

**MINUTES OF THE FEBRUARY 23, 2011 REGULAR MEETING OF THE
PETALUMA HEALTH CARE DISTRICT BOARD OF DIRECTORS**

CALL TO ORDER:

President Adams called the meeting to order at 6:15 p.m. at 1425 N. McDowell Blvd., building conference room.

PRESENT:

Fran Adams, RN, BSN, President
Robert Ostroff, MD, Vice-President
Kathryn Powell, MS, Member-At-Large
Stephen Steady, MD, Secretary
Josephine S. Thornton, MA, Treasurer

ALSO PRESENT:

Suzanne Cochrane, Board Liaison
Daymon Doss, CEO
Bob Lipman, Real Estate Consultant
Richard Nadale, Controller
Jane Read, VP of Operations, Petaluma Valley Hospital
Todd Salnas, COO, SJHS
Jim Stephens, Browman Development Company

CONSENT CALENDAR:

Richard Nadale requested an additional item be added to the Agenda under Strategic Planning Committee Reports – Asset Management Committee to discuss a proposed settlement Agreement from Toyon Associates.

A motion was made to approve the January 20, 2011 minutes by Trustee Ostroff and seconded by Trustee Steady.

In addition, Trustee Powell made a motion to approve the Consent Calendar to include the recommendation for an additional Agenda item. This motion was seconded by Trustee Thornton and approved by all present.

PUBLIC COMMENTS:

There were no public comments

BOARD COMMENTS:

There were no board comments.

LYNCH CREEK PROPERTY JOINT VENTURE PROPOSAL:

Richard Nadale introduced Jim Stephens of Browman Development Company to present the final draft of the Letter of Intent for a joint venture agreement with the District to build a Walgreens store on the two acres of land on Lynch Creek Property.

An article that was in the February 3, 2011 Petaluma Argus Courier was included in the Board packet along with a proposed Letter of Intent to Joint Venture Agreement. Mr. Nadale noted the District received no comments or communications from community members from the Argus Courier article.

Mr. Nadale reported Dick Abbey, Real Estate Attorney, reviewed the final proposal and submitted recommendations/changes which are included in the final draft of the Letter of Intent presented at this meeting.

Mr. Stephens noted the Committee that will be overseeing this project is eager to get started on the joint venture project. Mr. Stephens explained the first step would be to submit a pre-application that includes a site plan and basic landscape elevation with the expectation to receive feedback regarding the project from the City of Petaluma. After a response is received, a more formal submittal to amend the general plan and rezoning would be submitted.

A motion was made by Trustee Thornton seconded by Trustee Ostroff to approve the proposed Letter of Intent to Joint Venture Agreement between Browman Development Company and the Petaluma Health Care District. This motion was unanimously approved by all present.

The PHCD Board commended the Asset Management Committee on their due diligence process and look forward to working with Browman Development Company on the development of the Lynch Creek property.

DECLARATION OF SURPLUS ASSET FOR 1301 SOUTHPOINT:

As a recommendation from Asset Management, Trustee Thornton is bringing forth a Resolution 11-01 declaring 1301 Southpoint Blvd a surplus asset. With the Petaluma Health Center vacating the premises of 1301 Southpoint in June or July 2010, approving the property as a surplus asset would allow the District to list the property for sale or lease.

Trustee Thornton explained that the proposed Declaration of Surplus Asset is brought to this meeting as an informational item allowing time for the community to respond to our request. The Resolution 11-01 will be placed on the Agenda for final approval at the March 23, 2011 Board meeting.

ACHD: 2011 STATEMENTS OF DIRECTOR DUTIES AND RESPONSIBILITIES – BOARD RESOLUTION 11-02:

Resolution 11-02 for 2011 Statement of Director Duties and Responsibilities was presented to the Board of Directors. The Resolution was developed from the request from ACHD for every Health Care District to strongly consider a formal resolution affirming the commitment of its Board of Directors to ethical, active and responsible governance.

