



**MINUTES OF THE SEPTEMBER 18, 2018 MEETING OF THE
PETALUMA HEALTH CARE DISTRICT BOARD OF DIRECTORS**

CALL TO ORDER

Vice President Thornton called the meeting to order at 12:02 PM in the lobby conference room at 1425 N. McDowell Blvd.

PRESENT

Elece Hempel, President – joined the meeting at 2:12 pm
Fran Adams, RN, BSN, Secretary
Joseph Stern, Treasurer – exited the meeting at 2:03 pm
Josephine S. Thornton, M.A., Vice President
Jeffrey Tobias, MD, Board Member-at-Large

ALSO PRESENT

Ramona Faith, CEO, PHCD
Andrew Koblick, Controller, PHCD
Ruth Wells, Board Clerk, PHCD
Catherine Armstrong
Donald Bouey, Bouey & Black – via conference call
Kevin Gallagher, Complete Wireless Consulting
James Goerlich, RN, Petaluma Staff Nurse Partnership
Tyler Hedden, St. Joseph Health
Mary Leal
Lucinda Lofftus
Deb Mercieca
Brett Shinn, St. Joseph Health
Douglas Straus, Butchart
Taryn Treu

CALL FOR CONFLICT

Vice President Thornton called for conflict. There was none.

MISSION AND VISION

Director Tobias 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

Director Thornton asked to table the minutes from the Ad Hoc Hospital Quality Stewardship Committee meeting of August 16, pending clarification that the meeting met the committee's stated purpose.

Director Tobias offered an amendment to minutes of August 21 to clarify his remarks with respect to the *52 Ways to Be a Better Board* report.

A MOTION was made by Director Stern and seconded by Director Tobias to approve the agenda for September 18, minutes of the board meetings of August 17, August 21 (as amended) and September 4. This motion was PASSED by a vote of 4 ayes (Directors: Adams, Stern, Thornton, Tobias) and 0 noes.

PUBLIC COMMENTS ON CLOSED SESSION ITEMS

There were no public comments.

ADJOURN TO CLOSED SESSION

Vice President Thornton adjourned the meeting into closed session at 12:06 PM, for discussion pursuant to Government Code §54956.8, real property transaction Closed Session meeting with negotiator – (400 North McDowell Blvd.), and pursuant to Health & Safety Code Section 32106 concerning new programs, services or facilities.

ADJOURN TO OPEN SESSION

Director Thornton adjourned the meeting to open session at 12:58 PM and reported no action was taken in Closed Session on real property transaction. Similarly, no action was taken on the Health & Safety Code Section 32106 discussion.

Ms. Faith recommended that the District engage an outside consultant to work with the District to determine potential opportunities for developing the undeveloped property owned by the District that would meet community need while generating ongoing revenue.

PUBLIC COMMENTS ON NON-AGENDIZED ITEMS

There were no public comments.

BOARD COMMENTS

Director Adams' summation from *52 Ways to Be a Better Board* was deferred to the next regular board meeting.

PETALUMA VALLEY HOSPITAL

Ms. Faith noted that the nurses' union had asked for time on the agenda to speak to their concerns about their contract negotiations, which had been included in the agenda together with the Petaluma Valley Hospital Report. In future, these topics will be agendaized as separate items.

SRM Alliance Board Update

Tyler Hedden reported that PVH continues to achieve great results in quality ranking reports, thanks to the diligence and quality of all hospital staff.

St. Joseph Health (SJH) has begun capital equipment planning for the coming year (any equipment valued at more than \$5,000). Last year SJH purchased new ultra sound and radiology equipment as well as new fetal monitors for PVH, and plans to invest \$2M in the coming year for more radiology and CT equipment. Director Thornton asked how capital purchasing is planned. Mr. Hedden explained that in addition to repairing or replacing broken items, they are looking at equipping new services they'd like to offer.

Negotiations for a new contract with the nurses are continuing today and tomorrow. Mr. Hedden noted agreement on several issues. He addressed concerns about the use of traveling nurses to maintain staffing. The cost of living in the North Bay is high, making it difficult to recruit here. SJH has begun offering a sign on bonus for new hires. Management is hoping to stem turnover in the OR leadership position with a new hire coming in October who has personal ties to the community.

SJH is assisting Sonoma West Medical Center following the closure of that facility's Emergency Department recently. So far the closure has had little impact on SRM, and even less on PVH. With the coming closure of the OB department at Sonoma Valley Hospital, SJH is recruiting one of their OB doctors to come to PVH.

