



**MINUTES OF THE JULY 18, 2017 MEETING OF THE
PETALUMA HEALTH CARE DISTRICT BOARD OF DIRECTORS**

CALL TO ORDER

President Hempel called the meeting to order at 12:00 PM in the lobby conference room at 1425 N. McDowell Blvd.

PRESENT

Elece Hempel
Josephine S. Thornton, M.A.
Becky Monday
Fran Adams, RN, BSN (*Present at 12:20 PM*)
Joseph Stern (*Present remotely*)

ALSO PRESENT

Ramona Faith, CEO, PHCD (*Present remotely*)
Erin Howseman, Board Clerk, PHCD
Andrew Koblick, Controller, PHCD
Jane Read, VP Operations, SJH
Matthew Kelman, Exchange Bank

CALL FOR CONFLICT

President Hempel called for conflict. There was none.

MISSION AND VISION

Director Monday 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.

Petaluma Health Care District envisions: A healthier community; a thriving hospital; local access to comprehensive health and wellness services for all.

CONSENT CALENDAR

The July 18, 2017 Agenda was amended to move Item 14: *Petaluma Valley Hospital SRM Alliance Board Update* forward to Item 9, and to add Joe Stern to the Conference Call Location Addendum.

A motion was made by Director Thornton to approve the amended July 18, 2017 Agenda; and the June 20, June 22, July 5, and July 10, 2017 Minutes which was seconded by Director Monday. This motion was passed by a vote of 5 ayes (Directors: Hempel, Adams, Monday, Thornton, Stern) and 0 noes.

ADJOURN TO CLOSED SESSION

President Hempel adjourned the meeting into closed session pursuant to:

- **Government Code §54956.8 closed session; real property transaction; meeting with negotiator – 400 North McDowell Blvd.; GE Healthcare Camden Group, and Bouey & Black, LLP.**

ADJOURN TO OPEN SESSION

President Hempel adjourned the meeting to open session and reported no action taken in closed session.

PUBLIC COMMENTS

There were no public comments.

BOARD COMMENTS

There were no board comments.

PETALUMA VALLEY HOSPITAL

SRM Alliance Board Update

Jane Read reported that employee forums were being held at PVH, and have been well attended. Ms. Read reported that the uncertainty around the transition has resulted in a number of employee resignations including med-surg employees. PVH has held a recruitment fair and is now hiring.

Ms. Read reported that PVH previously engaged Intraline, a firm which provides surgical first assistants, but since the company is in bankruptcy, PVH will change to Amerisurg, and employees will make the transition to the new company. Ms. Read reported that Amerisurg may take on retired surgeons Dr. Barlas and Mariano to do first assisting. There are other physicians who might also help when necessary. There are now four orthopedic surgeons working at PVH. Management continues to recruit for general surgery and for GI.

Ms. Read said she is still working to get the PVH data from the employee engagement survey, and is talking to the PVH board about sharing the information with the PHCD board. Ms. Read reported that the PVH census is up again.

In response to a question from Director Thornton about whether the hospital is making operational changes due to the upcoming transition, Ms. Read stated that the only change has been to move outpatient labs to Lynch Creek from the hospital for greater efficiency. Also, a Clinical Documentation Implementation position and a Denial Coordinator position has been eliminated, and a position for an assistant nurse-manager on med-surg will be posted.

CEO Ramona Faith asked Ms. Read about management's response to employee requests for information on the transition of operations. Ms. Read responded that high-level information from meetings about licensure, IT systems, and the timeline has been shared. Ms. Faith asked Ms. Read to name the top quality metrics

that SJH uses to measure quality outcomes. Ms. Read answered: hospital acquired infections, readmissions, mortality, and HCAHPS. (*The Hospital Consumer Assessment of Healthcare Providers and Systems is a patient satisfaction survey required by the Centers for Medicare and Medicaid Services for all hospitals in the United States*).

Ms. Read reported that PVH management is doing a weekly update with PVH physician and staff leadership on the transition and negotiations.

FINANCIAL SUSTAINABILITY

Quarterly Investment Presentation

Matthew Kelman from Exchange Bank's Wealth Management Department presented the District's 2nd Quarter 2017 Market and Investment Review ending June 30, 2017.

Mr. Kelman reviewed the investment and performance summary indicating the ending market value of investments totaled \$2,117,076. District's investments are limited due to the California Government Code §53601 requiring investments in commercial paper to prime quality of the highest ranking or the highest letter and numerical rating. A majority of the District's investment portfolio consists of corporate bonds and municipal and US Government obligations resulting in a low return on investment.

Ongoing communication with the Controller Andrew Koblick occur regarding maturity of invested bonds and future financial needs.

The Board thanked Mr. Kelman for his presentation.

May 2017 Financials

The Month and Year to Date May 31, 2017

Andrew Koblick, Controller, reviewed the May 2017 financials.

As of May 31, 2017 the Statement of Net Position reflected assets of \$7,957,779 and liabilities of \$559,495 leaving the net fund balance at \$7,398,284.

The month and year to date ended May 31, 2017 showed the net loss of \$127,703 and \$1,107,673 which is \$28,815 and \$170,548, respectively better than the budgeted loss of \$98,888 and \$1,278,221.

