



**MINUTES OF THE FEBRUARY 24, 2021 MEETING OF THE  
PETALUMA HEALTH CARE DISTRICT BOARD OF DIRECTORS**

**1) CALL TO ORDER**

Director Hempel called the meeting to order at 5:30 PM via Zoom virtual meeting.

**PRESENT (VIDEO CONFERENCE CALL)**

Elece Hempel, Director

Crista Nelson, Director

Jeffrey Tobias, MD, Director

Brian Dufour, Director

**STAFF PRESENT (VIDEO CONFERENCE CALL)**

Ramona Faith, CEO, PHCD

Andrew Koblick, Controller, PHCD

Ty Mooney, Board Clerk, PHCD

**CALL FOR CONFLICT**

Director Hempel called for conflict. There was none.

**1) MISSION AND VISION**

Director Tobias 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.*

*The Petaluma Health Care District envisions a healthy community, a thriving hospital and equitable access to health and wellness services for all.*

**2) CONSENT CALENDAR**

**A MOTION was made by Director Tobias and seconded by Director Hempel to approve the February 24, 2021 agenda, approve the December 31, 2020 Financials, and approve the January 20, 2021 Regular Board Meeting Minutes. The motion was approved with the following change to the January 20, 2021 Regular Board Meeting Minutes – replace comments made by Director Tobias in the COVID-19 Update from ER to ICU.**

**3) 52 WAYS TO BE A BETTER BOARD**

Director Dufour summarized chapters 3 and 4 of Brent Ives, *Fifty-Two Ways to Be a Better Board*.

**4) PETALUMA VALLEY HOSPITAL REPORT**

Director Tobias reported that the new board of directors for PVH has not been constituted for the new operator of the hospital however all board members have been selected. Director Tobias was recommended

by the PHCD board and was selected to serve. The first meeting is proposed for the first half of March. The Hospital Quality Meeting has continued uninterrupted and both Director Tobias and Ms. Faith have been attending regularly. Ms. Faith reported that only one representative of the Petaluma Health Care District can serve on the Hospital Quality Committee. It was decided Director Tobias would be that representative.

## **5) ACHD BOARD GOVERNANCE**

ACHD has created a board governance tool kit covering 6 topics: community engagement, balancing governance and management, board orientations, strategic planning, board self-assessment, and board education programming. Director Hempel and Ms. Faith reaffirmed their commitment to continuous education for the board and played the first webinar video in the ACHD toolkit on community engagement. Discussion on the topic of community engagement will occur at a future board meeting.

## **6) ADMINISTRATIVE REPORTS**

### Presidents Report

Director Hempel suggested that the board invite the City of Petaluma's Climate Committee Chair to present at an upcoming PHCD Board Meeting. Director Hempel reported that recently the City of Petaluma has declared a climate emergency and in the spirit of community engagement it seems appropriate for the board to listen and get some input on the topic. Director Hempel stated more engagement with the subcommittees of the City of Petaluma would foster better community engagement.

### CEO Report

The Board of Directors had no questions on the CEO report submitted in the board packet. Ms. Faith noted the LAFCO Commission is looking for board members to serve. LAFCO is the Local Agency Formation Commission, a regulatory body that oversees changes to boundaries of cities and special districts. Director Hempel and Ms. Faith expressed the importance of the commission and urged any board member interested in serving on the commission to apply. More information on the position is posted on the LAFCO website.

Ms. Faith presented a draft of the Petaluma Health Foundation Board Interest Form for applicants interested in serving on the Petaluma Health Foundation board. The purpose of the Board Interest Form is to assist in a strategic selection process when selecting new board members. Director Hempel suggested the Board consider the following process:

- Petaluma Health Care District board member will identify quality candidates.
- Petaluma Health Care District board member will engage the candidate in an informational conversation about the Petaluma Health Foundation.
- If the candidate is interested the Petaluma Health Care District board member will share the Board Interest Form link with the candidate.
- Ms. Faith will follow up with candidates who complete the Board Interest Form.
- Candidates will be invited to fill out an application.
- Petaluma Health Care District Board will vote in all new Petaluma Health Foundation Board Members.

Director Tobias requested the form includes a brief description of expected board duties and Director Nelson requested that the Petaluma Health Foundation bylaws be resent to the board for review. Director Dufour recommended adding an "other" option that allows candidates the opportunity to list any other strengths they have on the Board Interest Form.

Director Hempel reported that she and Ms. Faith have met with the Community Foundation Sonoma County and have a meeting scheduled with the Marin Community Foundation. Ms. Faith mentioned that Elizabeth Brown, CEO of the Community Foundation Sonoma County, suggested that the District lead with generosity. Ms. Faith proposed the board consider allocating some funds for current community need and explore matching funding opportunities while engaging in the process of identifying an investment advisor. Director Tobias requested a list of critical needs to be included for reference when discussing funding allocations.

Director Hempel suggested that the Board call a special meeting to discuss how the foundation will operate in greater detail. It was recommended that the Community Foundation Sonoma County and the Marin Community Foundation be invited to present and that interested candidates for the Petaluma Health Foundation board are invited to listen and learn more.

Ms. Faith attended the February City Council Meeting for the Heart Safe Community Proclamation. Ms. Faith and Director Hempel have been contacted by Peggy Flynn, City Manager, to discuss a newly formed Ad Hoc Community Advisory Committee that would work with the Chief of Police and city leadership in addressing community race relations and city-wide policing policies.

Ms. Faith reported that she attended Providence St. Joseph Community Health Investment Committee meeting. The committee approved the 2020-2023 Community Health Needs Assessment Report. Ms. Faith will send this information to the board. Ms. Faith shared that the Community Health Needs Assessment Report has identified priority areas which are aligned with what the Petaluma Health Care District has identified.

