



**MINUTES OF THE AUGUST 15, 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
Joseph Stern

ALSO PRESENT

Ramona Faith, CEO, PHCD
Erin Howseman, Board Clerk, PHCD
Andrew Koblick, Controller, PHCD (*present remotely*)
Jane Read, VP Operations, SJH

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

A motion was made by Director Thornton to approve the August 15, 2017 Agenda; and the July 18, August 1, and August 7, 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.**
- **Government Code §54957.6 closed session regarding employee matters.**

ADJOURN TO OPEN SESSION

President Hempel adjourned the meeting to open session and reported the following action was taken in closed session:

A motion was made by Director Adams to approve, effective August 15, 2017 extending the CEO's employment contract by one year, and the board will finalize her employee review by April 2018. The motion was seconded by Director Stern and was passed by a vote of 5 ayes (Directors Thornton, Adams, Hempel, Monday and Stern).

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 the uncertainty around the transition to a new hospital operator has resulted in some PVH employee resignations. Resignations in OB have been the biggest concern, and Ms. Read reported that management is working to fill the gaps. PVH will do their own OB training program to get new hires up to speed, and OB is being assisted by long-term travelers. Ms. Read reported there has also been turnover in OR and in med-surg.

Ms. Read reported that Dr. Kmucha has started as an ENT doctor, but he may not stay. Management is working on the call schedule and block schedule for the five orthopedic physicians. Ms. Read stated she is working with Amerisurg, and retired surgeons Dr. Barlas and Mariano may work with Amerisurg to do first assisting. Management continues to recruit for general surgery and for GI. ED has lost some staff, but are bringing in new hires.

Ms. Read reported that management has been rounding after the series of employee forums. Management is emphasizing to employees that SJH is working to get the agreements for the transition in place, which must happen before the ballot measure will go to a vote.

Ms. Read stated that the PHCD updates on PVH which are sent to medical staff are helpful. CEO Ramona Faith confirmed that an update was recently sent to physicians, was posted on the PHCD website, and was emailed to approximately 300 people in the community. Ms. Faith stated that the process is to send the update to Todd Salnas, (President, SJH) who forwards it to the staff. However, Mr. Salnas had concerns about two points in the recent update. First, the PVH IT language indirectly indicated that SJH's integrated

system was different than that of other health systems. Ms. Faith stated that the intent of the update was to communicate that PVH's system needs to be changed from an integrated system to a stand-alone system.

The second point referred to language about the length of time that SJH has agreed to operate the hospital. Mr. Salnas preferred to indicate that SJH will operate the hospital for a finite time, which is yet to be determined. Ms. Faith will respond that the District would like to participate in the discussion about determining that end date. Ms. Faith has agreed to the requested revisions, and expressed hope that it would be sent out by PVH management to all staff.

Ms. Read stated in answer to a question from Director Monday about causes for PVH employee turnover that the uncertainty over the new operator, as well as the continuing conflicts over union representation were some of the key factors.

Ms. Read reported that the lab is expecting Joint Commission to come any day, and the hospital is being prepared for the survey. Ms. Read also reported on plans to remove an unused table from the autopsy room, and on plans for the OR air handling unit project. Ms. Read also gave an update on other PVH equipment including the new chiller, and a sterilizer which was transferred from Memorial Hospital in Santa Rosa to PVH.

ADMINISTRATIVE REPORT

CEO REPORT

CEO Ramona Faith noted in the board packet the National Union of Healthcare Workers (NUHW) letter requesting copies of agreements made between Paladin Healthcare and the District, and the District's response. NUHW is also requesting to know about the carryover of accrued benefits, and Ms. Faith stated that will be a SJH decision.

Ms. Faith reported on the Health Action Update in the board packet. Hearts of Sonoma County, led by United Way of the Wine Country and the Center for Well Being, has launched a multi-faceted media campaign this month. The *It's Up to Us – Check Your BP* campaign aims to raise awareness of the importance of blood pressure control for heart health, and the District is collaborating through the CHIPA Heart Health Work Group.

Ms. Faith reported on the ACHD update on the Little Hoover Commission's recommendations relating to Healthcare Districts. The Commission's draft recommendations were based largely on strategic recommendations of ACHD's Working Group's Healthcare District Law Subcommittee. While ACHD agreed with many of the points, the letter to the chairman of the Little Hoover Commission also addressed some concerns.

FORGING A NEW PATH FOR PETALUMA VALLEY HOSPITAL

Ms. Faith reported that she spoke to Matt Brown of the Argus Courier on the current state of negotiations between SJH, the District, and Paladin for the hospital transition. Ms. Faith told Mr. Brown that the timeline is currently being driven by the IT agreements.

FINANCIAL SUSTAINABILITY

FINANCE COMMITTEE REPORT

Director Stern reported that the Finance Committee met on August 8, 2017, and reviewed and recommended board approval for the Board Policies: Guiding Principles for District Business Ventures, and Statement of Investment Policy. Director Stern also reported meeting with financial advisor Gary Hicks who is reviewing the District's financial position and advising on liquidity issues. Regarding the Lynch Creek Property update, the committee had nothing to report.

Director Stern reported that the auditors K-COE ISOM will begin their audit in the next few weeks. Ms. Faith noted that the firm will not be serving health care clients in the future, and this will be the firm's last year to audit PHCD.

June 2017 Financials

The Month and Year to Date June 30, 2017

Director Stern, Treasurer, reviewed the June 2017 financials.

As of June 30, 2017 the unaudited Statement of Net Position reflects assets of \$7,840,876 and liabilities of \$557,866 leaving the net fund balance at \$7,283,010.

The month and year to date ended June 30, 2017 the unaudited Statement of Revenue and Expense shows the net loss of \$115,275 and \$1,222,945 which is \$21,615 more and \$161,543 better, respectively than the budgeted loss of \$93,660 and \$1,384,488.

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

BOARD GOVERNANCE

Director Thornton, member of the Board Governance Committee, reported that the Board Policies were discussed at the Board Governance Training in June, 2017, and need board approval.

A motion was made by Director Adams to approve the Board Policies, seconded by Director Stern. President Hempel called for discussion.

CEO Faith stated that previously the Statement of Investment Policy has been reviewed by District financial advisors before approval, and asked if the advisors have reviewed the financial policies recently. Director Stern answered that the policies had been sent to the financial advisors, but the Finance Committee had not received a response. Ms. Faith proposed approving the financial policies provided the financial advisors do not have concerns or additional recommendations to amend the policies. Director Stern stated that the Statement of Investment Policy follows the California guidelines.

Director Monday expressed concern that during the Board Governance Training, there were questions raised about certain policies, which the board decided to resolve at a later date, but those had not been discussed in later board meetings. President Hempel called for discussion and approval of Board Policies to be placed on a future board meeting agenda.

INFORMATIONAL ITEMS

Ms. Faith directed the board members' attention to the upcoming events listed in the agenda, including the PEF Bash on September 9, and the ACHD Annual Meeting September 12-14.

ADJOURN

President Hempel adjourned the meeting at 2:30 PM.

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