Upon review by Directors, a motion was made by Director Powell, seconded by Director Thornton to incorporate the proposed Resolution into one document for signature by each Director. Once signage has occurred, the Resolutions will be sent to ACHD. This motion was approved by all present.

STRATEGIC PLANNING COMMITTEE REPORTS:

Asset Management Committee:

1550 Professional Drive Possessory Taxes:

Richard Nadale, Controller, reported the businesses currently occupying 1550 Professional Drive recently received a possessory tax bill in the amount of approximately \$2,700 each based on the square footage of occupancy in this building. This is the first tax bill the leases have received as previous leases were non-profits and are not required to pay property taxes.

Mr. Nadale explained that public agencies that own the building do not have to pay property taxes but occupants that are not non profits are assessed. Sonoma County Assessor's office has been evaluating leases throughout the county in order to capture appropriate taxes and increase revenue.

The occupants of this building have asked if the District could pay the possessory tax bill for this year as they did not budget for this expense.

Asset Management Committee recommends reimbursing each tenant for this year's possessory tax of \$2,700 when all rents are current.

A motion was made by Director Thornton, seconded by Director Ostroff to approve the District to reimburse the occupants of 1550 Professional Drive for the first year of possessory taxes when rents are current. This motion was approved unanimously by all present.

Hospice House:

Mr. Nadale explained discussions have occurred with Asset Management Committee members relative to rent of \$1.00 per year for Hospice House to occupy the building at 416 Payran Street. Concern was expressed that the overall value of assets to the District could be affected with the low rent established with Hospice House. Commercial Real Estate Agents Accountants currently use lease values when completing appraisals.

Mr. Nadale has been in contact with Matson and Isom, the District auditors, who have recommended that the District establish net rent at a fair market value for the Hospice House property and utilize this figure for rent documented in the yearly audit reports. The rent contributions to the District would be listed as in-kind support on the District's financial reports.

Asset Management supported this recommendation and it is being presented tonight as an informational item.

Toyon Associates:

Mr. Nadale distributed a communication from Tom Knight of Toyon Associates regarding a settlement agreement relative to the 112% SNF Peer Group Appeal. In this communication, the District is asked for acceptance of the settlement agreement providing the District with 75% of the principal amount plus interest that would total \$369,320 for the period in question of 1995, 1996, and a portion of 1997.

Discussion ensued with a motion made by Director Powell, seconded by Director Ostroff to accept the settlement agreement for 75% of the principal amount plus interest for a total cost of \$369,320. This motion was approved by all present.

LAFCO Affirming of District Boundaries:

Daymon Doss recently attended a LAFCO meeting and reaffirmed that the District's boundaries will not be changed as a result of a request to extend property current zoned for the County into the City of Rohnert Park with the development of a new housing subdivision.

Petaluma Valley Hospital:

Todd Salnas reported SJHS and Marin/Sonoma IPA continue to finalize legal documents pertaining to the Regional Action Program. Mr. Salnas and Joel Criste, CEO Marin IPA, have been in communication and are reviewing terms around narrow network and acute care rights for a period of time while initiating the agreement.

The next RAP meeting is scheduled for March 3, 2011.

Mr. Salnas also noted that SJHS has just sponsored a matching grant of \$30,000 to assist in the Core HIE IT Network program that will branch out to providers. Research is being done to improve connections with Healdsburg Hospital as part of our affiliation. SJHS is sponsoring an electronic medical record program through All-scripts to individual physician offices as well as working with the coalition to provide programs to the health centers. Anti-trust issues continue to be monitored and reviewed.

SJHS letters have been issued to physicians in the primary service area with a response from about 50 physicians that were interested in reviewing the options for an All-scripts program. As part of our strategic plan to be connected directly into physician offices, this would provide basic funding for EMR programs with minimal ongoing expenses allowing for an HEI connection.

