

**MINUTES OF THE JANUARY 23, 2013 REGULAR MEETING OF THE
PETALUMA HEALTH CARE DISTRICT BOARD OF DIRECTORS**

CALL TO ORDER:

Fran Adams, RN, BSN, President
Robert Ostroff, MD, Vice-President
Josephine S. Thornton, MA, Treasurer
Kathie Powell, MS, Member-at-Large
Elece Hempel, Director

ALSO PRESENT:

Suzanne Cochrane, Board Clerk, PHCD
Ramona Faith, CEO, PHCD
Brian Hackman, Camden Group
Richard Nadale, Director of Finance, PHCD
Jane Read, VP of Operations, PVH, SJH
Jim Stephens, Browman Development Company
Steve Valentine, Camden Group

CONSENT CALENDAR:

Director Adams did not participate in the meeting under closed session due to conflict of interest issues. Vice President Ostroff officiated the meeting.

A motion was made by Director Thornton, seconded by Director Ostroff to approve the January 23, 2013 Agenda and the January 9, 2013 minutes as written. This was passed by a vote of 4 ayes and 1 absent.

PUBLIC COMMENTS/QUESTIONS:

There were no public comments or questions.

BOARD COMMENTS/QUESTIONS:

Vice-President Ostroff acknowledged Director Powell's birthday.

ADJOURN TO CLOSED SESSION:

Vice-President Ostroff adjourned the meeting into closed session pursuant to the following sections:

- **Government Code §54956.8 Closed Session; real property transaction; meeting with negotiator – 400 North McDowell Blvd.; The Camden Group**

Vice-President Ostroff adjourned the meeting into open session and reported no action was taken in closed session.

Director Adams joined the Board meeting.

LYNCH CREEK PROPERTY:

Jim Stephens, Browman Development Company, provided an update on the Lynch Creek Walgreen's Project displaying updated architectural drawings that included recommendations received from the City of Petaluma Planning Department. A third submittal of the revised architectural drawings has been submitted to the City of Petaluma Planning Department and anticipate a response within the next couple of weeks. The revisions included agreeing to complete a mural on the side of the building that faces Lynch Creek Way, eliminating the easement to the Deer Creek project, and readjusting the buildings on the lot.

Mr. Stephens reported that once a revised traffic study is deemed complete from the Planning Department, the next step is to go to the Planning Commission. If approval is not received at this level, a presentation to the City Council will be scheduled.

Directors encouraged conducting individual meetings with City Council members to discuss the Walgreen's project prior to Council presentation.

ELECTION OF OFFICERS:

Ramona Faith presented the following slate of officers proposed by board:

President	Josephine Thornton, MA
Vice-President	Kathie Powell, MS
Secretary	Fran Adams, RN, BSN
Treasurer	Robert Ostroff, MD
Member-At-Large	Elece Hempel

A motion was made by Director Ostroff, seconded by Director Adams to approve the proposed slate of officers. This motion was passed by all present.

Ms. Faith acknowledged and thanked Director Adams for her contributions to the District during the two year term she served as Board President.

President Thornton officiated the remainder of the Board meeting.

PETALUMA VALLEY HOSPITAL:

Jane Read, VP of Operations, PVH, provided an update on the operations of Petaluma Valley Hospital.

Ms. Read noted CNA Negotiations continue with the contract ending January 31, 2013. The next scheduled negotiation session is set for February 6, 2013.

Ms. Read has been working to recruit an ENT Specialist as a service to be offered in Petaluma that is currently not being offered. In addition, PVH is searching for a general surgeon who specializes in vascular and could provide additional support for our general surgeons. Neurology continues to be a challenge due to the shortage of neurologists available. Telemedicine is one avenue being explored to accommodate this service with patient care communicated through the Emergency Department physician or hospitalists if the patient is at PVH.

Ramona Faith noted that through the South County Behavioral/Mental Health Collaborative a focus of this committee is to increase local access to behavioral/mental health services. Ms. Faith asked if SJH would be interested in piloting Telemedicine at PVH to increase access for behavioral/mental health services. If so, this could be something the District could assist in funding.

Ms. Read supported further discussions for increasing access to behavioral/mental health services through Telemedicine.

Ms. Read announced the hiring of a hospitalist at PVH with continued efforts to recruit additional hospitalists to reduce the use of locum tenants. Stroke certification will be submitted once the schedule for on-call physicians has been secured. There continues to be a need for an intensivists to cover specific shifts.

Next month, Ms. Read will present an update on health care reform and review the Operational Improvement Plan to address the impact of health care reform.

INTEGRATED WELLNESS:

Ramona Faith presented a proposed Feasibility Study to conduct a Feasibility Analysis for an integrated medical wellness center. The Feasibility Study has been drafted by Meritage Healthcare Strategies and the proposed cost is \$16,000.

