



City & County of San Francisco

HEALTH SERVICE BOARD

1145 Market Street + Suite 300 + San Francisco, CA 94103

G O V E R N A N C E C O M M I T T E E

Minutes

Special Meeting

Wednesday, October 29, 2014

3:00 P.M.

City Hall, Room 416
1 Dr. Carlton B. Goodlett Place
San Francisco, California 94103

□ Call to order

□ Roll call

Committee Chair, Karen Breslin
Committee Member Randy Scott (Interim)
Committee Member Jordan Shlain, M.D.

Tom Iannucci, President of Cortex Applied Research, participated in this committee meeting by telephone.

This meeting was called to order at 3:06 p.m.

□ 10292014-01G

Action item

Review and approve Governance Committee's
Tentative Forward Agenda (Committee Chair Breslin)

Documents provided to Committee prior to meeting:
Draft Tentative Forward Agenda.

Public comments: None.

Action: Motion was moved and seconded by the Committee to approve the Tentative Forward Agenda with the understanding that confirmed dates for future meetings will be provided soon.

Motion passed 3-0.

- 10292014-02G Discussion Item

Review status of Cortex governance project
(Tom Iannucci, Cortex)

Documents provided to Committee prior to meeting:
Project status memorandum.

- Tom Iannucci, Cortex Applied Research President, reviewed his memo outlining the status of the Governance Committee's project consisting of two phases: (1) Board performance evaluation, and (2) review of the Board's governance manual. The first phase of the project is essentially complete.
- The Health Service Board's performance evaluation was scheduled for review at this meeting.
- The governance policies were expected to be presented to the Committee in either December or January.
- Mr. Iannucci also offered to include the administration of the HSS Executive Director's performance evaluation for the current and prior years in its contract at no additional cost.
- Phase 2 of the project will include the role of the Board in investments, and perhaps recommendations.
- Erik Rapoport, Deputy City Attorney, asked for the opportunity to review the investments from a legal standpoint before discussing financial issues in an open session. He plans to review the investments in the next few weeks.
- Commissioner Scott stated that he would like clarification on how the money is managed for transparency.
- Mr. Rapoport stated that he will also discuss with outside counsel whether the Health Service Board should draft a trust fund agreement, which came up during collective bargaining.

Public comments: None.

□ 10292014-03G Action item

Review results of 2014 Health Service Board Performance Evaluation and approve any recommendations to the Board (Tom Iannucci, Cortex)

Documents provided to Committee prior to meeting:

1. 2014 Health Service Board Performance Evaluation Survey results;
 2. 2012 Health Service Board Performance Evaluation Survey results.
- Mr. Iannucci reviewed the 2014 Health Service Board performance evaluation and summarized the results of the survey. He noted that a number of the Board members offered very good suggestions, some of which were listed in the Executive Summary under item 2.
 - Mr. Iannucci noted that one area receiving a relatively low score was the Board's continuing education program. It was suggested that the Board needs to formalize and devote more resources to education, both internally and externally.
 - Another suggestion from the interviews was that the Board set aside time specifically devoted to higher level strategic issues and planning.
 - The survey also indicated the Board's need to engage in effective management succession planning and effective evaluation of the Executive Director.
 - In Part 3 of the survey, Cortex identified nine potential actions or next steps resulting from Board member responses.
 - Commissioner Breslin responded that several issues in the 2014 survey were also noted in the Board's 2012 self-evaluation. Mr. Iannucci confirmed that some of the same issues were raised when the original work began in 2009 or 2010.
 - Commissioner Scott suggested adopting a timeline on the potential next steps to indicate the Board's commitment to addressing the issues, since several are long-standing. He stated that Board education is

a critical concern, and perhaps the City Attorney could suggest areas of common knowledge or information that Board members should have in order to perform their fiduciary roles.

- Commissioner Shlain stated that education is usually attached to a resource, either money or time or both. He suggested that in addition to attaching timelines to the potential next steps that a budget also be included.
- Catherine Dodd, HSS Director, noted that HSS staff has not attended any conferences in the last four years due to training budget constraints.
- Commissioner Scott suggested that the first order of business should be to try to ascertain a sense of the explicit topics that Board would wish to pursue and a plan to define it.
- Erik Rapoport, Deputy City Attorney, stated that the last paragraph of Charter Section A8.423 lists the types of expenses allowed from the trust fund. He suggested that some of the educational programs could help reduce healthcare costs.
- The last paragraph in Charter Section A8.423 states the following: “The Health Service Board shall have the responsibility to obtain and disseminate information to its members with regard to plan benefits and costs thereof. All expenses in connection with obtaining and disseminating said information, the investment of such fund or funds as may be established, including travel and transportation costs, member wellness programs, actuarial expenses and expenses incurred to reduce health care costs, shall be borne by the system from reserves in the health service fund but only upon adoption of a resolution by the Health Service Board approving such expenses.”

- Director Dodd noted that the Board also approves the \$2.05 per member per month budget, and that money could be set aside for training.

Public comments: None.

Action: Motion was moved and seconded by the Committee to forward the 2014 Health Service Board performance evaluation to the full Board and that the Governance Committee be charged with providing a specific plan for potential next steps (Part 3 of the self-evaluation survey).

Motion passed 3-0.