Director Adams asked how much time Mr. Hedden (whose job includes responsibilities for SJH Sonoma County region) spends at PVH. He responded that daily operations at PVH are managed by a team that includes PVH department heads. SJH has not yet determined whether to fill the full-time administrator vacancy following Jane Read's departure earlier in the year. PHCD Directors advocated strongly for having a dedicated on-site administrator with strong leadership skills. Mr. Hedden agreed that an on-site administrator is desirable.

Ms. Faith asked for an update on seismic retrofit issues and plans. Mr. Hedden stated that structural requirements for PVH buildings are sound. The deadline for completing nonstructural improvements is 2030. As these are not as urgent, there are no plans yet to begin the assessment process, as it is expensive. Ms. Faith noted the most recent PVH facility condition assessment report indicated plans for meeting 2030 seismic requirements should be started as soon as possible.

The Board thanked Mr. Hedden for his report and he was excused from the meeting.

Nurse Contract Negotiations Update

Six members of Petaluma Staff Nurse Partnership joined the meeting during their break from the PVH negotiation meeting. Jim Goerlich reported that the hospital has requested a mediator for the negotiations. Since negotiations have improved recently, the union feels a mediator is not yet necessary. SJH's head of HR (Jamie Walsh) is now part of the negotiating team, whose negotiating experience is expected to improve the process for everyone.

The union is waiting for SJH's response to several recent proposals including developing a process for nurses who are interested to receive cross training to work in additional departments. This can help maintain appropriate staffing ratios throughout a relatively small facility, as well as provide professional development opportunity for the nurses.

In anticipation of a public vote on the terms of a new hospital operator lease, the union plans to speak out about it. The union expects the community will want to see that the new operator plans to invest in the community and cares about the local work force. The union's endorsement should be valuable to the process of obtaining public approval.

Mr. Goerlich presented a letter of support signed by 124 PVH nurses that states:

"I am signing this letter because I am an active member in PSNP. I, along with my fellow RNs, are united in our determination to secure a contract that will contain language that will ensure a safe working environment in PVH for our patients and ourselves. This is a must. An intricate piece of that security lies in the attracting and retention of RNS. Having competitive wages and benefits with surrounding hospitals is also a must. As a member of PSNP, I am staying informed and educated on the issues during Negotiations, providing feedback to our team and asking questions as needed. I fully support our Negotiating Team and when they negotiate, they speak for me... **they speak for all of us.**"

Director Thornton asked what the big points of contention with SJH are. Mr. Goerlich explained that some issues arise from the infrastructure differences between a large management organization like SJH and PVH's small facility setting, but noted there is agreement on many issues with respect to patient care.

Mr. Goerlich noted that the hospital physicians also want to see PVH expand its service offerings. The Board thanked Mr. Goerlich for his report.

The Cell Site Lease item was discussed at this point, but is minuted in the order of the agenda.

ADMINISTRATIVE REPORT

PRESIDENT'S REPORT

In Ms. Hempel's absence, Ms. Faith noted the confirmation by Sonoma County Board of Supervisors, pursuant to Elections Code §10515, of Director Tobias' uncontested election to complete the two-year term of his seat.

Mr. Stern left the meeting at 2:03PM.

CEO REPORT

CEO Ramona Faith reported that the annual meeting of the Association of California Healthcare Districts took place Sept. 12-14. Keynote speaker Mary Pittman (CEO, Public Health Institute) was excellent. The majority of conversations during the conference centered around social determinants of health. ACHD has implemented a new certification and recertification process that incorporates best practices. PHCD will need to recertify with ACHD by January 1 in order to maintain certification. The District team is working to ensure the new criteria will be met.

Ms. Faith noted the District's presentation on Operation Prevention (OP) – a pilot program in cooperation with the Drug Enforcement Agency (DEA) – at a recent Sonoma County Health Action meeting. The District in partnership with Petaluma City Schools and the DEA is bringing this education program for students 8-18 years of age to all Petaluma City Schools.

Ms. Faith noted that the District's 2017-18 independent audit has been completed, with kudos to the finance team. No issues were found.

At the Board's request, Ms. Faith and Community Health Director Erin Hawkins recently met with Petaluma's city manager to discuss the City's position on establishing a tobacco retail license (TRL) for Petaluma. The City is neutral on the issue, as long as implementing it doesn't cost the city money and resources. The County has indicated they will provide resources for marketing and enforcement. The City's biennial goal setting process begins soon. The City Manager recommended that interested parties participate in that process to advocate for TRL to rank among the City's priorities.

Ms. Hempel joined the meeting at 2:12PM.

