



**MINUTES OF THE DECEMBER 10, 2018 MEETING OF THE
PETALUMA HEALTH CARE DISTRICT BOARD OF DIRECTORS**

CALL TO ORDER

President Hempel called the meeting to order at 7:32 AM in the lobby conference room at 1425 N. McDowell Blvd.

PRESENT

Elece Hempel, President
Fran Adams, RN, BSN, Secretary
Gabriella Ambrosi, Board Member-at-Large
Crista Chelemedos, Board Member-at-Large
Jeffrey Tobias, MD, Board Member-at-Large

ALSO PRESENT

Ramona Faith, CEO, PHCD
Andrew Koblick, Controller, PHCD
Ruth Wells, Board Clerk, PHCD
Richard Barnett
Kathy Barnett
Kenzie Chelemedos
Tyler Hedden, St. Joseph Health
Ron Nelson
Stephen Stimel
Barbara Stimel

CALL FOR CONFLICT

President Hempel called for conflict. There was none.

MISSION AND VISION

President Hempel 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 Adams and seconded by Director Hempel to approve the agenda for December 10, and minutes of the PHCD Board meetings of November 6 and November 30. This motion was PASSED by a vote of 3 ayes (Directors: Adams, Hempel, Tobias) and 0 noes.

PUBLIC COMMENTS ON NON-AGENDIZED ITEMS

There were no public comments.

OATH OF OFFICE

President Hempel introduced Gabriella Ambrosi and Crista Chelemedos who prevailed in the Nov. 6 election for the two open seats on the board and will embark upon four-year terms as PHCD directors. She noted that Jeffrey Tobias ran unopposed for his seat's remaining two-year term. The Oath of Office was administered by President Hempel to each director, and Ms. Ambrosi, Ms. Chelemedos and Dr. Tobias were sworn in. Each signed the Oath of Office and the Board welcomed Directors Ambrosi, Chelemedos and Tobias.

Public Comments: The public offered their congratulations.

BOARD COMMENTS

Director Adams deferred on her review of chapters from *52 Ways to Make a Better Board*. She will review chapters 23 and 24 at the January meeting.

ADMINISTRATIVE REPORT

PRESIDENT'S REPORT

President Hempel noted that the CEO's performance evaluation will be conducted in closed session.

CEO REPORT

CEO Ramona Faith welcomed the new directors. She noted that the board will conduct a strategic planning process in early 2019, beginning in January. The opportunity to draw up a new plan had been delayed over the past year while completing the due diligence process to secure an operator for Petaluma Valley Hospital (PVH).

Ms. Faith explained the purpose of CHIPA, which functions as a community health advisory committee to the PHCD board. CHIPA is recognized as one of the strongest chapters of Sonoma County Health Action program due to the backbone support of PHCD. The Health Action Impact quarterly report was noted in the agenda material.

Planning has begun for the 2019 Community Partnership Appreciation Breakfast, which will be held at Petaluma Woman's Club in late May.

Halley Cloud has been hired as the Community Health Program Manager to begin January 2, 2019. Ms. Cloud is a resident of Petaluma and is experienced in health policy and community development, and is committed to health equity. She was raised in Petaluma and recently moved back after working in Washington DC.

FINANCIAL SUSTAINABILITY

October 2018 Financial Statements

Controller Andrew Koblick reviewed the financial statements. As of October 31, 2018 the unaudited Statement of Net Position reflects assets of \$7,658,485 and liabilities of \$522,920 leaving the net fund balance at \$7,135,565.

For the month and year-to-date ended October 31, 2018 the unaudited Statement of Revenue and Expense shows the net loss of \$35,846 and \$289,454 respectively, which is \$41,715 and \$77,924 better than the budgeted loss of \$77,561 and \$367,378. President Hempel noted that unpaid rent for PVH contributes heavily to the District's ongoing negative cashflow.

It was noted that because Joe Stern lost his bid for re-election, the role of Treasurer needs to be filled as soon as possible. It was decided that a temporary appointment would be preferable while the skills of the new directors are assessed.

A MOTION was made by Director Adams to approve the designation of Director Tobias as acting Treasurer, seconded by Director Ambrosi. The motion was PASSED by a vote of 4 ayes, (Directors: Adams, Ambrosi, Chelemedos, Hempel) and 0 noes. Director Tobias abstained from the vote.

A MOTION was made by Director Tobias to approve the October 2018 Financials, seconded by Director Adams. The motion was PASSED by a vote of 5 ayes, (Directors: Adams, Ambrosi, Chelemedos, Hempel, Tobias) and 0 noes.

Public Comments: There were no public comments.

PETALUMA VALLEY HOSPITAL

SRM Alliance Board Update

The board welcomed Tyler Hedden (VP COO of St. Joseph Health Sonoma County) to the meeting.

