



**MINUTES OF THE AUGUST 17, 2018 MEETING OF THE
PETALUMA HEALTH CARE DISTRICT BOARD OF DIRECTORS**

CALL TO ORDER

President Hempel called the meeting to order at 2:02 PM in the lobby conference room at 1425 N. McDowell Blvd.

PRESENT

Elece Hempel, President
Fran Adams, RN, BSN, Secretary
Joseph Stern, Treasurer
Josephine S. Thornton, M.A., Vice President
Jeffrey Tobias, MD, Board Member-at-Large

ALSO PRESENT

Ramona Faith, CEO, PHCD
Andrew Koblick, Controller, PHCD
Ruth Wells, Board Clerk, PHCD
Donald Bouey, attorney, Bouey & Black – joined the meeting at 3:04pm
Tyler Hedden, COO, St. Joseph Health, Sonoma County
Douglas Straus, attorney, Archer Norris – joined the meeting at 3:04pm

CALL FOR CONFLICT

President Hempel called for conflict. There was none.

MISSION AND VISION

CEO Ramona Faith 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 Adams and seconded by Director Thornton to approve the Agenda for August 17, 2018. This motion was PASSED by a vote of 5 ayes (Directors: Adams, Hempel, Stern, Thornton, Tobias) and 0 noes.

PUBLIC COMMENTS ON NON-AGENDIZED ITEMS

There were no public comments.

BOARD COMMENTS

There were no comments.

PETALUMA VALLEY HOSPITAL

SRM Alliance Board Update

Interim hospital administrator Tyler Hedden

As requested at the June 19 PHCD board meeting, Mr. Hedden gave an update on progress made on the Petaluma Valley Hospital Property Condition Assessment (orig. 3/3/2016) report. The property condition report was required for a new lease arrangement.

CEO Faith noted that SJH's update shows seismic retrofitting needs (mandated by 2030) projected to take more time and resources than the original report estimated. Mr. Hedden stated that the seismic study cost in the original report is unrealistic. SJH estimates the study alone will cost in excess of \$60,000 (not \$6,000) and millions to complete repairs. He noted that in the meantime, as structures are touched for repairs before 2030, seismic repairs can be incorporated, as the property condition assessment report recommended.

Outside of seismic issues, most other recommended repairs have been made. High-pressure boilers will be replaced with low-pressure units that do not require an engineer on site, pending OSHPD design review. The generator system replacement also is in OSHPD design review, planning to replace the present two independent generators with three linked units that can restore power within 10 seconds.

SJH has budgeted \$2.4 million for next year to replace the entire facility roof. Mr. Hedden was not familiar with the status of the handrail issue flagged on the Hospice building and will report after confirming.

Ms. Faith asked when the seismic evaluation is planned. Mr. Hedden will ascertain the timeframe from the facilities director.

Mr. Hedden reported that labor negotiations with Petaluma Staff Nurse Partnership (PSNP) are proceeding. The union is asking for more meetings than can reasonably be accommodated in the 4-6 week time frame, and it seems unlikely that negotiations can be completed by Sept. 30.

SJH will not use the old contract as a basis, so each issue needs to be negotiated. SJH views the succession clause PSNP requests as problematic, because they cannot make commitments that a prospective new operator might not want.

Ms. Faith questioned whether SJH wants to be in a position to renegotiate the contract if and when Newco operates the hospital. The timeframe may be short – and the operator will be back to the table creating yet another new agreement. Director Adams stated the nurses need some assurance of job stability. Waiting only increases the nurses’ anxiety. Mr. Hedden reiterated that SJH does not want to be in a position of negotiating for a future operator. Director Adams voiced concern that the SJH negotiators are largely non-Petaluma people who don’t necessarily understand a small hospital dynamic.

Director Tobias asked whether SJH offers counter proposals on points of disagreement. Mr. Hedden said he understood that some counters have been proposed, but that SJH intends to stand firm on some issues.

Given that the nurses haven’t had a raise for a couple of years, the Board strongly recommends that nurses get some movement toward parity with SJH Memorial nurses immediately as a good faith gesture. Mr. Hedden said the decision has been made not to offer economic adjustment until the end of negotiations because SJH believes the nurses leading the newly formed internal union would have a bigger win if the increase was part of the final agreement.