Jane Read, VP of Operations at Petaluma Valley Hospital, announced that digital mammography is scheduled to begin to see patients on March 30, 2011. An open house will be scheduled once the system has been in operation for a period of time.

Mr. Salnas noted that promoting the digital mammography is being developed as well as establishing a more formalized referral panel for surgeons that will be conducting biopsies. A breast surgeon from Redwood Regional Medical Group will also be added to the panel of experts.

Ms. Read has been researching the expansion of orthopedic services in Petaluma noting two orthopedic surgeons have recently applied for privileges at Petaluma Valley Hospital through a

partnership with Redwood Regional Medical Group. Both new physicians will be conducting anterior hip surgeries at PVH and high definition towers have been purchased with another set of towers on order.

Ms. Read reported that all locums hired at PVH have the ability to provide pediatric care. General surgeons have established a volunteer call schedule in the event that the primary care physician would like their patients to go to the community physicians. This is supported by Administration as long as there are no delays in care to the patient. General surgeons will be meeting later this week with PVH Administration.

Ms. Read explained that the hospitalist model has been revised into a cap model with PVH capped at 12 for our primary care physician coverage allowing the ability to handle any unassigned patients. Administration is currently looking for other long term options.

The reopening of the CNA contract negotiations has been delayed until the summer months and will focus on wages and call pay.

The E-door to doctor time in the Emergency Room continues to be measured for a 30 minute time frame but have experienced delays in obtaining reporting documents due to the meditech installation and training process. So far, previous reports indicate no increase in patient volume with the implementation of the marketing plan for the Emergency Department.

Director Powell noted that with the advent of managed Medi-Cal, Partnership Health Plan is placing an emphasis on PHC physicians to encourage patients to avoid unnecessary visits to the ER and seek care at the Health Center when appropriate.

Director Ostroff suggested working to contract with Kaiser Permanente to accept patients in the ER at Petaluma Valley Hospital which would avoid patients driving to Santa Rosa or Terra Linda for an Emergency Department.

Ms. Read reported stroke certification at Petaluma Valley Hospital is being analyzed with a report scheduled to be available in April 2010.

Discussion ensued regarding the Petaluma Valley Hospital annual report to be presented in March with a recommendation for this report to be postponed until June when budgets have been completed and a strategic plan for PVH has been developed.

PHCD Board of Directors supported the recommendation for the PVH Annual Report to be presented at the June Board meeting.

Ms. Read reported that Petaluma Valley Hospital's ICCU has maintained six months of the highest Avatar scores and recently received the Avatar Award. Two components are used to determine the ranking through patient satisfaction which are reported separately. Reports indicate that all hospitals have increased in their percentile rank which affects changes drastically when percentiles are reduced.

Director Powell, PVH Representative, attended the SRM Alliance Board as District representative and reported discussions ensued relative to the value imperative program; productivity and closing of patient doors during the night shift.

Ms. Read reported that part of the HCAP scores has four key components that have been found to drive the scores in a positive direction; communication with physicians and nurses, responsiveness of the staff and quietness. Most quietness questions relate to the night shift and procedures have implemented to close the patient's doors during the night shift which can now occur due to the recent installation of bed alarms placed on each patient's bed. The value imperative looks at how health care reform changes are projected for hospitals and evaluation on a system level with the result to pump up cost profiles to obtain bench market data. An executive steering committee has been established to evaluate this system.

