



TAHOE FOREST HOSPITAL DISTRICT

# 2019-11-12 Board Executive Compensation Committee Meeting

Tuesday, November 12, 2019 at 3:00 p.m.

Tahoe Forest Hospital - Pine Street Cafe Conference Room

10121 Pine Avenue, Truckee, CA 96161

# Meeting Book - 2019-11-12 Board Executive Compensation Committee Meeting

11/12/19 Executive Compensation Committee

## AGENDA

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ITEMS 1 - 4: See Agenda

## 5. APPROVAL OF MINUTES

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## 6. ITEMS FOR COMMITTEE DISCUSSION AND/OR ACTION

### 6.1. Fiscal Year 2019 CEO Incentive Compensation

FY19 CEO Incentive Compensation Criteria Board  
approved 2018\_0524.pdf Page 7

ITEMS 7 - 9: See Agenda



# **BOARD EXECUTIVE COMPENSATION COMMITTEE AGENDA**

Tuesday, November 12, 2018 at 3:00 p.m.  
Pine Street Cafe Conference Room - Tahoe Forest Hospital  
10121 Pine Avenue, Truckee, CA 96161

- 1. CALL TO ORDER**
- 2. ROLL CALL**  
Dale Chamblin, Chair; Sarah Wolfe, Board Member
- 3. CLEAR THE AGENDA/ITEMS NOT ON THE POSTED AGENDA**
- 4. INPUT – AUDIENCE**  
This is an opportunity for members of the public to address the Committee on items which are not on the agenda. Please state your name for the record. Comments are limited to three minutes. Written comments should be submitted to the Board Clerk 24 hours prior to the meeting to allow for distribution. Under Government Code Section 54954.2 – Brown Act, the Committee cannot take action on any item not on the agenda. The Committee may choose to acknowledge the comment or, where appropriate, briefly answer a question, refer the matter to staff, or set the item for discussion at a future meeting.
- 5. APPROVAL OF MINUTES OF: 05/08/2019..... ATTACHMENT**
- 6. ITEMS FOR COMMITTEE DISCUSSION AND/OR RECOMMENDATION**
  - 6.1. Fiscal Year 2019 CEO Incentive Compensation ..... ATTACHMENT**  
Executive Compensation Committee will review the metrics and scores for FY19 CEO Incentive Compensation.
- 7. REVIEW FOLLOW UP ITEMS / BOARD MEETING RECOMMENDATIONS**
- 8. NEXT MEETING DATE**  
Executive Compensation Committee will discuss its next meeting date.
- 9. ADJOURN**

\*Denotes material (or a portion thereof) may be distributed later.

Note: It is the policy of Tahoe Forest Hospital District to not discriminate in admissions, provisions of services, hiring, training and employment practices on the basis of color, national origin, sex, religion, age or disability including AIDS and related conditions.

Equal Opportunity Employer. The meeting location is accessible to people with disabilities. Every reasonable effort will be made to accommodate participation of the disabled in all of the District's public meetings. If particular accommodations for the disabled are needed (i.e., disability-related aids or other services), please contact the Executive Assistant at 582-3481 at least 24 hours in advance of the meeting.



# BOARD EXECUTIVE COMPENSATION COMMITTEE **DRAFT MINUTES**

Wednesday, May 8, 2019 at 12:30 p.m.  
Eskridge Conference Room - Tahoe Forest Hospital  
10121 Pine Avenue, Truckee, CA 96161

## 1. CALL TO ORDER

Meeting was called to order at 12:30 p.m.

## 2. ROLL CALL

Board: Randy Hill, Chair; Dale Chamblin, Board Member

Staff in attendance: Harry Weis, Chief Executive Officer; Alex MacLennan, Chief Human Resources Officer; Martina Rochefort, Clerk of the Board

## 3. CLEAR THE AGENDA/ITEMS NOT ON THE POSTED AGENDA

No changes were made to the agenda.

## 4. INPUT – AUDIENCE

No public comment was received.

## 5. APPROVAL OF MINUTES OF: 10/29/2018

Director Chamblin moved to approve the Board Executive Compensation Committee minutes of October 29, 2018, seconded by Director Hill.

## 6. ITEMS FOR COMMITTEE DISCUSSION AND/OR RECOMMENDATION

### 6.1. Executive Compensation Committee Charter

Executive Compensation Committee reviewed and discussed the committee charter.

