

PETALUMA HEALTH CARE DISTRICT BOARD OF DIRECTORS

MINUTES OF THE AUGUST 17, 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 (“District”) met at 1425 N. McDowell Blvd., Suite 100 and via Zoom on Wednesday, August 17, 2022. Director Nelson called the meeting to order at 5:00 pm.

• **ROLL CALL**

Note: the Board of Directors and District staff attended this meeting in person. The public had the opportunity to participate in person or via Zoom. Teleconference information was included on the publicly noticed agenda published on August 12, 2022. CEO Ramona Faith called the roll. **The following Board members were present via Zoom, constituting a quorum:**

Directors Ambrosi, Dufour, Hempel, Nelson, Tobias

The following Board Members were absent at roll call:

None

Also present:

Staff:

Ramona Faith, CEO

Andrew Koblick, Controller

Benjamin Spierings, Community Health Program Manager

Tucker Pinochi, Board Clerk, was absent and Ben Spierings facilitated the virtual component of the meeting.

Guests:

Jonathan Spees, Marine Street Consulting

Tony Buettner, Sr. VP of Business Development, Blue Zones

Lisle Wescott, Director of Accounts, Blue Zones

Amelia Clabots, VP of Finance and Operations, Blue Zones

Naomi Fuchs, Special Projects Consultant at SR Community Health

Annemarie Brown, Sr. Director of Communications and Development

• **CALL FOR CONFLICT**

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

• **MISSION & VISION**

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

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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.

2) **CONSENT CALENDAR**

- Approval of the August 17, 2022 PHCD Board Agenda
- Approval of the June 15, 2022 PHCD Board Minutes
- Approval of May 31, 2022 Financial Statements
- Approval of June 30, 2022 Financial Statements

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

3) **Public Comments (Non-Agenda Items)**

Director Nelson opened the floor for members of the public to comment on non-agenda items within the Board's subject matter jurisdiction, noting that the Board would limit comments to two minutes each. There were none.

4) **Activate Petaluma – Blue Zones Workshop**

- **Assessment, Readiness, and Feasibility Report**

CEO Ramona Faith welcomed Tony Buettner, Lisle Wescott, and Amelia Clabots to the Board of Directors meeting. Ms. Faith shared that they had returned to Petaluma to share the findings of the Blue Zones readiness and feasibility assessment that they have conducted over the past few months, including May in-person community meetings. Ms. Faith gave the floor to the team from Blue Zones. They re-introduced themselves to the Board and to the community; first Mr. Buettner, the Senior Vice President of Business Development, then Lisle Wescott, Director of Accounts, and finally Amelia Clabots, the Vice President of Finance and Operations. Mr. Buettner also briefly reviewed the other members of the Blue Zones team involved behind-the-scenes.

Mr. Buettner then reviewed the basic foundations of a Blue Zones assessment and project, including “the Power 9” and the Blue Zones Life Radius model. He continued and explained that when undertaking a transformation project, Blue Zones thinks about who is doing work in the community, whom should be represented on staff if a team is assembled in Petaluma, and how to ensure that community feedback is central to the process.

Noting that his discussions with Ms. Faith date back several years, he asked her to explain how she became aware of Blue Zones for the first time. Ms. Faith reminded the audience that PHCD belongs to a statewide association of other healthcare districts, and that Beach Cities HCD in Orange County mentioned their own Blue Zones project in discussion with Ramona several years ago. Ms. Faith also mentioned the newer project in Salinas which expanded to all of Monterey County. She subsequently approached Sonoma County with the idea of a Petaluma Blue Zones project and its potential to go county-wide if there was the will to do so. There was not, but Ms. Faith remained supportive of the idea of engaging Blue Zones in Petaluma. Ms. Faith has spoken with community leaders in Fort Worth, Beach Cities, and Salinas, who report that the Blue Zones model for community engagement worked and the outcomes defined at the outset of those projects have been achieved.

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Mr. Buettner began presenting the report compiled by Blue Zones during the assessment period. Mr. Buettner gave Ms. Wescott the floor, and she shared greater detail about the information their team sourced from their time in the community. Mr. Buettner took over again to describe how their pay structure facilitates accountability by conditions a portion of fees on the results of each phase. Ms. Clabots finished up the presentation on their report with more concrete information about the project's return on investment, in terms of cost savings as well as certain wellbeing metrics. Blue Zones claims to add \$40 million of value over 5 years, and \$261.7 million over 10 years. These projected figures include medical cost savings, productivity improvement, and regional economic impact after improvements in the former measurements. Ms. Clabots noted that further detail on the analysis Blue Zones employs to arrive at these figures can be found in the "Value Brief" section of the Assessment Report. She also noted the intangible "quality of life" improvements that Blue Zones observes in their transformation projects nationwide.

