested that staff provide a few prior Board packets for the Committee to review and make recommendations for streamlining. Ms. Murphy reported that ECH has re-engaged Via Healthcare Consulting to work with executives on Board materials and governance-level presentations.</p> <p>The Committee requested that staff bring back specific measurable goals to the Committee's June meeting. Ms. Lai suggested that staff keep Goal #1, Tactic #3: checking in post-meeting about the value of agenda items,</p>	<p><i>Further discussion on goals to be paced for the Committee's June meeting</i></p>

	<p>material appropriateness, and discussion effectiveness.</p> <p>In response to Ms. Lai's question, Ms. Murphy described David Nygren's past work with the Board on effective governance.</p>	
<p><b>11. AGENDA ITEM 15: BIENNIAL REVIEW OF GOVERNANCE COMMITTEE CHARTER</b></p>	<p>In response to Ms. Lai's question, Ms. Murphy explained that the Committee has historically recommended a Director orientation program, but not recently. She noted that staff can bring the recently revamped program for the Committee's review.</p> <p>The Committee suggested that the orientation program be "adopted" rather than "recommended" by the Committee, not requiring Board approval.</p> <p>The Committee also discussed the current process for reviewing non-Board member Committee members. The Committee commented that there is no need to develop any further processes at this time.</p> <p><b>Motion:</b> To recommend that the Board approve the Charter, amended to state "Adopt the orientation program for newly-appointed members to the Hospital Board of Directors and newly-appointed Board Committee members."</p> <p><b>Movant:</b> Lai  <b>Second:</b> Moran  <b>Ayes:</b> Lai, Kalbach, Moran, Rebitzer  <b>Noes:</b> None  <b>Abstain:</b> None  <b>Absent:</b> Fung  <b>Recused:</b> None</p>	<p><i>Orientation program review to be paced for FY19</i></p> <p><i>Revised Charter recommended for approval</i></p>
<p><b>12. AGENDA ITEM 16: FY19 GOVERNANCE COMMITTEE GOALS</b></p>	<p>The Committee suggested an overarching goal of supporting the achievement of the three proposed Board goals, including:</p> <ol style="list-style-type: none"> <li><b>1. Strategic Governance:</b> Make actionable recommendations to the Board for how to streamline meetings (including a review of Board packets and agendas);</li> <li><b>2. Board Culture &amp; Dynamics:</b> Provide tactics related to closing the gap between the Board and management identified in the Board's Self-Assessment; and</li> <li><b>3. Efficient, Effective Use of Committees:</b> Review other areas of delegation and make recommendations for implementation; review Committee reports to ensure an effective process for informing the Board regarding exercised delegated authority.</li> </ol> <p>The Committee requested that staff bring the proposed goals to the Committee for review and approval at its June meeting.</p>	<p><i>Further discussion on goals to be paced for the Committee's June meeting</i></p>
<p><b>13. AGENDA ITEM 17: FY18 COMMITTEE PACING PLAN</b></p>	<p>Further discussion on the Proposed FY19 Board and Governance Committee goals will be paced for the Committee's June meeting.</p> <p><b>Motion:</b> To approve the revised Pacing Plan, as noted above.</p> <p><b>Movant:</b> Moran  <b>Second:</b> Lai  <b>Ayes:</b> Lai, Kalbach, Moran, Rebitzer  <b>Noes:</b> None  <b>Abstain:</b> None  <b>Absent:</b> Fung  <b>Recused:</b> None</p>	<p><i>Pacing Plan approved</i></p>
<p><b>14. AGENDA ITEM 18: ROUND TABLE</b></p>	<p>The Committee reviewed the meeting, highlighting the productive discussion, the use of the Article of Interest as pre-reading for a subsequent</p>	

<b>DISCUSSION</b>	topic on the agenda, and clear direction for staff. Mr. Rebitzer thanked staff for their honest feedback.	
<b>15. AGENDA ITEM 19: ADJOURNMENT</b>	<b>Motion:</b> To adjourn at 7:23 pm. <b>Movant:</b> Moran <b>Second:</b> Lai <b>Ayes:</b> Lai, Kalbach, Moran, Rebitzer <b>Noes:</b> None <b>Abstain:</b> None <b>Absent:</b> Fung <b>Recused:</b> None	<i>Meeting adjourned at 7:23pm.</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