Ms. Faith spoke with Jonathan Spees, Marine Street Consulting, LLC, and discussed his engagement contract. Ms. Faith suggested the board may want to consider a retainer for specific services offered. Director Hempel suggested to continue to work with Mr. Spees on defining deliverables which includes specific tasks such as helping determine to buy or lease office space.

## **7) FINANCIAL SUSTAINABILITY**

Mr. Koblick provided an overview of all the accounts: Exchange Bank \$2 million, LAIF \$51 million, Schwab \$2.6 million.

### Office Space

The PHCD owns three properties, as seen in the attached report.

- 1550 Professional Drive lease ends August 2022. If the tenants moved the facility would need to be gutted if the Petaluma Health Care District wanted to move in.
- 416 Payran Street lease ends January 2021.
- 119 Lynch Creek Way is an empty and vacant lot and development opportunity.

Director Nelson suggested a capital account for just expenses related to property maintenance and management.

Mr. Koblick reported that over the last few months Ms. Faith and himself have been looking at options for leasing or purchasing office space. The document comparing the options is attached in the minutes. The District requires space for offices as well as a large conference room for community convening.

Director Nelson works in a building considered for purchase and reported that the building has had upgrades, there are codes to enter the building, and plenty of parking around the facility. Ms. Faith inquired about public entry for the meetings. Director Tobias raised the question of potential conflict of interest if the District is looking to purchase office space in the same building a Board of Director also has office space.

### Investment Policy

Director Tobias walked through the changes in the Investment Policy. Many of the changes were to streamline government and CA code. This document is included in the minutes.

Director Hempel thanked the finance committee for all their hard work on this update. Director Hempel additionally recommended language added to clarify that all communication with the financial advisor is received first by the District CEO and Controller, then the staff can report to the board.

**A MOTION was made by Director Nelson and seconded by Director Tobias to approve the Investment Policy as written. The motion was approved.**

### Finance Committee

Ms. Faith asked for clarification on the finance committees' role and authority. As she understood the finance committee was an advisory committee to the board. After reviewing the charter Director Tobias stated that the finance committee has more authority than an advisory committee; according to the charter the finance committee is a sub-committee, as is governance, and certain responsibilities are delegated to the committees based on the approved charter. Ms. Faith mentioned that the Governance Committee serves as an advisory committee to the board. Director Tobias requested that guidelines for the finance committee be drafted up and presented to the board for approval. Director Nelson stated that the finance committee needs the freedom to advise, however, decisions that impact the organization as a whole need to be addressed to the board.

Director Hempel suggested that the internal controls are presented for review at the April regular board meeting.

### RFP Process

The RFP Document was reviewed and discussed. Director Dufour and Director Hempel agreed that the selection process of the document be expanded upon.

Director Hempel again stressed the importance of a local preference. Director Tobias remarked that although it is important to have a local group, the application should be primarily weighed on qualifications. The best group, from a fiduciary point of view, should get the job regardless of if they are local or not. Mr. Bouey commented that a local preference should be included in the internal process and there are pros and cons of including it in the RFP.

Director Hempel acknowledged the finance committee for the time and effort in creating the RFP draft. Director Hempel suggested a matrix be made that would help applicants see the weight of their application and provide clear understanding for the board when applications are being reviewed. Director Tobias reported that in his research he has not seen any scoring matrix in any RFP for this position. It is agreed that internally there needs to be a matrix for scoring applications. Director Tobias noted that he has begun the process of creating a scorecard that he can present to the board for discussion. Ms. Faith suggested that the document go back to the Finance Committee for review and come back to the March board meeting for further discussion.

Ms. Faith reported on the timeline suggested for the RFP process. The board agreed that the document also needs to go back to the Finance Committee for review and return to the board in March for further discussion.

Director Nelson stated that some of the questions on the RFP are very complicated and the board does not have an extensive finance background that would give them the ability to assess the responses. Ms. Faith noted that this may be an area where the District can seek outside consultation. Director Hempel suggested the Community Foundation Sonoma County's investment advisor's team might be able to recommend advisement. Jonathan Spees was also mentioned as someone to consider.

The District's legal counsel, Donald Bouey, Bouey & Black LLP, reported that he was engaged in the drafting of the RFP document and feels comfortable with the final product.

#### **8) RESOLUTION 21-01 CHANGE IN CHECKING ACCOUNT AUTHORIZATIONS**

Director Hempel read the resolution out loud.

**A MOTION was made by Director Nelson and seconded by Director Dufour to approve Resolution 21-01. The motion was approved.**

#### **9) FORGING A NEW PATH**

Ms. Faith did a brief recap of the recommended changes to the strategic plan due to the sale of the hospital as discussed at the previous board meeting. Ms. Faith also recommended that having common language around equity and health equity is important. Ms. Faith shared a definition of each for board consideration.

Director Dufour requested that the definitions of equity and health equity be brought to the next board meeting for further discussion. It was also suggested that Ms. Faith send the full strategic plan with the recommended edits to the board for review.

#### **10) INFORMATIONAL ITEMS**

Ms. Faith reported the District is working on an event to be held in May called, "May Your Health Move Forward", a virtual reimaging of Petaluma Walking Day. More to come on that.

Director Hempel reminded all board members to complete the sexual harassment prevention training, scheduled for March 9th.

Ms. Faith recommended that the closed session be moved to the start of the March board meeting.

**A MOTION was made by Director Tobias and seconded by Director Dufour to move the closed session meeting to the start of the March board meeting. The motion was approved.**

#### **11) ADJOURN**

Director Hempel adjourned the meeting at 9:25 PM.

Submitted by Ramona Faith, CEO PHCD

Recorded by Ty Mooney, Board Clerk PHCD