□ 10292014-04G Action item

Consider initiation of 2010-14 Executive Director Evaluation (Tom Iannucci, Cortex)

Documents provided to Committee prior to meeting:

1. Executive Director Performance Evaluation Policy;
 2. Executive Director Performance Evaluation Questionnaire;
 3. Health Service System Director job description (0963 Department Head III);
 4. 2010 HSS Executive Director performance evaluation (confidential);
 5. 2014-15 and 2015-16 HSS organizational chart.
- Tom Iannucci stated that the HSS Director had not been evaluated since 2010. He asked for the Committee's input regarding whether to initiate the Director's evaluation for the current year (2014) and if so, the time period to be covered.
 - Mr. Iannucci offered to administer the Director's evaluation survey online as part of the project at no additional cost.
 - Commissioner Scott responded that a mechanism needs to be provided so that those who are most knowledgeable on the Board or other constituencies are allowed to make summary comments about the Director's performance during the period since the last evaluation. He did not recommend, however, spending the effort

reviewing the past four years, stating that the focus should be on the current period and the future.

- Director Dodd stated that she had completed a self-evaluation for the past four years noting it was important to summarize the changes made during the past four years, including trends for that period of time. She stated that she found the evaluation survey to be flawed as far as some of the categories and the range of scoring inappropriate in certain areas. She suggested that the Executive Director be largely evaluated on the strategic plan and the accomplishment of items approved by the Board.
- The Committee was in agreement that the timeframe of the Director's evaluation not cover the past four years but a more recent period (i.e., two years) while allowing input from former Board members and others as well as the Director's self-evaluation.
- Commissioner Scott suggested that the timeframe for the Director's evaluation cover the period January 2013 to the present, which would include Director Dodd's medical leave.
- Mr. Iannucci clarified that the Director's self-evaluation would be provided to current Board members prior to their completion of the survey. Former Board members and others wanting to weigh in would not receive the online survey but could submit their comments in writing.
- Mr. Iannucci stated that the evaluation survey could be distributed to the full Board very quickly and asked for Committee approval to move forward. He stated that the results could possibly be tabulated by the end of November or early December.

Public comments: None.

Action: Motion was moved and seconded by the Committee to approve administering the HSS Executive Director's performance evaluation to the current Health Service Board members for the time period beginning January 2013 to the present and

solicit the Executive Director's self-evaluations for the preceding period during which no formal evaluation had been completed.

Motion passed 3-0.

□ 10292014-05G Action item

Review Executive Director evaluation criteria for 2015 evaluation (Tom Iannucci, Cortex)

Documents provided to Committee prior to meeting:
Draft memorandum regarding evaluation criteria.

- Tom Iannucci referenced his memorandum to the Committee stating that he wanted to offer suggestions for the Executive Director's performance evaluation criteria going forward.
- Cortex recommends that over time the Health Service Board modify the Executive Director's evaluation process to include larger components of objective measurable criteria.
- Mr. Iannucci suggested starting the process using expanded criteria with the Executive Director's 2015 evaluation. The modified evaluation would incorporate two types of criteria, management leadership abilities, which are subjective in nature, and the completion of specified goals, objectives or milestones contained in the strategic plan.
- Subjective and objective criteria would be given equal weight (50-50 split). Over time, the Committee can add more objective measures.
- Commissioner Scott suggested conducting a mid-year review of the objective and subjective criteria to determine overall progress and whether any adjustments need to be made.
- Director Dodd questioned the scoring system for certain categories on the current evaluation form.
- Commissioner Scott suggested using competencies with certain defined behaviors, including clear strategic and operational tasks or goals, to evaluate the Executive Director.

- Mr. Iannucci suggested a review of the survey instrument as part of Phase 2 of the project. He expressed a willingness to work with any of the Committee members to tailor the evaluation form.
- Commissioner Scott stated that he would be willing to draft something to bring back to the Committee for review noting that it may not be a perfect instrument the first time around and will, hopefully, capture most of the issues but will be different than the current checklist.
- Director Dodd stated that the City's Department of Human Resources conducts 360 evaluations of department heads for a fee.
- In response to Committee Chair Breslin's question regarding timing, Commissioner Scott stated that he could draft a revision to the current evaluation instrument, e-mail it to the Committee members for comments prior to the next meeting in December and finalize the document at the meeting.

Public comments: None.

Action: Motion was moved and seconded by the Committee to accept Cortex's memorandum as the framework for the Director's 2015 performance evaluation with the understanding that a new format for performance evaluation criteria be developed and presented to the Committee in December 2014.

Motion passed 3-0.

- 10292014-06G Discussion item **Opportunity to place items on future agendas**
 - Tom Iannucci stated that he would update the Forward Agenda to include the review of the Director's evaluation criteria framework making it more explicit.

Public comments: None.

- 10292014-07G Discussion item **Opportunity for the public to comment on any matters within the Board's jurisdiction**

Public comments: None.

Adjourn: 4:25 pm

Summary of Health Service Board Rules Regarding Public Comment

- Speakers are urged to fill out a speaker card in advance, but may remain anonymous if so desired.
- A member of the public has up to three (3) minutes to make pertinent public comments before action is taken on any agenda item.
- A member may comment on any matter within the Board's jurisdiction at the designated time at the end of the meeting.

Health Service Board and Health Service System Web Site: <http://www.myhss.org>

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Accessible seating for persons with disabilities (including those using wheelchairs) will be available.

The following services are available upon request:

- American Sign Language interpreters will be available upon request.
- A sound enhancement system will be available upon request at the meeting.
- Minutes of the meeting or hearing are available in alternative formats.

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Summary of Health Service Board Rules Regarding Cell Phones and Pagers

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- The chair of the meeting may order the removal from the meeting room of any person(s) in violation of this rule.
- The chair of the meeting may allow an expelled person to return to the meeting following an agreement to comply with this rule.

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