



**MINUTES OF THE NOVEMBER 6, 2018 MEETING OF THE
PETALUMA HEALTH CARE DISTRICT BOARD OF DIRECTORS**

CALL TO ORDER

President Hempel called the meeting to order at 7:32 AM 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, Bouey & Black – via conference call
Tyler Hedden, St. Joseph Health
Matthew Kelman, Exchange Bank
Douglas Straus, Buchalter – via conference call

CALL FOR CONFLICT

President Hempel called for conflict. There was none.

MISSION AND VISION

Director Thornton 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 Stern and seconded by Director Adams to approve the agenda for November 6, and minutes of the October 16 PHCD Board meeting. This motion was PASSED by a vote of 5 ayes (Directors: Adams, Hempel, Stern, Thornton, Tobias) and 0 noes.

PUBLIC COMMENTS ON CLOSED SESSION ITEMS

There were no public comments.

ADJOURN TO CLOSED SESSION

President Hempel adjourned the meeting into closed session at 7:37 PM for discussion pursuant to Government Code §54956.8, real property transaction Closed Session meeting with negotiator – (400 North McDowell Blvd.).

ADJOURN TO OPEN SESSION

President Hempel adjourned the meeting to open session at 8:34 AM and reported no action was taken in Closed Session on the real property transaction.

PUBLIC COMMENTS ON NON-AGENDIZED ITEMS

There were no public comments.

BOARD COMMENTS

President Hempel reviewed two chapters of *52 Ways to Make a Better Board*, which the board is reading together. Chapter 21 advises boards to establish norms for both procedure and communication in how directors work together and with staff. Chapter 22 commends planning beyond the current year, which the District does well.

PETALUMA VALLEY HOSPITAL

SRM Alliance Board Update

Tyler Hedden reported that Radology Tech Week and Emergency Nurses Week were recently recognized. Management is looking to consolidate staff celebrations into a Health Care Week in the spring. Ms. Faith stated that the District would like to participate in that recognition.

SJH is undertaking a countywide initiative to improve patient satisfaction measures by looking at potential cultural barriers to communication. They are using Ritz Carlton consultants to learn to communicate better with employees and caregivers, emphasizing teamwork and continuous learning.

The med-surg nurse manager has announced that her family is moving to SoCal. Med-surg has a nurse manager and assistant manager. Coverage through the manager's recent maternity leave has prepared the department well to transition to new leadership, and has contributed to low hospital-acquired infection rates.

The new director of perioperative service in ER is doing well in the first month on the job. Management is looking at restructuring the leadership positions that have been tough to fill.

Clinical and call issues continue in the orthopedics and emergency departments as the ortho docs have been picking up the majority of on-call shifts. Management is working to spread the call responsibility more broadly among physicians.

Nurse contract negotiations continue slowly. SJH is insisting on face-to-face negotiators. Board members felt that point was arbitrary and encouraged the inclusion of video conferencing for consultants as needed.

Director Thornton noted that at the recent SRM Alliance board meeting Mr. Salnas reiterated the Petaluma-first strategy in assigning ICU and med-surg cases that come into Santa Rosa Memorial to PVH when possible, to balance the patient load in their network.

Board thanks Mr. Hedden for his presentation.

Public Comments: There were no comments.

COMMUNITY ADVISORY COMMITTEE CHARTER

Director Tobias asked for consensus as to what the Board wants the Community Advisory Committee to do. Director Thornton stated the immediate need is for a group that can help get the hospital lease vote approved, then perhaps revise for future needs. She questioned whether the existing CHIPA group (an ad hoc committee of the board) could be used, rather than forming a new committee.

Director Stern suggested using strategic planning process to outline what is needed. The board concurred and conversation about developing an avenue to both listen and communicate with the larger community, with short-term and long-term goals, will be added to the strategic planning process that begins in January.

The Board commended Director Tobias for developing a good draft for the committee charter that can be expanded upon in the future.

ADMINISTRATIVE REPORT

PRESIDENT'S REPORT

President Hempel noted that this is likely the last board meeting for Director Thornton, whose successor is being elected today. The Board acknowledged and thanked Director Thornton for her many years of service to the community in this capacity.

Director Thornton exited the meeting at 9:00 am.

CEO REPORT

CEO Ramona Faith noted that her CEO evaluation is due before the end of the year. President Hempel will lead the board's review process. Written material will be mailed to the board this week to complete the review in closed session at the Dec. 5 meeting.

Richard Strunin, MD, a retired anesthesiologist, has come on board as the Heartsafe Community medical director.

PHCD has been recognized by the *North Bay Business Journal* as one of 13 Healthiest Companies in the North Bay.

PHCD is supporting the Turkey Trot – good family/community event on Thanksgiving morning.