Director Thornton brought to the Board a motion relative to the seriousness of volume issue at Petaluma Valley Hospital and with only six years left on the lease, it is time for the District to work collaboratively with the hospital to look at new ways to bring volume to Petaluma Valley Hospital. The motion was distributed to Directors and was read by Director Thornton as follows:

In view of the fact that the lease with St. Joseph still has six years to run and that it is in the best interests of the community:

- a. to ensure the hospital continues long term to meet the needs of ALL residents of the Petaluma Health Care District by continuing to provide an excellent emergency room and related services;
- b. to ensure that the hospital will retain its value as a community asset by building services and developing volume where reasonably possible; and
- c. to maintain St. Joseph among the pool of potential partners for leasing/operating or in other way participating in the future of PVH;

The motion instructs the District CEO to work with the VP of Operations at Petaluma Valley Hospital to identify optimal opportunities for the District to work with and lend financial support to St. Joseph to develop volume for the hospital; that the District CEO and the hospital VP of Operations bring their recommendations for investment in such opportunities to the District board for approval; that the District should plan to invest in the hospital up to \$500,000 per year over the next three years to support these volume building activities.

The motion was seconded by Director Powell. Discussion ensued as follows:

Question was raised as to conflict of interest of Board of Directors to be allowed to enter into discussions regarding the motion. Daymon Doss had consulted with Don Bouey regarding participation of this discussion and was informed that this item is outside of the Lease and is not a Lease issue. However, the motion affects materiality of St. Joseph Health System and Petaluma Valley Hospital. Recommendation from Don Bouey, is to not vote on this issue due to materiality but discussion is appropriate.

Director Steady expressed concern regarding the wording of the motion noting it appears to be vague around specifics noting that what has occurred over the past twelve years is exactly what we have been unsuccessfully trying to accomplish. If concerns are about the volume of PVH and the different programs that need to be at PVH this should have been done earlier in the lease. Director Steady questioned what would be the reasons for implementing this motion at this time of the lease to include specific amount of funding by the District for support.

Director Thornton noted that with the lease coming closer to the end, the District needs to make sure we have something viable to be leased at the end of the lease period. In addition, it did not occur to be an issue 10 years ago.

Director Steady noted that physicians did present programs that were actually not considered for PVH and would like to know the specific programs that are designed to increase profits before the District commits to supporting the program.

Director Thornton stressed the intent of the motion was to develop programs supported by the District and SJHS and to commit to the concept and work together in the development of the program.

Director Steady noted a relationship between the two entities and an understanding of SJHS strategic plan needs to occur before financial support can be committed. Concern over the motion that includes a specific financial support amount should be determined once the programs are identified.

Director Adams questioned if PVH and SJHS bring forth to the District Board approval for financial support for a specific program and at that time determination as to the funding amount could be determined.

Director Ostroff asked for more clarification as to why the need for this specific motion.

Director Thornton noted that PVH is being bombarded from many different directions and as a result has suffered volume losses. We have SJHS investing a significant amount already in technological changes in PVH and we do not know to what extent they are capable in investing fully in all the opportunities that might be available to try to remedy the volume situation. This suggestion comes in the same way as previous support was provided to the Health Center and others in the community and we should also consider supporting the hospital. More specifically, begin to look at our ability to participate more closely with SJHS in trying to build our business so that in six years we will have done our very best in our community in protecting our hospital.

Directors noted support of the concept and have been working to move in this direction when first entering into Board positions. A Regional Action Plan committee was developed designed to collaborate with physicians, other district hospitals, and administration at SJHS. Community meetings were held to obtain a better understanding of what the community wants for the hospital. A process was then created implementing the Regional Action Plan.

Director Ostroff noted that he ran for office saying that he would spend all of the District's monies to accomplish exactly the motion presented. While Director Ostroff would recommend increasing the amount allotted for programs at PVH, this motion presented at this meeting would not be necessary if we had the management we should have had for the past twelve years, concern and the foresight of the SRM Alliance Board and the Health Care District Board to have been overseeing the functions of PVH for the past 14 years. If we had not had several administrators that did not support PVH, then the District would not be in a position to approve such a motion. Director Ostroff would support this motion but does not feel it is for the next six years but it is for the past 14 years and what has not been done at PVH.

