

PETALUMA HEALTH CARE DISTRICT BOARD OF DIRECTORS

MINUTES OF THE MAY 24, 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 Tuesday, May 24, 2022. Director Nelson called the meeting to order at 5:00 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 Dufour, Nelson, Tobias

The following Board Members were absent at roll call:

Director Ambrosi

Director Hempel

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

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**

CEO Ramona Faith 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 May 24, 2022 PHCD Board Agenda
- b) Approval of the April 20, 2022 PHCD Board Minutes
- c) Approval of March 31, 2022 Financial Statements
- d) PHCD Res. #4-22: Authorizing Teleconference Meetings

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

Vote: Ambrosi: __ Dufour: Y Hempel: __ Nelson: Y Tobias: Y. Consent Calendar items were approved 3-0, with Directors Ambrosi and Hempel not voting.

Director Hempel joined the meeting at 5:04 PM.

3) BOARD COMMENTS

a) 52 Ways to be a Better Board

This agenda item was not addressed.

b) **Petaluma Valley Hospital: Community Board Update**

Director Tobias shared a brief update on PVH Community Board meetings that have taken place since his last report to the Board. In its last several meetings, the Community Board and Hospital Quality Committee reviewed and approved several hundred pages of policies and procedures for Petaluma Valley and Healdsburg Hospitals (PVH and HDH).

CEO Ramona Faith, member of the Providence Community Benefits Committee for PVH and HDH, reported on the latest activities thereof for the Board. She is currently working with another member of the committee to identify candidates for membership who live in the Petaluma area. Ms. Faith also said that she hopes the Committee will become more involved in determining the investment areas based on the organization's strategic priorities rather than reporting out where investments have been made. Director Tobias returned to his report on the Quality Committee's activities, stating that the Committee was finalizing its work to establish itself and beginning to pivot toward the determination and enforcement of quality parameters for each hospital. He also reported that the Committee introduced the new regional CEO for PVH and HDH, Laureen Driscoll. Finally, the Committee discussed emerging operational trends at PVH that show a return to pre-omicron patient volumes.

4) PUBLIC COMMENTS (Non-Agendized Items)

Director Nelson asked if there were any members of the public wishing to comment on non-agendized items within the jurisdiction of the District Board of Directors. There were no members of the public present to comment.

5) FINANCIAL SUSTAINABILITY

a) **Business Development Update**

Andrew Koblick, District Controller, introduced Jonathan Spees to provide a business development update.

Mr. Spees gave a brief update on the ongoing exploration of suitable business development opportunities for the district. Discussions with Living unlimited are ongoing according to Mr. Spees, with draft documents to formalize the relationship forthcoming. Once that framework is in place, the District can begin looking for appropriate properties for lease, purchase, and/or development.

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He also shared the status of the District's engagement with First Responder's Resiliency, noting that nothing had changed since his last report to the Board on the matter. This group is working on a business plan which they will share.

Next, he described the latest update on the District's opportunity to develop a built-to-suit multi-specialty clinic in Petaluma, in partnership with a healthcare provider in the area. He reports that the conversation with the provider are on pace, and that the structure of the potential transaction is coming into focus. Moving forward would entail a substantial investment, but Mr. Spees stated that said investment would be likely to generate fair market value ROI for the District. Additionally, the project would align squarely with the District's strategic objectives.

Mr. Spees reported that there had been no progress in discussions with Providence regarding the development of a mental/behavioral health facility on the District's Lynch Creek Parcel. He has been contacted by brokers who hope to purchase the parcel, but continues to wait for an opportunity to generate a sustainable return from this property in alignment with the District's strategic objectives. He said that he will reengage with those brokers who have contacted him to see if they have any actionable ideas for use of the property. He also said that despite the stall in discussions with Providence regarding the Lynch Creek Parcel, he will reiterate that the District would like to partner with them on development of a medical office building on the PVH campus. Finally, Mr. Spees said that the District will continue negotiations with Providence regarding the lease of the Hospice Facility. The District will assess the conditions of the facility, to obtain its own figures for the eventual cost of renovating the building. He said he is also looking into alternative opportunities for the property if the District cannot come to an agreement with Providence for an ongoing lease.