Committee discussed the wording of "Chief Executive Officer (CEO) relations" under Committee Responsibilities.

*Judy Newland, Chief Operating Officer, joined the meeting at 12:35 p.m.*

Director Chamblin was ok with the way "CEO relations" was used. Committee decided to leave it as is.

Director Hill said he would like more date specificity to items 2-8 in place of the word "annually."

CHRO noted "assure" in number 2 should be changed to "ensure."

Clerk of the Board was directed to make a redline of the charter and send to the committee members for review.

## 6.2. CEO Job Description

Executive Compensation Committee reviewed the job description for the Chief Executive Officer.

Committee would like the abbreviations for “QI” and “PIP” expanded before it is sent to the board.

## 6.3. CEO Employment Agreement

Executive Compensation Committee discussed adding additional retirement options to the CEO Employment Agreement.

In-house counsel crafted an amendment that says CEO can participate in split dollar retirement program.

Discussion was held about the clause being irrevocable for five years when the CEO’s Employment Agreement is good for a four-year term.

Committee asked for abbreviations “SERP” and “LTD” to be spelled out.

**Director Chamblin moved approval of amendment with recommended changes, seconded by Hill.**

The current process is that an independent third party is used to determine annual increases.

Committee discussed changing the second sentence under item 5(k) Future Compensation Adjustment to “Board of Directors may consider use of an independent consultant to determine the market increase.”

## 6.4. Fiscal Year 2020 CEO Incentive Compensation

Executive Compensation Committee discussed development of metrics for the fiscal year 2020 CEO Incentive Compensation.

The finance metric will be determined upon the board’s approval of the fiscal year 2020 budget.

Director Hill felt the goal for patient satisfaction should be a stretch. He also felt the incentives for c-suite and staff should be separated.

Executive Compensation Committee will ask the Board Governance Committee to add “base salary” during the next review of ABD-02 policy.

Discussion was held about a possible template/policy on incentive compensation. Counsel will assist in writing.

## 6.5. ABD-01 Chief Executive Officer Performance Evaluation

Executive Compensation Committee reviewed and discussed ABD-01 Chief Executive Officer Performance Evaluation policy.

Committee would like to add that the performance evaluation will be conducted “no later than November 30” The redlined policy will go to the board for approval.

### **6.6. Review CEO Evaluation Template**

Executive Compensation Committee reviewed and discussed the CEO performance evaluation template.

Discussion was held about the rating scale used as brought up previously by a board member. CHRO noted there may not be a better scale out there. It will be difficult to make it more objective.

Director Hill felt the board needed to pay more focused attention on the succession plan process. The letter from the CEO is one dimensional and does not give the board the opportunity to ask questions. Executive Compensation Committee felt a two-part performance evaluation would be better.

Executive Compensation Committee directed the following timelines to be added to ABD-01:

- An initial meeting should be set with the CEO by October 1.
- The CEO Performance Evaluation template should be distributed to board members by November 1.
- Completed evaluations should be returned to counsel by November 15.
- The formal evaluation should be presented to the CEO no later than November 30.

### **7. REVIEW FOLLOW UP ITEMS / BOARD MEETING RECOMMENDATIONS**

None.

### **8. NEXT MEETING DATE**

No date was set for the next Executive Compensation Committee meeting.

### **9. ADJOURN**

**Meeting adjourned at 2:03 p.m.**

## FY2019 CEO Incentive Compensation

### Finance 60%

-Meet or exceed budgeted net income or \$4,000,000, whichever is higher.

*\*\*Financial metric must be achieved for payout.*

### Service 10%

-Meet or exceed 93.76 Patient Satisfaction Scores as highlighted in gain sharing program.

### Quality 10%

-Meet or exceed 94.4% in TFH Core Measure Rollup.

*\*\* This measure includes the following measure(s)/sets: Immunization (IMM), Perinatal Care of Mothers (PCM), Stroke (STK), Venous Thromboembolism (VTE), Sepsis (SEP) and Acute Myocardial Infarction (AMI).*

### Growth 10%

-Exceed annual physician office visits total as of June 30, 2018 by 3,000 for all owned or managed physicians.

### People 10%

- Meet or exceed 3.45 on employee engagement survey question 62 – “I have confidence in senior management’s leadership.”

- Meet or exceed 3.6 on employee engagement survey question 60 – “Senior management’s actions support this organization’s mission and values.”