See attached slides or the link on PHCD.org for more detail from their report.

Director Nelson opened the floor for public comments. Kelly Brown, a Petaluman who works on the Upper Napa Valley Blue Zones project, expressed her excitement at the opportunity to bring Blue Zones to Petaluma.

Jim Nantell, member of the North Sonoma County Health Care District Board of Directors, commented that he was unable to see the video feed from the room, and could only see the presentation materials. He suggested that it could be something on his computer, however.

There were no additional public comments.

The Directors took turns asking their questions. Director Ambrosi asked if she was correct to understand that part of the payment to Blue Zones was contingent on the results of their project.

Ms. Clabots responded affirmatively, noting that there were different metrics for each phase of the engagement. During the foundation phase, for example, since there are no concrete wellbeing metrics to gauge for accountability, Blue Zones uses milestones such as the formation of committees as the condition for receipt of their full fee.

Director Tobias thanked the Blue Zones team for their presentation and said that he appreciated the philosophy behind the effort. He also mentioned that he is a data-oriented person and looked forward to reading more about the details of the project. He asked Ms. Clabots about the figure describing Petaluma's increased rate of tobacco use, and what data that was compared with to reach that conclusion.

Ms. Clabots responded that it was in comparison with the statewide rate of tobacco use, and that these figures represent the existing data set they can access. They did not perform new surveys of residents yet, as that comes in the next phase.

Director Tobias then asked about the claim that the positive effects of the project compound over time. Ms. Clabots responded that the socio-cultural changes associated with Blue Zones' educational efforts layered on the more direct methods for promoting wellbeing. As more people try to align their lives with these principles, there will be greater positive impacts on health in the community.

Director Tobias again commended the Blue Zones team and remarked that staking a portion of their fees on results showed that they were confident in their ability to affect change in Petaluma. Mr. Buettner

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thanked Director Tobias and offered to share previous metrics from other communities with him. He noted that locally formed committees would determine any eventual metrics for Petaluma's wellbeing outcomes.

Director Dufour thanked Mr. Buettner, Ms. Clabots, and Ms. Wescott for their presentation. He remarked that his expectations for the project before learning more was that it would be template based. However, after reading their report and hearing their presentation he praised the authenticity and depth of their engagement in Petaluma. He added that such a level of engagement would be required to align the community to make a broad-based change in local community health metrics.

Mr. Buettner thanked Director Dufour for his comments and highlighted his final point about the inherent difficulty of solving these problems. Mr. Buettner said that community alignment was the key to their efforts because it is the basis of making these changes.

Director Nelson had no comments to make.

Director Hempel offered brief closing remarks, emphasizing that aligning Petaluma's often disparate community health projects through Blue Zones would greatly enhance the work already taking place here. She then asked Mr. Buettner to describe the next steps.

Mr. Buettner said that the next step was to convene the community, especially potential sponsors and participating stakeholders, before making a final decision to move forward in the weeks that follow. He suggested that the approved project could be announced before the end of the year if everything moves forward apace. He asked the Board to reach out with any questions they may have in the meantime.

Director Nelson thanked the team from Blue Zones for their presentation.

5) **BOARD COMMENTS**

- **52 Ways to be a Better Board**

Director Dufour reviewed chapters 25 and 26 from 52 Ways to be a Better Board. Chapter 25 addressed the importance of creating clarity around the respective roles of the Board as a whole, individual board members, and executive staff. Chapter 26 encouraged Board members to plan for the organization's future collaboratively, rather than leaving all strategic planning to the executive.

- **Petaluma Valley Hospital Community Board Update**

Director Tobias reported on the Community Benefits and Quality Committees for Petaluma Valley Hospital. He mentioned that policy approvals were ongoing at the Quality Committee, and that the Committee was also setting metrics for quality at PVH and Healdsburg Hospitals. He noted that Blue Zones was discussed at the Community Benefit Committee meeting.

