

PETALUMA HEALTH CARE DISTRICT BOARD OF DIRECTORS

MINUTES OF THE APRIL 20, 2022 REGULAR MEETING

Please note that copies of all pertinent materials considered by the Board in Open Session are included in the final Board Packet. Agenda items may be taken out of order and will be so indicated in the minutes.

1) **CALL TO ORDER**

The Board of Directors of the Petaluma Health Care District met via Zoom on Wednesday, April 20, 2022. Director Nelson called the meeting to order at 6:05 pm.

a) **ROLL CALL**

California Governor Gavin Newsom issued Executive Order N-25-21 on September 20, 2021, relating to the convening of public meetings during the COVID-19 pandemic. Pursuant to the Governor's Executive Order, Board members will attend the meeting via Zoom.

The Board Clerk called the roll. The following Board members were present via Zoom, constituting a quorum:

Directors Ambrosi, Dufour, Hempel, Nelson, Tobias

Also present via Zoom:

Staff:

Ramona Faith, CEO

Tucker Pinochi, Board Clerk

Andrew Koblick, Controller

Benjamin Spierings, Community Health Program Manager

Guests:

Jonathan Spees, Marine Street Consulting

Dana Codron, Regional Director of Community Health Investment, Providence

Darian Harris, CEO of PVH and HDH, Providence

Carlos Oblites, Sr. Portfolio Manager, Chandler Asset Management

Don Penner, Director of Accounts, Chandler Asset Management

b) **CALL FOR CONFLICT**

Director Nelson called for conflicts of interest pertaining to the items listed on the agenda. There were none.

c) **MISSION & VISION**

Director Ambrosi read the Petaluma Health Care District's Mission and Vision into the record.

Mission: 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.

Vision: The Petaluma Health Care District envisions a healthy community and equitable access to health and wellness services for all.

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2) CONSENT CALENDAR

- a) Approval of the April 20, 2022 PHCD Board Agenda
- b) Approval of the March 16, 2022 PHCD Board Minutes
- c) Approval of February 28, 2022 Financial Statements
- d) PHCD Res. #3-22: Authorizing Teleconference Meetings

Director Ambrosi made a motion, seconded by Director Dufour, to approve the items on the Consent Calendar.

Vote: Ambrosi: Y Dufour: Y Hempel: Y Nelson: Y Tobias: Y. Consent Calendar items were approved unanimously.

3) BOARD COMMENTS

a) 52 Ways to be a Better Board

Director Ambrosi briefly discussed chapters 21 and 22 of 52 Ways to Be a Better Board, pertaining to the advantages of adopting board norms and concerted long-term planning.

b) Petaluma Valley Hospital: Community Board Update

This agenda item was not addressed.

4) PUBLIC COMMENTS (Non-Agendized Items)

There were no public comments.

5) PETALUMA VALLEY HOSPITAL

a) 2021 Community Benefits Investments Southern Sonoma County by ZIP Codes

Board President Crista Nelson introduced Dana Codron, returning to the Board after joining the February regular meeting. Dana told the Board she had returned to clarify some of the figures presented in February, to show the Directors that the ZIP codes stipulated by the purchase agreement received the requisite investment by Providence. She also introduced Amy Ramirez, the head of Community Health Investment for Providence in Sonoma County.

Dana's presentation distinguished between cost-of-care investments and proactive ones and noted that the total proactive community benefits investment by Providence in south Sonoma County exceeded the requirement in the purchase agreement. She noted that in response to the directors' prior concerns about specificity, community health program expenses were being sorted by ZIP codes to ensure only expenditures in south County are counted.

Director Hempel asked Amy Ramirez if she could explain what the CARE network is. Ms. Ramirez responded that the CARE network is the medical and social case management program at Providence. It consists of medical social workers, nurse case managers, substance use counselors and resources coordinators. There are 15 employees in Sonoma County total, who receive most of their referrals from Santa Rosa Memorial and Petaluma Valley Hospitals. Once a patient is discharged, they check in on the patient at home, including review of medications, discharge instructions, etc. The goal is to make sure they stay healthy out in the community rather than returning to the hospital.

Ms. Codron explained that the target audience for this program is primarily the vulnerable, uninsured or underinsured population here in Sonoma County. The program seeks to remove barriers to care for individuals who may not qualify for home health support.