Director Thornton stated that in terms of where we are at this time, PVH is on the wrong side of history and has come about due to a lot of changes in the market place and in the environment

and you cannot discount the growth of our competitors in this community that has affected PVH. This is not the responsibility of PVH as much as it is the responsibility of those that will would not bind together to offer insurances competitive with Kaiser.

Director Ostroff amended the motion not to include the \$500,000.

President Ostroff supports working in conjunction with PVH and SJHS and would encourage business proposals be brought to the District for support and eliminate a specific dollar amount allotted in the motion.

Director Steady supports the development of business plans and other programs as possible joint venture projects.

Discussion further ensued relative to materiality noting that in reference to the proposed motion, Director Steady and President Adams could not vote due to the fact that it has a material affect. Mr. Doss explained that in conversation with Don Bouey, District Counsel, it was felt that this motion is not a part of the lease and can be done outside the lease and that any programs that you choose to adopt in the future would be outside of the lease, not addendums to the lease but new programs.

Director Ostroff requested Director Thornton withdraw this motion out of respect for the unresolved issues with Director Steady and President Adams until an opinion can be obtained from Greg Moser as to their conflict of issue.

Director Thornton withdrew her motion out of courtesy of directors but requested that this motion be part of the March Board meeting for a vote.

Hospital Stewardship Committee

No meeting has been scheduled.

Joint Venture Committee:

Daymon Doss noted the next Regional Action Plan meeting is scheduled for March 3, 2011 at Palm Drive Hospital. The focus of this meeting will be around HIE and how do we move forward with the implementation process. An update on Sonoma Valley Hospital and Marin/Sonoma IPA and how they connect through Redwood Mednet will also be discussed.

Director Steady stressed concern from a physician perspective on how do physicians interact with their patients while utilizing the All-scripts program. Director Steady recommended support staff could assist in transcribing the information into the system allowing the physician to have interaction with their patients.

Mr. Salnas shared the process that was used when implementing the Meditech system at Petaluma Valley Hospital and began with the experience that we want to build and then work that into the infrastructure.

Physician Relations Committee:

Daymon Doss continues to work with the Petaluma Women's Health (PWH) who is a private independent practice that PHCD contracts for support. The District currently has a series of loans with PWH and is looking at options to make PWH a stand alone entity. Meetings with Prima OB have occurred and a meeting with Redwood Regional Medical Group has been scheduled to discuss the development of a multi-specialty group. In addition, a meeting with the Annadel Group is also being arranged.

The District and the Petaluma Women's Health are aware of the debt through the District and are working to develop a system in which the Petaluma Women's Health would pay back their loan to the District.

Rick Nadale reported the Petaluma Women's Health was able to pay back \$22,500 towards their loan based on collections received for the month of January.

South County Mental Health Collaborative:

The next meeting for South County Mental Health Collaborative is scheduled for March 17, 2011.

CEO Candidate Selection Committee:

This topic will be discussed in closed session later in the meeting.

Community Health Initiatives for Petaluma Area:

Director Powell and Director Thornton will be scheduling the first meeting once the needs assessment from Community Benefits of SJHS for the Petaluma area has been completed.

PVH FUTURE PLANNING:

Lease Oversight Committee Letter to SRM Alliance:

A packet of communications directed to Jim Carr, SRM Alliance Board along with responses from Director Thornton and Director Powell was distributed.

President Adams explained that Director Ostroff met with Kevin Klockenga and Jim Carr regarding the recent communication addressed to Jim Carr from the Lease Oversight Committee.

Director Ostroff noted the meeting was very positive and all parties were aware that information discussed at this meeting would be shared with the full Board of Directors. Mr. Carr explained the role of the SRM Alliance Board is to be an advisory board and has the responsibility to ask questions but decisions relative to the hospital are made at the EMT level not at the Alliance Board level.

Mr. Carr reassured Director Ostroff that members of the Alliance Board were long time Petalumans and were concerned about the hospital.