Director Nelson asked Director Tobias whether there was discussion of the payroll difficulties Providence is experiencing. He reported that beyond the informational letter distributed by Lauren Driscoll there was not. Director Hempel asked Director Tobias if there was any discussion surrounding physician recruitment, an ongoing concern for the hospital and the community.

6) **AgeWell PACE Presentation**

From Santa Rosa Community Health, Director Nelson introduced Naomi Fuchs, Special Projects Consultant and former CEO and Annemarie Brown, Sr. Director of Communications and Development. Ms. Fuchs thanked the Board and started her presentation on SRCH's PACE Program, standing for Program of All-Inclusive Care for the Elderly. She described the four pillars of the program: facilitating

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living at home for medically complex seniors as long as possible; providing respite for caregivers; providing comprehensive services including medical, mental health, ancillary services, and case management; and finally, a multi-disciplinary model of care that engages a broad team of providers.

Ms. Fuchs then listed the criteria associated with participation, the services provided as part of the program, and the different team members involved with caring for participants. See the attached slides for greater detail.

Ms. Fuchs moved on to discuss the initial reasons that PACE was started. First, the need: there is a fast-growing low-income aging population in Sonoma County. Second, equity: this rapid growth in the population of low-income seniors offered an opportunity to meet needs for people who have been overlooked historically. Finally, the potential impact: Ms. Fuchs saw the possibility to make a “significant, sustainable difference” using “tried-and-true best practices.”

Next, Ms. Fuchs discussed the funding model for PACE programs. See attached slides for greater detail. Ms. Fuchs shared some of the characteristics that distinguish the local iteration of PACE: it’s the first of its kind in Sonoma and Marin counties, undertaken in partnership with SRCH and Lifelong Medical, and reflects a history of proven expertise, collaboration, and fiscal responsibility. The brick-and-mortar PACE office in Rohnert Park has amenities including a day center, a clinic, nutrition, outdoor space and easy access to parking and the freeway.

The project timeline, spanning from September 2021 to July 2023, can be viewed in greater detail in the attached slides. Returning to funding, Ms. Fuchs explained to the Board how the District could have a role in funding the project. She also said there were alternative ways for the District to support PACE.

Director Hempel said that she was amazed by what PACE can offer in their facility. She said that centers like this can be the next step in allowing elderly members of the community to age in place. She noted that the most low-income seniors in the District lived in the mobile home park in Rohnert Park, near the center.

Ms. Fuchs responded that anecdotally, there was real enthusiasm for aging in place due to prior experiences of living in multigenerational homes, and the contrast with models of elder care that displace seniors from their families and community.

Director Ambrosi used an example case to ask a question about eligibility and access for an elderly person living in Novato, the operative point being how a senior on the edge of the service area with no transport may access care at the center. Ms. Fuchs responded that PACE staff will pick the individual up if they live within an hour of the center, and that they would travel to the person’s home to perform all the necessary inspections of their conditions.

Director Nelson also asked a question about eligibility, noting that the requirement that the individual live independently created potential confusion should that person come to require more comprehensive assistance at a live-in nursing facility. Ms. Fuchs responded that she understood why it would create confusion, but that in fact PACE did not stop providing services for those who needed to transition away from living independently.

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Discussion of the project's details continued among the Directors, with an emphasis on the nuances of funding models and other constraints. Ms. Fuchs suggested that the Directors tour the facility as well.

Ms. Faith asked Mr. Spees if he had any comments on the program to share with the Board since he and Ms. Faith have been in discussions with Ms. Fuchs. He praised the program and said it would be a good use of some of the funds from the sale of the hospital.

Ms. Fuchs thanked the Board for the opportunity to present the PACE program to them. She then left the meeting.

7) FINANCIAL SUSTAINABILITY

- **June 7, 2022 Finance Committee Meeting Minutes**

Controller Andrew Koblick reported on the activities of the finance committee during their June 7th, 2022 public meeting. The primary topic of discussion was the ongoing rise in inflation and how it would affect the District's assets.

Director Hempel asked whether the transfer of assets from Exchange Bank to Chandler Asset Management had been completed or if there were still outstanding transfers to be made. Director Tobias and Mr. Koblick responded that the transfer had been completed.

Director Tobias explained more detail about the different components of the District's asset portfolio, their length of term and relative interest rates.