Members of a CHIPA work group want to advocate on the TRL issue as a protection for youth from easy access to tobacco and nicotine products, however the Board is reluctant to grant blanket advocacy power to any ad hoc group. In order to prevent confusion of CHIPA's activity with PHCD directors' endorsement, the Board prefers to have each advocacy issue brought to their attention for approval. Ms. Faith indicated that the Heart Health work group will form a subgroup to research the need and prospect of initiating a ballot measure to require a TRL in Petaluma. Staff will bring to the Board the findings from the research and make a recommendation for advocacy action.

Work is proceeding on preparing the paperwork to establish a District 501(c)3 health and wellness foundation (Petaluma Health District Foundation).

The Oct. 9 CHIPA meeting agenda will include presentations on three local ballot measures.

Ms. Faith will meet with the Governance Committee in the coming weeks to prepare a recommendation to select a consultant to move the strategic planning process forward.

Erin Hawkins has resigned as Director of Community Health effective October 2 to take a co-director position with Hanna Institute. The Board will be invited to join in a staff gathering to wish Erin well as she moves to her new position,

BOARD POLICY: GUIDING PRINCIPLES FOR DISTRICT BUSINESS VENTURES

Director Tobias presented revisions to update the Board's policy on District business ventures.

A MOTION was made by Director Adams seconded by Director Tobias to adopt the proposed policy "Guiding Principles for District Business Ventures." The motion was PASSED by a vote of 4 ayes, (Directors: Adams, Hempel, Thornton, Tobias) and 0 noes.

Public Comment: There were no public comments.

COMMUNITY ADVISORY COMMITTEE CHARTER

Directors Tobias and Stern were asked to draft a charter to form an advisory committee to elicit input from the community and to better communicate to the community. The discussion was deferred to the next regular Board meeting.

COMMUNITY RELATIONS

Engaging With Petaluma City Council

Director Tobias had asked at the August 21 District board meeting to discuss how the District might engage the many candidates for Petaluma City Council and Mayor, or the new office holders following the election. Directors agreed that strengthening relationships with Council members and cultivating their support for District issues is desirable.

Ms. Faith suggested Directors be as visible at City meetings as possible. She hopes to get the new mayor involved in the Sonoma County Health Action Council as well. Director Tobias expressed the need for Directors to have talking points for consistent messaging at city meetings. Ms. Faith will work with him to develop talking points for meetings as needed.

Process for Directors to meet with hospital staff/physicians

Noting that physicians, nurses and technicians are the hospital's most important assets, Director Tobias expressed interest in being able to interact with PVH staff directly to hear their ideas and better understand their issues. While the nurses' union is aware of the District's willingness to hear their concerns, he wondered if the District could do more to introduce its newest directors to hospital staff, and to foster a broader staff awareness of the District's appreciation. Ms. Faith cautioned that the District cannot get involved in hospital operations.

Additionally, Director Tobias is looking for ways to increase interaction between the Board and the community. Ms. Faith noted this is part of what CHIPA meetings and work groups provide. There are District-sponsored events that Directors can and should participate in. Director Thornton suggested that Directors be more visible in public events that benefit people's health to demonstrate the District's interest in issues that affect ordinary people. This subject is noted as a topic for discussion for the next strategic planning session.

COMMITTEE APPOINTMENTS

The proposed slate of committee appointments was deferred to after the General Election and a new director joins the board, with the following exception: The Finance and Business Development Committee will be chaired by Director Stern and have as standing members CEO Faith, Controller Koblick and Director Tobias.

CONFLICT OF INTEREST BIENNIAL REVIEW

President Hempel presented the Conflict of Interest Code (Government Code Section 8100, et. seq.), adoption of which is required by state and local government agencies, and which must be reviewed every two years. CEO Faith asked legal counsel to review and recommend any amendments to the policy. Since there have been no major organizational changes during the past two years and no recommendations from counsel, no amendments to the District's code are required.

A motion was made by Director Tobias to approve the Conflict of Interest Code as written, without amendments, seconded by Director Adams. The motion was passed by a vote of 4 ayes (Directors Adams, Hempel, Thornton and Tobias) and 0 noes.

FORGING A NEW PATH FOR PETALUMA VALLEY HOSPITAL

CEO Ramona Faith reported that a Letter of Intent between the District and SJH (with respect to prospective terms of a new hospital operator lease once the NewCo has been approved) has been proposed and is awaiting SJH's response.