An article on the Petaluma City Schools program (a collaboration the District helped foster) pioneering peer-to-peer opioid prevention education ran in *The Press Democrat* today.

FINANCIAL SUSTAINABILITY

Quarterly Investment Report

The Board welcomed Matthew Kelman, vice president and institutional trust fiduciary manager at Exchange Bank, to the meeting. He distributed the quarterly investment report.

Mr. Kelman provided an update on the national economic climate. The District currently holds approximately \$1.5M in money market accounts that yield the same as the three-month treasury rate. Another \$800K of bond investments are maturing in the next 12 months. The Board requested that half of the current cash holdings be reinvested in instruments with higher rates of return. The Finance and Business Development Committee was asked to determine how much of the remainder to hold as reserves or reinvest. The Board thanked Mr. Kelman for his report.

Director Tobias asked whether District investments are required to be in companies that are compatible with the District's mission. The Finance and Business Development Committee will review the Statement of Investment Policy to consider adding language to ensure that investments reflect the District's health-supporting priorities.

September 2018 Financial Statements

Andrew Koblick reviewed the financial statements. As of September 30, 2018 the unaudited Statement of Net Position reflects assets of \$7,670,003 and liabilities of \$498,591 leaving the net fund balance at \$7,171,412.

The month and year-to-date ended September 30, 2018 the unaudited Statement of Revenue and Expense shows the net loss of \$83,173 and \$253,606 respectively, which is \$11,404 and \$36,211 better than the budgeted loss of \$94,577 and \$289,817.

A MOTION was made by Director Stern to approve the September 2018 Financials, seconded by Director Adams. The motion was PASSED by a vote of 4 ayes, (Directors: Adams, Hempel, Stern, Tobias) and 0 noes.

Public Comment: There were no public comments.

PHCD Financial Reserve Policy

As part of preparing compliance with transparency standards set by the Association of California Healthcare Districts (ACHD), a formal policy to establish guidelines to ensure adequate sources of funding for District programs was presented for approval.

A MOTION was made by Director Stern to approve the PHCD Financial Reserve Policy, seconded by Director Adams. The motion was PASSED by a vote of 5 ayes, (Directors: Adams, Hempel, Stern, Thornton, Tobias) and 0 noes.

1425 N. McDowell #103 Office Lease Overview

At the Board's request, Mr. Koblick provided a summary of the lease for the District's office space at 1425 N. McDowell Blvd, Suite 103. Connect America subleases half of the office, reducing the District's overall office expense. The rental rate is competitive in the local market.

APPROVAL OF OR AMENDMENTS TO GOVERNING DOCUMENTS

PHCD Conflict of Interest Code

Following the September 18 meeting when the conflict of interest code was approved, legal counsel recommended several edits to bring the code current with state law. Director Tobias questioned at the October 16 why the District's code differs from the state template with respect whether the District's CEO or Directors "must" or "may" disclose a disqualifying interest. The Board agreed the reference should be in concert with the state source as "may."

A MOTION was made by Director Tobias to approve the revised Conflict of Interest Code, seconded by Director Adams. The motion was PASSED by a vote of 4 ayes, (Directors: Adams, Hempel, Stern, Tobias) and 0 noes.

The revised Conflict of Interest Code will be forwarded to the Sonoma County Board of Supervisors for final approval.

PHCD Board of Directors By-laws

Several minor edits to the By-laws are recommended to reflect recent board policy changes, and to correct inconsistencies with the Election Code. The edits have been reviewed by counsel and are recommended for approval.

A MOTION was made by Director Adams to amend the PHCD By-laws to reflect recent policy changes that affect how board vacancies are filled and board member compensation, seconded by Director Tobias. The motion was PASSED by a vote of 5 ayes, (Directors: Adams, Hempel, Stern, Thornton, Tobias) and 0 noes.

PHCD Policy on Board Elections

As part of preparing compliance with transparency standards set by the Association of California Healthcare Districts (ACHD), a formal policy defining how board elections are conducted was presented for approval.

A MOTION was made by Director Adams to approve the PHCD Policy on Board Elections, seconded by Director Stern. The motion was PASSED by a vote of 4 ayes, (Directors: Adams, Hempel, Stern, Tobias) and 0 noes.

INFORMATIONAL ITEMS

Ms. Faith noted two upcoming ACHD webinars among the informational items in the agenda packet. Director Adams stated that the PVH Medical Staff Christmas party will be held December 13.

PLUS / DELTA

No new business was proposed.

ADJOURN

The next regular Board meeting will be December 5 at 2:00PM.

President Hempel adjourned the meeting at 9:52 AM.

Submitted by Fran Adams, Board Secretary

Recorded by Ruth Wells, Board Clerk