Kevin Klockenga talked at length about his support for PVH and that PVH is an integral part of Sonoma County SJHS and noted in several occasions that he recognized that has not been the case in prior administrations. Mr. Klockenga stated that he was not here during the previous administration and can not comment on the past.

Discussions occurred at length that SJHS would like to have an ongoing presence in Petaluma and at the end of the lease they would be very likely to continue in a partnership at the very least through RAP and is looking at partnerships throughout Sonoma, Marin and possibly Napa Counties.

Discussions ensued about what the future might be for Petaluma Valley Hospital for the next six years and it was suggested Mr. Klockenga attend a future PHCD Board meeting and under closed session (trade secrets) discussions could take place about the strategic planning for PVH. Mr. Klockenga supports this recommendation.

Director Ostroff noted that conversations with PVH Administration has been very positive but personally needs to see improvements with the establishment of new programs, budget, and actions.

Director Steady supported meeting with Kevin Klockenga to discuss future plans of Petaluma Valley Hospital.

Director Powell was instructed by SRM Alliance Board to provide a summary regarding their discussion pertaining to the letter addressed to Jim Carr:

The letter was presented in closed session. Concern regarding aggressive and offensive tone of the letter was expressed. The Board would like the author to respect the fact that this board consists of long term Petaluma people that have demonstrated for many years their commitment to Petaluma Valley Hospital. However, it was recognized that the letter was written out of passion by the author.

Thus, the Board has chosen to continue to recognize the author as the plans for how PVH will face the upcoming challenges of health reform, economy and market competition. The Board was advised that Mr. Klockenga and Mr. Carr had a positive meeting with Director Ostroff prior to the Board meeting in which Director Ostroff requested Mr. Klockenga present his vision of the future to the entire health care district board.

The Board of Trustees believes this was an appropriate first step providing that the meeting will be in closed session as trade secrets could not be discussed in public.

Regarding the request for this Board to meet jointly with the District Board, the Board requested that communication continue between Mr. Klockenga until such time that this board feels comfortable that a joint meeting would be conducted inoffensively, address future strategic planning for the hospital, and not discuss historical events. The Board recognizes that there are personnel problems in the past but believe the current management team is excellent and the Board is confident that they believe PVH will have a successful future.

Director Powell complimented Dr. Singh on an excellent job of expressing very diplomatically what the concerns are and it was because of his presentation to the SRM Alliance Board that the Board became open to discussions with the PHCD District board.

Director Powell reiterated that there was no one on the PHCD Board that has the qualifications to evaluate management of the hospital and feels comfortable stating this due to her qualifications. Director Powell does agree that the hospital has not been optimized but does not believe it was due to a management issue.

Director Adams noted that Director Powell was not present during the implementation of the Lease with SJHS and agrees that management has greatly improved and is very pleased with our current working relationship.

Director Steady stated, although he respects Director Powell's opinion, he believes it to be archaic and monopolistic in relation to the major shareholders in a hospital with physicians. Physicians have managed hospitals before and they have the right to criticize the management and could take over the hospital. Without physicians, there would be no hospital. The whole concept relates to the question, what is a University? A University is a house where professors work and is operated by a chancellor. It appears that Director Powell's understanding of the way the health care system is going forward is archaic.

Director Thornton added that she is very much relieved to see this board shifting its direction as it has been consistently focusing on things in the past and is encouraged to see it devoting its energies to moving forward making reference to the earlier motion.

Director Ostroff noted that if you own a business that has decreasing volume, decreasing activity, decreasing flow of customers and losing money it is a failing business and one could reasonably assume that you would have a turn over in management around those issues on a continual basis.

Director Ostroff further explained that it appears that through the first 12 years of the lease, there has been no responses in any meaningful way to any of the things that have been described here as the changes in the environment. A response is to figure out what Kaiser doesn't do well and go there and do it or give people a reason to not use Kaiser. There are things that can be done and it appears that they have been neglected. PVH is a business and a business that loses money, revenue, and patients is on a declining curve. It may be a difficult environment and there may be reasons for the decline but it has not been well managed.

