



**MINUTES OF THE JULY 28, 2016 SPECIAL BOARD MEETING OF THE PETALUMA
HEALTH CARE DISTRICT BOARD OF DIRECTORS**

CALL TO ORDER

President Hempel called the meeting to order at 7:00 pm in meeting rooms at Lucchesi Community Center, 320 N. McDowell Blvd., Petaluma.

PRESENT

Elece Hempel, President
Robert Ostroff, M.D., Vice President
Fran Adams, RN, BSN, Secretary
Josephine S. Thornton, M.A., Treasurer
Joseph Stern, Board Member at Large

ALSO PRESENT

Ramona Faith, CEO, PHCD
Andrew Koblick, Controller, PHCD
Betty Daniels, Admin. Asst., PHCD
Erin Howseman, Board Clerk, PHCD
Vanessa DeGier
Brett Shinn, PVH Foundation
Chris Manson, SJH
Tina Deason
Tami Bender
Eric Gneckow, Argus Courier
Alan Maciel

CALL FOR CONFLICT

President Hempel called for conflict. There was none.

MISSION AND VISION

Joseph Stern, PHCD Board Member at Large read the mission and vision of the Petaluma Health Care District.

The mission of the Petaluma Health Care District is to improve the health and well-being of our community through leadership, advocacy, support, partnerships and education.

Petaluma Health Care District envisions: A healthier community: a thriving hospital; local access to comprehensive health and wellness services for all.

CONSENT CALENDAR

A motion was made by Director Ostroff to approve the July 28, 2016 agenda and the July 25, 2016 minutes, which was seconded by Director Adams. This motion was passed by a vote of 5 ayes (Directors Hempel, Ostroff, Thornton, Adams, Stern) and 0 nays.

PUBLIC COMMENTS

There were no public comments.

BOARD COMMENTS

There were no board comments.

ADMINISTRATIVE REPORT

CEO Report

CEO Faith called the board's attention to the PHCD press release in the board packet which listed the upcoming public meetings to update the community on the due diligence process. Ms. Faith also noted in the board packet the memo from her to PVH physicians, employees and volunteers, dated July 26, 2016, regarding the progress on the due diligence process. The memo states that the District board and SJH have not reached an agreement on the terms of a new hospital lease, but that both entities are continuing to work in good faith to reach an agreement that best serves the needs of the Petaluma community.

PVH DUE DILIGENCE PROCESS

Ramona Faith, CEO, PHCD presented the current state of the PVH due diligence process to identify the future operator of Petaluma Valley Hospital highlighting the following:

- Camden GE Healthcare Consulting firm has been, and continues to be the lead consultant for the due diligence process. Other consultants have been utilized as necessary.
- Input from community stakeholder interviews and public input has been incorporated into the bid process and decision criteria the board will use to make a recommendation.
- PHCD reached out to 16 entities and received 5 responses:
 - St. Joseph Health
 - Sutter
 - Prime Healthcare Services
 - Prime Healthcare Foundation
 - Strategic Global Management
- Two hospital operators completed the bid process – SJH and Prime. District decided to focus discussions with SJH.
- St. Joseph Health and Petaluma Health Care District have not yet reached an agreement. District Board is continuing to move forward in good faith and SJH indicated they are as well.

- Since the District Board and SJH have not reached an agreement on terms of a new lease, there has been discussion with SJH and a mutual understanding for the need for an interim lease extension.
- There is a difference of opinion as to who will own hospice when the current lease with SJH ends. A hospice settlement agreement will be considered as part of the negotiation process if the District moves forward with SJH as the operator of Petaluma Valley Hospital.
- SJH is a Catholic health care system and is bound by ethical religious directives. The District Board will work to develop a smooth referral process to ensure access to services impacted by ERDs, and SJH will not be a barrier to the development of such processes.
- Additional public meetings will be held when a tentative agreement has been reached to share material terms with the public, invite public comments and ask for public support in the District Board's recommendation.

PUBLIC COMMENTS: ON PVH DUE DILIGENCE PROCESS:

Chris Manson, of SJH, commented that PVH is an important part of the SJH family. Mr. Manson stated SJH has supported local businesses, and has invested more than \$50 million in hospital capital expenditures over the past 19 years, and has provided more than \$16 million dollars in community benefits last year alone. SJH is committed to work to come to an agreement with PHCD.

INFORMATIONAL ITEMS

President Hempel listed the upcoming public meetings discussing the due diligence process for Petaluma Valley Hospital: August 2nd at 7:30 a.m., August 3rd at 5:00 p.m., both at Lucchesi Community Center; August 8th at 7 p.m. at Penngrove Elementary School; and August 9th at 5:30 p.m. at Liberty Elementary School.

ADJOURN TO CLOSED SESSION

President Hempel adjourned the meeting to closed session pursuant to: Government Code § 54956.8 closed session; real property transaction.

ADJOURN TO OPEN SESSION

President Hempel adjourned the meeting to open session and reported that no action was taken in closed session.

ADJOURN

President Hempel adjourned the meeting at 8:40 p.m.

Submitted by Fran Adams, Board Secretary
Recorded by Betty Daniels, Administrative Assistant