A motion was made by Director Thornton to approve the May Financials, seconded by Director Monday. The motion was passed by a vote of 5 ayes, (Directors Hempel, Monday, Adams, Thornton and Stern) and 0 noes.

ADMINISTRATIVE REPORT

CEO REPORT

CEO Ramona Faith noted the press release in the board packet from the California Public Hospital Association, (CPHA) forwarded by Ken Cohen of ACHD stating CPHA's initial position on the Senate Healthcare bill. President Hempel requested that Ms. Faith draft a letter of support for healthcare funding and submit to board members for review. Regarding the letter from National Union of Healthcare Workers (NUHW) in the board packet, in which NUHW requested a meeting with Paladin Healthcare, Ms. Faith has

discussed the matter with Barry Wolfman CEO of Paladin, and reminded the board that SJH has requested that Paladin not speak to PVH employees. Ms. Faith said she will discuss NUHW’s request with District legal counsel.

Ms. Faith raised the issue of District sponsorship of the Hospice Golf Tournament by SJH, to be held in Windsor. Although the District has sponsored a golf tournament for Hospice in past years, it was previously held in Petaluma for the benefit of Petaluma Hospice, whereas this year, SJH will do a regional fundraiser. The board agreed that it would support Petaluma Hospice directly, but would not fund a sponsorship for this golf tournament because it will not specifically benefit Hospice of Petaluma.

Regarding the campaign to educate the community on the transition of hospital operations from SJH to Paladin, Ms. Faith called the board’s attention to a list of key community stakeholders which was provided to the board. Faith asked the board how they would like to move forward. After a discussion, the board concluded that meetings will be scheduled with the groups on the list when the board is ready to submit the ballot measure for the election. Ms. Faith requested the board members proactively review the list to determine which groups they want to engage with, so that they will be prepared to move forward.

BOARD GOVERNANCE

Board Committee Appointments

Ms. Faith reported that at the Board Governance Training, the Board Committee appointments were discussed and assigned, and need to be approved by the board. Board committees are listed below.

Committee	Members	Purpose/Charter	Schedule
Finance and Board Development Committee	Chair: Joe Stern Controller Andrew Koblick CEO Ramona Faith	To serve as the Financial Committee of the PHCD Board and provide oversight of all activities that pertain to the District’s fiscal assets and ensures appropriate financial reports are communicated to the full PHCD Board of Directors.	To be decided
Board Governance Committee	Josephine Thornton Becky Monday	This committee reviews board policies, by-laws, and establish Agenda for Board Governance Retreats	?
District Representative serving on the SRM Alliance board	Josephine Thornton (effective 1/2014 – 2017, 3 year term)	The District Board Chairperson will nominate a member of the District Board to serve as a voting member of Alliance’s Board of Trustees. This is a three year term.	4 th Tuesday of each month 11:00am to 2:00pm.
Community Health Initiative for Petaluma Area (CHIPA)	Fran Adams Elece Hempel All board members are invited to participate CEO Ramona Faith Community Outreach Project	To serve as an Advisory Committee of the PHCD board with the purpose of providing leadership in identifying local community health priorities and taking action to engage in policy, system, and environmental change to improve local health outcomes. This will be accomplished through collaboration and partnerships with key community, health care and	CHIPA: 2 nd Tuesday on a quarterly basis 12:00 noon – 1:30pm Cradle to Career Work Group: 2 nd Tuesday of non-CHIPA months

	<p>Manager Erin Hawkins</p>	<p>business leaders, local capacity building, and alignment with Health Action goals. CHIPA includes three Work Groups focused on three of PHCD’s five health priorities: mental health and substance abuse; heart health; and, educational attainment (cradle to career).</p>	<p>12:00 noon – 1:30pm</p> <p>Mental Health and Substance Abuse Work Group: 3rd Thursday of the of non-CHIPA months 12:00 noon – 1:30pm</p> <p>Heart Health Work Group: 3rd Monday of the non-CHIPA months 12:00 noon – 1:30pm</p>
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A motion was made by Director Thornton to approve the 2017 Board Committee Appointments, seconded by Director Adams. The motion was passed by a vote of 5 ayes, (Directors Hempel, Monday, Adams, Thornton and Stern) and 0 noes.

FORGING A NEW PATH FOR PETALUMA VALLEY HOSPITAL

Ms. Faith stated that negotiations on the hospital transition are ongoing between SJH, the District, and Paladin and that a meeting is being planned in southern California the week of July 24 to finalize the lease and transfer agreement between the District and Paladin.

INFORMATIONAL ITEMS

Ms. Faith directed the board members’ attention to the upcoming events listed in the agenda. President Hempel called the board’s attention to Brews and Bites, a fundraiser for Petaluma Bounty on July 31. Ms. Faith noted that Paladin is co-sponsoring the River Town Revival on July 22, and representatives from Paladin will be attending.

ADJOURN

President Hempel adjourned the meeting at 2:40 PM.

Submitted by Fran Adams, Board Secretary
Recorded by Erin Howseman, Board Clerk