- **Facility Condition Assessment Report Completed by Partner**

Mr. Koblick reviewed the Facility Condition Assessment (FCA) reports from Partner for 1550 Professional Drive and 416 Payran Drive for the Board. The Board discussed the cost estimates provided by Partner, and how the District planned to move forward. Ms. Faith noted that there was a meeting scheduled with Providence to discuss the matter, but it was cancelled. She also predicted that due to the internal operational issues, the District was unlikely to hear back from them promptly to reschedule. She asked Mr. Spees to continue reaching out to schedule a meeting.

Mr. Spees reported that he had communicated what staff understands as Providence's obligations relating to their lease of the building. In spite of the differential between each entity's FCA reports, Mr. Spees said that there was alignment on what is defined by "deferred maintenance," and that the language in the lease was unambiguous as it relates to Providence's obligations to cover the cost of that deferred maintenance. Mr. Spees provided Providence with options that adhere to those obligations in their lease agreement. He reported that Providence has not yet acknowledged they are responsible for that expenditure. He said there was a reasonable possibility that negotiations over this issue come to an impasse, resulting in the non-renewal of the lease and a potential claim against Providence by the District.

Director Nelson asked Mr. Spees if litigation was the only possible recourse for the District in this situation. He responded affirmatively, provided that Providence doesn't agree that the deferred maintenance is their responsibility. He also suggested it was possible these issues are resolved as part of a new lease agreement. All in all, Mr. Spees said that the District would do well to monitor compliance more closely with any future lease agreement.

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Director Hempel asked whether the property was currently in use, given the logistical changes associated with the COVID-19 crisis. Hospice patients had been housed in the Santa Rosa hospice building since March 2020. Ms. Faith confirmed that there were currently no patients in the building.

Mr. Spees said that in spite of these circumstances, the building remained a valuable asset to the District. He said that if the lease negotiations with Providence fell through, the District would begin exploring other possible uses for the building that aligned with its strategic objectives.

- **Business Development Update**

Mr. Spees continued reporting on business development opportunities the District is pursuing. Notably, he shared that negotiations with a prospective tenant had ended, due to the tenant seeking direct negotiations with the current owner of the building in question. He added that the building's owner was unsure whether they could complete the sale of the building to the District, and that the owner's existing relationship with a real estate developer made it more sensible to cease working with the District.

Director Hempel pointed out that the change coincided with the County's announcement of its partnership with UCSF and Providence.

Mr. Spees added that there may still be an opportunity for the District in a few years, noting that there may be less risk associated with the opportunity at that time.

Mr. Spees said that he had no further updates to provide and left the meeting.

8) PHCD Response to Dobbs v. Jackson Women's Health

Ms. Faith informed the Board that she raised the question about possible healthcare district responses to the Supreme Court's decision during the most recent meeting of the ACHD advocacy committee. She reported that all but one district in attendance said they had no plans to respond publicly. However, the CEO of Desert Health Care District told Ms. Faith that his staff were in the process of drafting a position paper to publish locally upon Board approval.

She suggested that the restriction of legal abortions in other states represented an access issue, and that it was therefore possible and appropriate for the District to take a position that aligned with its vision, mission, and strategic priorities. She also noted that this was an educational opportunity – the District is equipped to share with community members how this decision will impact them indirectly, and how it may impact them more directly as the issue evolves over time. She then asked the Board for their thoughts on pursuing this.

Director Tobias cautioned that it would not be appropriate for the District to comment on the legal merits of the decision. He did, however, express support for taking a position on the issue of access to a healthcare procedure. Director Hempel brought up the District's record on this issue, noting that it was one of the most high-profile issues relating to the sale of the hospital. She also said that while abortion was at the center of the discussion, women's healthcare more broadly would also experience a negative impact.

Already in Sonoma County, Director Hempel stated, there is only one place to receive abortion care – Planned Parenthood in Santa Rosa. For Kaiser patients, like most insured Petalumans, someone seeking abortion care must go to Sacramento. Director Hempel then said that the discussion proposed by Ms. Faith could entail highlighting the discrepancy between our local outlook on abortion and the availability of abortion care here.

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Director Tobias then suggested collaborating with Planned Parenthood for this effort. Ms. Faith said staff would conduct further research and return to the Board in September for further discussion of the matter.

9) ADMINISTRATIVE REPORTS

- **President's Report**

Director Nelson did not have a President's report to share with the Board of Directors.