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Director Hempel asked a follow up question about what comes next for those participating in the program. Ms. Codron said that an answer was in the works, and that they would provide her with it as soon as they had it. Director Tobias asked for further detail on the “Community Services” line item, hoping to learn who precisely was served and where. Ms. Codron returned to the list of proactive service programs provided by Providence in the area, noting again that the figures reflected only the investments made in the ZIP codes stipulated by the purchase agreement.

Benjamin Spierings asked about the area served by the mobile health clinic program that Dana cites in the table “Category A”. He noted that in the past, the schedule for Providence’s mobile health clinic seemed to consist of mostly north and central Sonoma County locales. Dana reiterated that the figures presented reflected only ZIP codes in south County, and that there were vaccination and testing services provided by the mobile health clinic in Petaluma specifically.

Amy Ramirez also noted that the events in other cities attracted attendance from other communities, so the full benefit to south County community members may not be captured by highlighting expenditures in south County only. CEO Ramona Faith thanked Ms. Codron and Ms. Ramirez for their attendance and suggested that there remained some confusion around the mobile health clinic’s service area.

She also mentioned that the Petaluma Valley Hospital purchase agreement established a minimum community benefit investment, not a maximum, and that regulations for non-profit entities like Providence required greater community benefit investment than the purchase agreement. Ms. Codron agreed, and explained that internal standards at Providence required 2.5% of regional net revenue to be invested in community benefits, and that she hoped each hospital in the region would meet that standard.

Ms. Faith reiterated that part of the intent of this investment requirement was to foster collaborative discussion about community health needs and which funds to leverage to address them. She said that the process was new for all involved, and that she was grateful for Dana’s cooperation with the Board’s request for clarification.

Ms. Codron and Ms. Ramirez left the meeting at 6:35pm.

b) Quarterly Operations and Capital Investment Update

CEO of Petaluma Valley and Healdsburg District Hospitals, Darian Harris, provided the quarterly operations and capital investment update for Petaluma Valley Hospital. The key components of the presentation were an introduction of new executive leadership, the regional strategic plan including staffing and recruitment, and finally the awards and recognition given to Providence for their work.

Ms. Harris introduced Laureen Driscoll, the new regional CEO for Providence Northern California, and shared a basic framework of the strategic plan approved recently by the regional board. He noted that this plan was formulated by executive leadership at Providence in close concert with medical and other staff.

The regional strategic plan consists of three pillars: quality with compassion, transform health, and simplify and improve access for patients, communities, and staff. He shared examples of key performance indicators (KPIs) for each component of the strategic plan and noted that providing quality care during the COVID-19 pandemic has required compassion toward staff too, as they are experiencing high rates of burnout. He also emphasized simplifying access as a way to decrease costs – if a patient can access the preventative care they need, they are less likely to land in the ER in a medical emergency.

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Next, Mr. Harris introduced Dr. Rajesh Ranadive and Rachel Reader. They are now serving as the Chief Medical Officer and Executive Director of Operations, respectively, at Petaluma Valley and Healdsburg Hospitals. He emphasized Dr. Ranadive's long history in Petaluma as a primary care provider along with his wife, Dr. Rajina Ranadive. He also shared the caregiver recruitment figures for April '21 – April '22, contextualizing them within the broader job market for caregivers.

Mr. Harris listed the awards received by PVH in 2022, including five star ratings from Healthgrades for heart failure and sepsis and an excellence award in stroke care. PVH is also the only certified Baby-Friendly hospital in Sonoma County.

Director Tobias asked a question about the metrics used by Healthgrades to determine who receives these ratings, particularly as it relates to sepsis care. Mr. Harris explained that in short, Healthgrades compares a hospital's outcomes in certain areas with expected outcomes.

Mr. Harris moved on to a brief financial report for PVH, noting an overall trend upwards in terms of admits, ED/OP visits, surgeries scheduled, and gross revenue.

c) Certificate of Compliance as Defined in the PVH Purchase Agreement

CEO Faith reminded Mr. Harris that a certificate of Providence's compliance with the terms of the purchase agreement was soon due to the District. He assured Ms. Faith that it was on its way to her.