Director Powell again stressed her difference of opinion on the misuse of the word mismanaged noting it was not optimized.

Director Ostroff expressed his concern regarding the tone in the response letter from Director Thornton. Director Thornton mentioned that she had been matching the tone of Dr. Ostroff's letter to the SRM Alliance board.

With regard to the past, Director Thornton summarized that communications with physicians initially went very well, the District supported the development of SSCMG with part of the goal being to market an insurance produce competitive to Kaiser for people in our community. Then things went in a different direction. The insurance produce never came about because doctors opposed it. SSCMG took extreme offense towards management and developed a

negative force field between these two parties. As a result, it was extremely frustrating as there was very little opportunity to accomplish anything and move forward on a district level.

President Adams requested to end discussions regarding PVH Future Planning until next month's meeting.

Consultant's Proposal

President Adams referred to the two documents included in the Board packet pertaining to the hiring of a consultant to assist in evaluating the viability of the District Board assuming the operations of Petaluma Valley Hospital.

President Adams recommended delaying the decision to contract with a consulting firm until the joint meeting with Kevin Klockenga and SJHS to discuss future planning of PVH has taken place.

Director Thornton did not support the hiring of a consultant and felt that the monies designated to hiring a consultant should be spent on consultants that could assist in volume building.

Director Powell made a motion to not hire one of the two proposed consultants at this time. This motion was seconded by Director Ostroff delaying the two proposals to hire a consultant until a joint meeting with SJHS and PHCD Board occurs. This motion was unanimously approved by all present.

Director Thornton will bring forth her motion to hire a consultant to assist with identifying potential volume-building opportunities for PVH at a later date.

ADJOURN TO CLOSED SESSION:

President Adams adjourned the meeting to closed session pursuant to the following sections:

- € **Conference with real property negotiator regarding property at 1301 Southpoint Blvd., Government Code §54956.8 closed session regarding real property negotiations.**
- € **Government Code §54957.6 closed session regarding employee matters**

ADJOURNED TO OPEN SESSION:

President Adams adjourned to open session and noted no action was taken regarding property at 1301 Southpoint.

The PHCD voted to approve the hiring of proposed CEO candidate and accepted the proposed CEO contract with deletion of paragraph 11 and changes to paragraph 6.

WORK ITEMS: REPORTS

Finance Report:

Mr. Nadale presented the financials ending January 31, 2011 noting the Statement of Net Assets reflected assets of \$16,229,882 and liabilities and deferred revenue of \$3,203,809 leaving the net fund balance at \$13,026,103.

The year to date Statement of Revenue and Expense shows a loss of \$137,679 which is \$35,238 less than budgeted.

In January 2011 \$50,000 was paid on the District's bank line of credit leaving the balance outstanding at \$100,000 with the remaining balance scheduled to be paid off on February 1, 2011.

PHCD operational loss from Petaluma Women's Health (PWH) in the month of January 2011 was \$598. The total advanced to PWH through January 2011 is \$544,558.

The District's rate of return on investments decreased .03% to 5.13% for January 2011.

President's Report:

Included in the President's report were a current ongoing task list and a listing of PHCD Board committees.

Daymon Doss and Director Adams will be attending the ACHD Legislative Seminar on March 7th and 8th, 2011.

CEO Report:

Thank you letters from Healthy Community Consortium for funding partnership payments was included in the packet.

The Community Health Foundation Mardi Gras event is scheduled for March 5, 2011 with CHF honoring Daymon Doss at this event.

DISCUSSION OF PUBLIC COMMENTS:

There were no discussions regarding public comments.

NEXT STEPS:

No items were discussed.

ADJOURN:

President Adams adjourned the meeting at 9:45 p.m.

Respectfully submitted,

Stephen Steady, MD, Board Secretary

RECORDED BY:

Suzanne Cochrane, Board Liaison