- **CEO Report (verbal)**

Ms. Faith began her CEO report with an update on the Community Health staff. She said that there is one out on disability, but that in the meantime Jasmine Gonzalez had joined the team as a Community Health Worker. Jasmine majored in Spanish and minored in Business.

Ms. Faith discussed the growing June and July class sizes for HealthQuest trainings, and other activities relating to the District's Heart Safe Community program. She also discussed funding that the District received to help create a regional community health hub and fill gaps in our work in the community. Director Hempel noted the acute need for a resource hub as described above and said that in the event of an emergency geography works against one half of Petaluma to isolate them from communal resources. She underlined that this vulnerability was especially pertinent in an earthquake, which could close Highway 101 and cut Petaluma in two.

The Directors continued discussing the potential utility of the regional resource hub when a yet-unknown disaster strikes Petaluma, and how the uncertainty of preparing for emergency situations required proper preparation. Director Dufour asked whether the funding was one-time only or recurring, and Director Hempel answered that it was one-time only.

- **ACHD Update**

- **District News / Articles / Advertisements**

10) Management Review and Response to Employee Proposal Regarding Compensation

Ms. Faith reported that she received a letter from employees that was placed in her box and shared the context of the letter. She and the external HR consultant with whom she has discussed the matter one-on-one viewed it as a demand letter. In speaking with the staff, they indicated that was not the purpose of the letter. She also noted her disappointment and concern that 4 of the employees involved in the letter have been employed less than a year.

She reported that she met with staff on August 16, and that she had discussed the letter with an HR consultant externally. She shared with the staff what she is sharing with the board. She reviewed employee salary in comparison to similar positions locally to verify that staff are paid within the salary range for comparable positions. Then, she compiled the total compensation (salary plus benefits) offered by the District to each employee.

Ms. Faith reviewed what the letter requested item by item and identified which items she plans to address.

Director Hempel suggested sharing with staff the total cost of employing each of them, including salary, insurance, payroll taxes, etc (i.e., total compensation). Ms. Faith agreed, and stated compensation is reviewed with the employee annually, but said she would not share that publicly.

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Director Tobias suggested that this conversation should have taken place during each employee's annual review. Ms. Faith agreed and restated that on an annual basis during the performance review compensation is reviewed and added that no merit raises would be considered until that time. Director Hempel pointed out that, organizationally, this matter is the CEO's responsibility. Ms. Faith noted that she brought this to the Board for informational purposes and not to prompt Board action.

Director Nelson pointed out that staff likely had the opportunity to raise these points during normal policy reviews. Ms. Faith said that yes, staff reviews policies together annually so staff can raise questions and offer input. But that word from staff was that things had become more difficult since the time the review was conducted due to inflation. Ms. Faith asked if the Board had further ideas to share.

Director Tobias said that since the issue pertains primarily to the budget, it is important that the Board's role in setting culture and the CEO's role in managing operations are clearly defined. Director Ambrosi pointed out that the HR consultant engaged by the CEO is a good source of possible solutions.

Director Hempel directed Ms. Faith, through the Chair, to consider the establishment of merit-based raises, whether they take place at the yearly performance review or outside of it. She underlined the importance of ensuring employees are aware that strong job performance will be rewarded.

Director Hempel thanked Ms. Faith for bringing the matter to the Board. Ms. Faith reiterated that she had a great staff, and that she did not want to lose any of them. Director Tobias said that Ms. Faith should work creatively to address their needs within the constraints she laid out above.

Community Health Program Manager Ben Spierings noted that there was a hand raised to offer public comment. Director Hempel said that there was to be no public comment on items not listed for it, and the Board moved on.

11) INFORMATIONAL ITEMS

Ms. Faith discussed the events below with the Board. She noted that Directors Hempel and Tobias were going to attend the ACHD annual conference with her in September. She added that the SRJC Petaluma Campus fundraiser was open for Board members to attend, as the District has tickets based on its status as a sponsor.

- **PEF Bash – Sep. 10, 2022**
- **ACHD Annual Conference – September 14-16, 2022**
- **SRJC Petaluma Campus Fundraiser – September 24, 2022**

Director Dufour raised a point of information to the Board of Directors, asking about the interim period between the Blue Zones assessment report and final approval. Ms. Faith briefly responded, noting that there will be more outreach to potential funders and community partners to solicit support. District is working with materials provided by Blue Zones and more information will be available to the Board during the September meeting as outreach to funders by staff continues.

12) ADJOURN

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