6) FINANCIAL SUSTAINABILITY

a) April 12, 2022 Finance Committee Meeting Minutes

Andrew Koblick, PHCD Controller, reviewed the minutes of the April 12 meeting of the Finance & Business Development Committee. Ms. Faith noted that the procedure for approval of Finance and Business Development Committee meeting minutes would have to change now that staff had returned to its previous practice of noticing the meeting under the Brown Act.

b) Portfolio Update: Chandler Asset Management

Mr. Koblick introduced Carlos Oblites and Don Penner, Senior Portfolio Manager and Director of Accounts at Chandler Asset Management. Carlos shared an update on the District's portfolio of assets, reminding the directors that state law required them to invest primarily in safer, lower yield assets.

Mr. Oblites reported that interest rates were slowly climbing in response to concerns about inflation. This affects the District's asset portfolio in two ways: as interest rises, yields rise, but the value of the portfolio will also go down. The rate of the most recent interest hike, faster than Mr. Oblites reported seeing before in his career, would cause a decrease in the value of the portfolio such that, on paper, greater yields would not yet outpace the diminished value of the assets. He stated that this dynamic is not possible to escape at this time, and that benchmarks like LAIF were performing even more poorly in terms of return.

Mr. Oblites continued, sharing Chandler Asset Management's certificate of compliance with state regulations around investment by public entities.

Mr. Oblites reported that the District's portfolio's income was gradually approaching target levels, and that assets purchased moving forward would be set at a higher interest rate than previous purchases. He detailed the changes in the portfolio's distribution by sector and the total rate of return for the District's investments since inception.

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He summarized as follows: the District's portfolio is well diversified and liquid. The hike in interest rates is offering the opportunity to purchase assets of greater value while reducing the value of the portfolio on paper. He recommends that the District persevere through the difficult market and embrace this buying opportunity.

Mr. Oblites opened the floor for questions. Director Tobias asked what Chandler's recommendations were for the inflationary environment the country is in. Mr. Oblites responded that purchasing longer term bonds only would maximize the on-paper losses to the portfolio's value. As such, Chandler purchases shorter term, lower yield assets as well as higher yield ones to dampen the impact of the rapid yield increase on the portfolio's value. Mr. Oblites stated that diversity was the best mechanism to defend against inflationary pressure.

c) Business Development Update

Mr. Koblick introduced Jonathan Spees, consultant for the District with Marine Street Consulting, to update the Board on business development opportunities. Mr. Spees reviewed the District's strategic objectives, notably the investment of PVH purchase proceeds such that the District does not need to levy taxes or solicit donations to fund its activities promoting community health. Given the restrictions on investment by public entities in the State of California, the District is required to seek out higher-yield investments to generate sufficient returns, such as real estate investments that support the District's mission.

Mr. Spees outlined the options available to the District for meeting this objective in the current environment. Current discussions include the possibility of partnership with Living Unlimited, who presented at the regular February meeting of the Board of Directors. They also include a potential partnership with First Responders Resiliency Inc., entailing new construction of facility to provide a variety of mental health and wellbeing services to first responders. Finally, the District is also exploring avenues to partner with healthcare providers on the development of a multi-specialty clinic on a new site, a mental/behavioral health facility on the Lynch Creek site, and the construction of an additional medical office building on the Petaluma Valley Hospital campus. He stated that there should be concrete proposals for the Board to discuss in the coming months.

Mr. Spees shared with the Board that discussion to renew the hospice facility least to Providence remains underway. He has received a rough proposal for a new lease from Providence which outlines the responsibilities of the District as they understand them. Mr. Spees said that District staff is preparing language to propose to Providence addressing necessary maintenance to the facility.

7) ADMINISTRATIVE SOFTWARE

a) Board Effect

The Board Clerk explained that he and Ms. Faith had explored implementing new software for Board meeting agendas and materials, citing the procedure used to build the agendas and Board books for the Northern Sonoma County Health Care District Board of Directors. The directors debated the merits of a few purchase options, especially as it pertained to information security, and CEO Faith requested the authority to evaluate the options further and proceed with the option that best matches the Board's preferences.

Director Dufour made a motion, seconded by Director Ambrosi, to authorize staff to proceed with purchasing Board Effect for use by the PHCD Board, pending further research on information security and cost.