Director Hempel asked Mr. Spees if he was aware of the Healthy Democracy meetings taking place regarding the Fairgrounds, in which ideas for new use of the Petaluma Fairgrounds are being discussed. She said that some of those ideas may be suitable for the Lynch Creek Parcel. She also expressed some skepticism about the viability of First Responder's Resiliency Project as a sustainable investment for the District and said that she would like to see an example of a profitable business model for such a project. She also suggested that Jonathan should reach out to Peggy Flynn, Petaluma City Manager, to discuss her ideas for use of Lynch Creek.

Returning to the discussion about the hospice building lease, Ms. Faith reported that she had met with Lauren Driscoll, the new Regional CEO for Providence. Ms. Faith reported that Ms. Driscoll was surprised to hear that the District was waiting for Providence to substantively respond to its latest communication on a potential business development opportunity..

Director Hempel reported to the Board that SAMHSA just announced a funding opportunity for mental health efforts in case it could be of use in conversations about a behavioral health facility in south Sonoma County. Director Tobias suggested a mixed-use development, e.g. a two story building with commercial development below and a care provider above. Director Hempel affirmed the viability of Director Tobias's idea, with the caveat that many such developments in Petaluma had an empty ground floor.

Mr. Spees left the meeting at 5:25 PM.

b) FY 2022/2023 Draft Budget

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District Controller Andrew Koblick shared the preliminary draft Budget for FY 2022 / 2023 with the Board of Directors. Mr. Koblick explained each item line by line. Notably, the line item for Blue Zones is yet to be determined, as Mr. Koblick stated that staff was waiting for further direction from the Board on that matter. The draft budget as presented is attached to these minutes.

Director Hempel asked about the fees associated with the 2022 General Election, and what the District would be obliged to spend on the election if only one person presents themselves for the open seat on the Board. Mr. Koblick replied that there would be no election in that case, as the Board's elections policy states that if the number of candidates equals the number of seats up for election, those who presented themselves are appointed to the Board without appearing on the ballot.

. The Board continued discussing the details of the draft budget, with special attention to the potential impact of any investment in the Blue Zones engagement by the District.

Director Tobias informed the Board that they will likely see deficits on the District's budget for a few years, as it continues its pivot from ownership of PVH to its mission to promote community health and wellbeing and create a sustainable financial plan.. He stated that the initial investments in business development that the Board planned to make would likely cause more "sticker shock" than the draft presented today. The Board briefly reviewed other ancillary details on the draft budget before closing the discussion. Ms. Faith and Mr. Koblick will present a final version to the Board at the June meeting of the Board of Directors.

6) PHCD RESOLUTION #5-22: Ordering a General Election to be Held and Requesting Consolidation with the November 8th, 2022 General Election

The Board Clerk explained the purpose of the resolution, which the county provides to Special Districts as a condition for use of Sonoma County's election infrastructure. Board of Directors President Crista Nelson read the resolution into the record and moved its approval.

Director Nelson made a motion, seconded by Director Tobias, to approve PHCD Resolution #5-22: Ordering a General Election to be Held and Requesting Consolidation with the November 8th, 2022 General Election.

Vote: Ambrosi: Dufour: Y Hempel: Y Nelson: Y Tobias: Y. The motion was approved 4-0, with one Director not voting.

Ms. Faith reminded the Board that Director Ambrosi is not running for reelection. As such, she asked the Directors to please think about potential candidates for the seat, and to refer any interested parties to her for more information about running for a seat as a member of the District Board of Directors. She also reminded the Board that the District would need to notice the public that there is an open seat with no incumbent running to promote greater community engagement with the race as well as to draw out potential candidates who may not have been aware.

Director Hempel requested, through the Chair, that District staff conduct research on other special district's processes for elections, especially as it pertains to the requirement to establish zoned elections per the California Voting Rights Act (CA VRA). Ms. Faith affirmed Director Hempel's request, and noted that staff has reached out to other districts to determine the best approach for ensuring compliance with the latter moving forward. Additionally, the item was agendaized and discussed during the February 16th, 2022 meeting of the PHCD Board of Directors, by which point staff had begun outreach to other special districts. Ms. Faith noted that the Board had established a subcommittee to work on the establishment of zoned elections for the District after the Board's discussion of the matter in February.