Mr. Hedden reported that discussions with PVH staff have begun to inform them about the Letter of Intent (LOI) with respect to a new PVH lease. Ms. Faith noted the discussion with Kevin Klockenga in regards to SJH and the District working on a joint communications. Mr. Hedden agreed that a united front is best in sharing communication about the LOI. Mr. Hedden will let the Ms. Faith know the dates/times of the employee forums.

A Stroke Survey was conducted on Nov. 29, which PVH passed with flying colors and is recertified in post-stroke care for three years.

Staffing: A full time manager of nursing has been confirmed with plans to hire a new assistant nurse manager. Additional hires in OR, perioperative, family birthing center and ICU complete

the nurse management team. Management continues to reduce traveler staffing, and by the end of January there should be no travelers in the emergency department.

The hospital's financial performance remains strong.

Director Adams asked for nursing contract update and how the transition to the NewCo will work. Mr Hedden assured the board that the new contract will be portable to the NewCo. Management finds the characterization about patient safety in the nurses' publicity campaign concerning. Staffing ratios don't need to be part of the labor contract because they are covered by state regulations.

Director Tobias asked why there is so much disparity between what is reported by the nurses' union and SJH management. Mr. Hedden explained that SJH has offered mediation multiple times, which they feel might help the newer organization better understand the process and speed the process. Both sides want to do the right thing for patients and safety.

It was noted that PVH (as well as Santa Rosa Memorial) did not make the LeapFrog list of quality hospitals with respect to patient safety this year. Management was surprised based on the high quality patient care outcomes achieved at PVH. Some of the data may not have been submitted properly and SJH is working with Leapfrog to remedy any survey reporting errors for PVH.

The Board thanked Mr. Hedden for his presentation.

FORGING A NEW PATH FOR PETALUMA VALLEY HOSPITAL

Ms. Faith noted the process for appointment of a PHCD rep on the SRM Alliance hospital board. Director Tobias has been interviewed by SRM Alliance for the position and will join that board in January, as a representative of the District board.

Ms. Faith announced that a letter of intent (LOI) has been executed between Petaluma Health Care District and St. Joseph Health to have ST Network LLC (NewCo), a joint venture of SJH and Adventist Health System/West, operate Petaluma Valley Hospital. The LOI is a non-binding agreement with the exception of two points. The two points that are binding are the payment of back rent, from January 2017 forward, and a \$400,000 financial settlement with respect to the ownership of Petaluma Hospice. The details of the LOI will be reviewed in open session at the Board of directors meeting January 15.

President Hempel noted that PHCD is considering advocating with other healthcare districts to seek policy change to allow rural communities to have access to stand-alone emergency rooms. The board's strategic planning will consider how health care has changed since the establishment of healthcare districts, as well as how the District can continue to provide the best quality health care for the community.

Even though an LOI is signed, there are several steps that still need to be taken. The LOI is dependent upon the NewCo being approved by the State Attorney General and Federal Trade Commission, and there has been a delay in this process due to additional information being requested by the Attorney General's office; a fair market value assessment of PVH, which must be done within 6 months of the public vote, and then NewCo must obtain hospital licensure and other required licenses and certifications to operate the hospital. The final agreement requires public approval. It is hoped the issue can go on the Nov. 2019 ballot, and will require a concerted educational effort to make sure voters understand that the lease approval has no tax implications.

INFORMATIONAL ITEMS

A senior issues forum will be held at Petaluma People Services Center Dec. 11. The Health Action chapters are meeting on Dec. 11 to teach community outreach techniques and share best practices. Health Action has been cultivating funding that may enable part-time hires to do community outreach work for the District.

Ms. Faith questioned whether it is necessary to continue to schedule board meetings twice a month. Directors agreed that the only third-Tuesday-at-noon meeting schedule will be published for the coming year. The question of whether to change the board meeting day will be discussed at the January 15, 2019 meeting.

PUBLIC COMMENTS ON CLOSED SESSION ITEMS

There were no public comments.

ADJOURN TO CLOSED SESSION

President Hempel adjourned the meeting into closed session at 8:32 AM for discussion pursuant to •Government Code §54957.6 Closed Session regarding employee matters.

ADJOURN TO OPEN SESSION

President Hempel adjourned the meeting to open session at 9:34 AM.

A MOTION was made by Director Tobias and seconded by Director Adams to approve a cost of living increase of 3% effective immediately, and to extend the CEOs employment contract by one year while the contract is reviewed and updated. The board requested CEO Ramona Faith reach out to ACHD to conduct a CEO compensation review over the next few months. The Board will review the results and revisit compensation at that time. Once the District Strategic Plan has been updated, the Board will review with the CEO and finalize CEO annual goals for next fiscal year. The motion was PASSED by a vote of 5 ayes, (Directors: Adams, Ambrosi, Chelemedos, Hempel, Tobias) and 0 noes.

PLUS / DELTA

No new business was proposed.

ADJOURN

The next regular Board meeting will be January 15, 2019 at 12:00PM.

President Hempel adjourned the meeting at 9:35 AM.

Submitted by Fran Adams, Board Secretary

Recorded by Ruth Wells, Board Clerk