Mr. Hedden reported that, typical of August, hospital census has been low with the exception of a recent auto accident that involved a child fatality. The hospital staff performed admirably in a distressing situation. Director Hempel asked whether a FEMA crisis prevention team had met with the PVH staff. Mr. Hedden said the hospital has a critical incident management team including a chaplain that conducts an after-incident review.

Ms. Faith noted that the hospital’s financial reports show net income of \$4.3 million. Director Thornton stated that this number includes a prior-year adjustment.

The board thanked Mr. Hedden for his report.

GOVERNANCE COMMITTEE REPORT

Board Governance Assessment: At the June 19 Board meeting, the Board requested the Governance Committee meet to review and recommend action to address issues raised in the Board Governance Assessment Report. Directors Hempel and Thornton (Governance Committee) met with CEO Faith, and after review, recommends that issues identified in the report be addressed during the Board’s strategic planning process. Director Thornton questioned whether further discussion should be delayed until her successor is elected in November. The Board agreed that her experience is valuable and urged that strategic planning move forward. It was agreed that more financial information with respect to the hospital lease is needed. Those details are pending the result of discussions with Providence/St. Joseph Health in the coming week.

Board compensation: Director Hempel noted that director compensation and reimbursements for special district boards are not uniform across the state. CA Assembly Bill 2329 (AB2329) proposes guidelines to address this issue. ACHD supports the bill. PHCD's policy of reimbursing health insurance costs for directors is unusual. Most special districts pay a meeting stipend, but no health insurance benefits. The Governance Committee recommends that the District bring its policy into compliance with AB2329 proactively.

CEO Faith reviewed the history of how the policy has been applied. Director Stern requested that the District's policy be made uniform and equitable, and follow the ACHD recommendation. Directors agreed that a policy for meeting participation is reasonable. Director Thornton requested that the circumstance for compensation be defined.

The Board directed staff to propose a policy that includes meeting definition and rate for meeting participation for discussion and action at the August 21 board meeting.

November election: CEO Ramona Faith reported that at the close of the filing period Aug. 10, the two-year term seat currently held by Director Tobias was uncontested, and he will continue in office through November 2020. Two four-year terms also are open for election and received three applications: Director Stern (incumbent), Crista Chelemdos (Executive Director, Senior Advocacy Services) and Gabriella Ambrosi (President / CEO, Sequoia Senior Solutions). The election of these offices will be consolidated with the General Election on November 6.

Closed Session began at this point in the meeting, but is minuted in the order of the agenda.

BOARD POLICY DISCUSSION

Discussion of the board policy "Guiding Principles for District Business Ventures" was deferred to the August 21 meeting agenda.

COMMITTEE ADVISORY COMMITTEE CHARTER

Discussion of a charter for the standing Community Advisory Committee was deferred to the August 21 meeting agenda.

INFORMATIONAL ITEMS

There was no discussion of the Informational Items.

PUBLIC COMMENTS ON CLOSED SESSION ITEMS

There were no public comments on Closed Session items.

ADJOURN TO CLOSED SESSION

President Hempel adjourned the meeting into closed session at 3:05 PM, for discussion pursuant to Government Code §54956.8, real property transaction Closed Session meeting with negotiator – (400 North McDowell Blvd.), and pursuant to Health & Safety Code Section 32106 concerning new programs, services or facilities.

ADJOURN TO OPEN SESSION

President Hempel adjourned the meeting to open session at 5:12 PM and reported no action was taken in Closed Session on the property negotiation.

Similarly, no action was taken on the Health & Safety Code discussion.

A proposal for development of the vacant parcel at Lynch Creek Way and N. McDowell Blvd. will be heard in open session at the August 21 meeting.

PLUS / DELTA

No new business was proposed.

ADJOURN

The Board will next meet on August 21 at 12:00 pm.
President Hempel adjourned the meeting at 5:14 PM.

Submitted by Fran Adams, Board Secretary
Recorded by Ruth Wells, Board Clerk