PROPOSED ROOFTOP CELL SITE LEASE ON PETALUMA VALLEY HOSPITAL BUILDING

The Board welcomed Kevin Gallagher to the meeting. Mr. Gallagher is a Site Acquisition Specialist with Complete Wireless Consulting. He brought a proposal for Verizon to install a cellular communications relay on the rooftop of PVH.

Cellular service coverage at the hospital is inconsistent. PVH would like improved cell service. Mr. Gallagher represents Verizon. The carrier is looking to improve coverage in the larger area around the hospital. Adding the proposed relay could improve 911 coverage for all providers throughout the neighborhood. Installation of the equipment requires a lease of hospital property. The lease agreement can be with the District and/or the hospital operator. What the carrier needs is a guarantee of operation for a long period of time.

The proposed structure would match other rooftop features. Verizon will undertake all approvals (OSHPD, City, etc.) and costs.

Director Tobias asked whether the proposed rooftop is the only feasible location. Mr. Gallagher responded that due to the relatively flat terrain, the height of the hospital makes it preferable for the area. Ms. Faith asked how difficult or costly it would be to move the structure if a taller building is built nearby. It would be costly to move the structure from PVH to another building. If an obstruction develops, Verizon may have to terminate the lease, and would be responsible to remove the equipment.

Directors Thornton and Tobias questioned whether the weight of the structure poses a risk to the hospital building, and if the next generation of cellular equipment (5G) be lighter and easier to accommodate. Mr. Gallery thought the weight of new equipment changes will not be greatly different.

Director Thornton asked whether other carriers will also want to lease space. Mr. Gallagher said that carriers share capacity for emergency situations, but not for basic coverage.

CEO Faith asked how long the process is likely take from decision to installation. Mr. Gallagher anticipates that City approval, OSHPD design review, building permit and construction will take 1-2 years, but they need lease approval in order to proceed. Lease payments would begin when construction begins. Verizon needs clarity on which organization the lease(s) would be with. It was noted that the District is in the midst of negotiating a long-term lease with the current hospital operator. SJH has taken the position that they are not in a hold over situation, and they have not paid rent to operate PVH for almost two years, with back rent due since January 2017. It may be in both Verizon's and the District's interests to write the cellular installation lease directly with

the District. Ms. Faith recommended that the Board proceed after legal review of the lease terms. The Board agreed to wait for legal review and recommendation.

FINANCIAL SUSTAINABILITY

June 2018 Year-End Financial Report

PHCD Controller Andrew Koblick presented financial statements for the fiscal year ending June 30, 2018.

As of June 30, 2018 the unaudited Statement of Net Position reflects assets of \$7,904,214 and liabilities of \$479,196 leaving the net fund balance at \$7,425,018.

The month and year-to-date ended June 30, 2018 unaudited Statement of Revenue and Expense shows the net loss of \$62,383 and income of \$142,010 respectively which is \$325,462 and \$517,626 better than the budgeted net loss of \$387,845 and 375,616.

A MOTION was made by Director Adams to approve the June 2018 Year-End Financials, seconded by Director Tobias. The motion was PASSED by a vote of 4 ayes, (Directors: Adams, Hempel, Thornton, Tobias) and 0 noes.

July 2018 Financial Report

Andrew Koblick presented the Financial Sustainability report. As of July 31, 2018 the unaudited Statement of Net Position reflects assets of \$7,754,312 and liabilities of \$436,275 leaving the net fund balance at \$7,318,037.

The month and year to date ended July 31, 2018 the unaudited Statement of Revenue and Expense shows the net loss of \$106,981 which is \$13,227 better than the budgeted loss of \$120,208. He noted that expenses for the month included payment of the \$48,000 in District grants.

Directors questioned what financial contingency plans are in place with respect to cash reserves. Mr. Koblick has prepared several scenarios as part of the lease negotiations. Directors requested that these scenarios be presented at the next board meeting.

A MOTION was made by Director Adams to approve the July 2018 Financials, seconded by Director Tobias. The motion was PASSED by a vote of 4 ayes, (Directors: Adams, Hempel, Thornton, Tobias) and 0 noes.

Public Comment: There were no public comments.

INFORMATIONAL ITEMS

There was no discussion of the Informational Items.

PLUS / DELTA

No new business was proposed.

ADJOURN

The next scheduled Board meetings are October 2nd at 7:30AM for a special board meeting and a regular board meeting on October 16th at 12:00PM. The regular board meeting scheduled for

November 20 will be cancelled, meeting only once that month on November 6. Staff was directed to schedule one meeting in December (rather than two scheduled).

President Hempel adjourned the meeting at 3:06 pm.

Submitted by Fran Adams, Board Secretary

Recorded by Ruth Wells, Board Clerk