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Vote: Ambrosi: Y Dufour: Y Hempel: Y Nelson: Y Tobias: Y. The motion to authorize Board Effect, pending further research, was approved unanimously.

b) Archive Social

Ms. Faith re-introduced the topic of social media archiving as a tool to comply with the CA Public Records act. The Board Clerk shared the standard pricing for Archive Social and described the potential added value for the District. Ms. Faith recommended that the Board defer a vote on the matter until the rebranding process is underway.

8) BRANDING, LOGO, & WEBSITE DEVELOPMENT: STAFF RECOMMENDATION

a) RAD Web Marketing / Resonate Social

b) Design Guild

Ms. Faith shared that she was able to reduce the pricing for Design Guild's proposal, and that costs had been added to RAD Web Marketing / Resonate Social's so that each proposal better reflects the specific needs of the District. She then shared a report drafted by staff which recommends partnering with Design Guild, for the following reasons: their organizational structure, which enables them to add specific expertise to our rebrand; their strong background in brand-building to clarify who we are and what we do; and finally their understanding of the importance of equity when creating a brand for the District.

Director Tobias made a motion, seconded by Director Nelson, to approve District Staff's recommendation to partner with Design Guild for its Branding, Logo, and Website Development.

Vote: Ambrosi: Y Dufour: Y Hempel: Y Nelson: Y Tobias: Y. The motion to approve District Staff's recommendation to partner with Design Guild passed unanimously.

9) ADMINISTRATIVE REPORTS

a) President's Report

Board President Crista Nelson had nothing to report to the Board.

b) CEO Report

CEO Ramona Faith began to review her CEO report and reported on the progress of the Blue Zones Activate Petaluma effort underway at the District. She shared the webpage dedicated to the District's partnership with Blue Zones, encouraging the Directors to spread the word and attend any and all events for which they're available. Ms. Faith and the Directors discussed potential attendees, as well as other individuals who should be invited to ensure the assessment captures a full picture of health and wellbeing in Petaluma and south Sonoma County.

i) Transition to in-person meetings

Ms. Faith solicited the Directors' opinions on eventually returning to in-person meetings. They discussed the relative merits of in-person, hybrid, and fully remote models of attendance. Director Hempel's recommendation is to keep the item on the agenda, so that the Directors are ready to follow the Governor's lead when his Executive Order authorizing ongoing teleconference meetings expires.

ii) Election 2022

Ms. Faith shared that two of the Directors, Gabriella Ambrosi and Crista Nelson, are finishing their four year terms. She and the Board Clerk shared the deadlines for filing with each of them.

iii) Sonoma County CSDA Chapter

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Ms. Faith told the Directors about the formation of the Sonoma County Chapter of CSDA, with her as the President. She noted that the meetings are open to all present at this meeting, and that she will send the agenda out to the Directors when she has it.

iv) ACHD Healthcare District Update

This item was not addressed during the meeting.

v) May Board Meeting Scheduling

CEO Ramona Faith directed the Board Clerk to send the Directors a Doodle poll to determine the best date for rescheduling the May meeting of the Board of Directors.

c) District News / Articles / Ads

- i) Burns, John. **“Community Matters: Making Community Health a Priority in Petaluma”** *The Petaluma Argus-Courier*.
- ii) **Blue Zones Press Release / Activate Petaluma**

Ms. Faith mentioned each news item to the Directors, and they briefly discussed the impact of the John Burns article.

10) INFORMATIONAL ITEMS

a) Upcoming Events:

- i) Environmental & Housing Justice Webinar: Generation Housing
(1) April 21, 2022 5:30PM – 6:45PM Register Here
- ii) CHIPA Mental Health / Substance Abuse Workgroup
(1) April 21, 2022 12:00PM to 1:30PM
- iii) First Meeting of Sonoma County CSDA
(1) April 23, 2022 (see website)
- iv) Blue Zones Community Kick Off:
(1) 5/17 – 5/19. Register for 5/17 Keynote at 5:00PM Here
- v) PEF Bash
(1) Sep. 10, 2022

11) Adjourn

Board President Crista Nelson adjourned the meeting at 9:02pm.

Recorded & Submitted by Tucker Pinochi, Board Clerk
Please send any questions about Board of Directors Minutes to tpinochi@phcd.org