Ms. Faith has also had discussions with St. Joseph Health regarding a wellness model and has recommended that the District take the lead on this project. The District has already met with community leaders and entered into discussions with various organizations that have indicated an interest in this project.

A motion was made by Director Powell and seconded by Director Ostroff to engage Meritage to conduct a Feasibility Analysis for an integrated medical wellness center for a cost of \$16,000. This motion was approved by all present.

CEO REPORT:

Ramona Faith responded to questions regarding the CEO Report.

In addition, Ms. Faith reported on discussions with St. Joseph Health regarding the North Bay Endoscopy Center. Special wording to allow the District to have the First Right of Refusal has been requested by the board.

Discussion ensued with Directors noting concern for services to be maintained in Petaluma and allow for the physician group that developed the practice the option to purchase the practice.

A motion was made by Director Ostroff, seconded by Director Powell to move forward with a request for SJH to include wording that would indicate the District would have the First Right of Refusal for the North Bay Endoscopy Center. It was also recommended to pursue discussions with the physician owners of this practice to set up a first option to purchase if the District elected to purchase the practice. This motion was passed by all present.

INFRASTRUCTURE DEVELOPMENT:

PHCD By-Laws:

Revisions to the District's By-Laws were reviewed. Recommendations were made and will be revised and presented at the Board Governance meeting in March. In addition, recently approved By-Laws for SRM Alliance will be reviewed and where appropriate will be included in the District's By-Laws.

Committee Structure:

Proposed Committee Structure was presented to include an Ad Hoc Committee titled PVH Lease Transition Process Oversight Committee. This Ad Hoc Committee would conduct research and review information to be presented to the full Board. No decision would be made by this committee.

In addition, the Asset Management Committee is recommending combining Business Development Committee with Asset Management Committee and for meetings to be held before each Board meeting.

President Thornton asked Directors to review the list of committees and to submit their interests for participation to the CEO. With the revisions of committee structure, Committee Charters will need to be reviewed.

Discussion ensued on establishing criteria for selecting community members to participate on board committees. This can be discussed at the Board Governance meeting.

COMMUNITY HEALTH:

Ramona Faith brought forth a proposal to develop a Community Outreach Project Manager position that would coordinate the efforts of CHIPA Committee, organize and market the work the District and CHIPA is doing, act as a project liaison to build capacity and align community

efforts, and Health Action 2020. The \$25,000 Health Action Grant and will be used to partially support the position.

Board of Directors was in consensus to moving forward with the proposal to hire a Community Outreach Project Manager.

Minutes from the CHIPA Committee and South County Behavioral/Mental Health Collaborative were included in the board packet.

PHCD has been working with the Center for Well-Being to bring classes to the Petaluma area. A total of four Wellness Classes are scheduled to begin in March and with information being dispensed to local physicians, non-profits, and at the Farmers' Market.

FISCAL SUSTAINABILITY:

Richard Nadale reviewed the December 31, 2013 financials. As of December 31, 2012 the Statement of Net Assets reflected assets of \$14,256,270 and liabilities and deferred revenue of \$2,305,719 leaving the net fund balance at \$11,950,551.

The year to date Statement of Revenue and Expense shows a loss of \$247,140 (including \$31,385 in unrealized portfolio losses) which is \$746,762 better than the budgeted year to date loss of \$1,003,902.

The District's rate of return on investments increased .05% to 4.76% for December 2012.

Resolutions 13-01 and 13-02:

Richard Nadale presented Board Resolutions 13-01 and 13-02 "Change in Banking" stating that financial accounts currently managed by Bank of Marin will be transferred to Exchange Bank. This recommendation is due to state recommendations to change banking institutions every five to seven years. The District has currently been with Bank of Marin for seven years with a good relationship and even though there are no issues, it was felt by Management and the Board to change banking institutions.

Mr. Nadale shared a letter addressed to Bank of Marin acknowledging their contribution in overseeing the District banking needs for the past seven years.

A motion was made by Director Powell seconded by Director Ostroff to approved Resolutions 13-01 and 13-02 Change in Banking that state the District's financials will be transferred from Bank of Marin to Exchange Bank.

PRESIDENT'S REPORT:

Suzanne Cochrane reviewed upcoming events and shared communications acknowledging the District for their support.

President Thornton reviewed the proposal to move monthly District Board meetings to the third Tuesday of each month to be held from 12:00 noon to 3:00pm.

A motion was made to approve moving the monthly Board meetings to the 3rd Tuesday of each month by Director Ostroff and seconded by Director Adams. This motion was passed by all present.

The Board Governance training is scheduled for March 5, 2013 from 10:00am to 1:00pm

ADJOURN:

President Thornton adjourned the meeting at 8:30pm.

Respectfully submitted,

Josephine S. Thornton, MA, Board President

RECORDED BY:

Suzanne Cochrane, Board Clerk