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7) BLUE ZONES ACTIVATE PETALUMA UPDATE

a) **Community Led Presentation Review**

Ms. Faith referred the Board to the slide deck in their board packet, which she, Director Hempel and City Manager Peggy Flynn used to introduce the Blue Zones team to a broad picture of community health and wellbeing in Petaluma. She was pleased to report that Petaluma appears to be ahead of the learning curve as it relates to the foundational concepts of a Blue Zones transformation, i.e. the importance of social determinants of health and the influence of the built environment residents interact with day-to-day.

b) **Debrief on 5/18, 5/19 Events**

Ms. Faith told the Board that the previous week's community kickoff event went well, and that she had received positive feedback from community partners who attended. Each Director who was able to attend a meeting during the kickoff briefly shared their thoughts on the event and how it was received by the public in attendance. At the end of that discussion, Ms. Faith reminded the Directors that not only is Blue Zones assessing Petaluma's readiness / suitability, the District and the City of Petaluma are also assessing whether the partnership is good for Petaluma. Director Hempel responded to a question from Director Dufour about the content of the 5/19 Steering Committee meeting. The Blue Zones team debriefed with the Steering Committee about the previous days' events and laid out the path forward for PHCD-Blue Zones partnership for its members.

c) **Next Steps**

Ms. Faith described the work that District and Blue Zones staff are doing to close the loop on the May 18th and 19th events, as well as the work still to be done to move the engagement forward. There will be follow-up conversations with individuals who could not attend but were determined to be crucial stakeholders in their area of expertise. Additionally, the District and Blue Zones will convene a CEO Roundtable to share the potential positive impact of a Blue Zones transformation on local businesses and their employees.

Finally, the District will send out emails to all those who were able to attend an event during the three-day kickoff to tell them what they can do while Blue Zones formulates their final assessment and seek their feedback about the kickoff event. This roadmap will include a guided challenge from Blue Zones that exemplifies the goals of an eventual Blue Zones Transformation project. Director Dufour pointed out that it may be useful to spread the word about our Board meetings, even to the point of sending tailored invites to key individuals, so that community members know they can join a Board meeting to provide their input on the path forward with Blue Zones. Relatedly, Ms. Faith pointed out in the meeting that the Blue Zones team was interested in a follow up conversation with him, given his recent experience working in local schools.

Director Hempel told the Board that Blue Zones leadership will return to Petaluma in August to share the results of their evaluation of the aggregate data that PHCD and the City of Petaluma have shared with them. Tony Buettner, Sr. VP of Business Development and Ben Leedle, CEO will attend the August meeting of the Board of Directors, where they will present more details about the results of the assessment and the potential cost of a transformation project should the community decide to proceed.

d) **Funding Strategies**

Director Hempel continued explaining the next steps for the engagement. She reminded the Board of the concrete returns that a Blue Zones transformation can create for local businesses, and that demonstrating their stake in funding a transformation project is relatively straightforward.

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She noted that the District should begin carefully seeking out possible funding partners to support a Blue Zones project. A subcommittee has been formed to discuss strategies. The Directors discussed different strategies for funding a project if the District chooses to move forward with the project upon completion of the site assessment.

8) ADMINISTRATIVE REPORTS

a) **President's Report**

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

b) **CEO Report**

- i) **Certificate of Compliance as Defined in the PVH Purchase Agreement**
- ii) **Generation Housing Sponsorship**
- iii) **PSNP Informational Picket – Letter from CEO Darian Harris**
- iv) **“Health Insurance Can Now Help Some Californians Find Housing”**
- v) **Thank You Letter from PBCD**

Ms. Faith reviewed the items listed under “CEO Report,” attached to these minutes. Notably, she told the Directors that the District will contribute a Generation Housing \$2500 sponsorship.

She also provided an update on the Design Guild engagement. As part of the exploratory process there will be one internal stakeholder session with select members of the Board of Directors and District staff, as well as a community session with key community partners. She asked the Board to provide suggestions as to who should participate. She said that the sessions would likely take place in June or July.

- c) Finally, Ms. Faith reiterated to the Board that a condition assessment will need to be done on the Hospice building that Providence leases from the District, to ascertain the anticipated capital expenditure over the next 10 years. The facility located at 1550 North McDowell will also be included in the facility assessment. She informed the Board that she will be moving forward with the contractor used for the Hospital facility condition assessment.

d) **District News / Articles / Ads**

- i) **5/20/2022 Radio Interview with Ramona and Tony Buettner**
- ii) **Blue Zones Editorial from Ramona**
- iii) **ACHD Healthcare District Update**

9) ADJOURN

Board President Crista Nelson adjourned the meeting at 6:45 pm.

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