



**MINUTES OF THE JUNE 17, 2019 MEETING OF THE
PETALUMA HEALTH CARE DISTRICT BOARD OF DIRECTORS**

CALL TO ORDER

President Hempel called the meeting to order at 5:29 PM in the lobby conference room at 1425 N. McDowell Blvd.

PRESENT

Elece Hempel, President
Fran Adams, RN, BSN, Secretary [Director Adams was excused at 5:57 PM]
Gabiella Ambrosi, Director-at-Large
Jeffrey Tobias, MD, Treasurer

ABSENT

Crista Nelson, Vice President

ALSO PRESENT

Ramona Faith, CEO, PHCD
Andrew Koblick, Controller, PHCD
Ruth Wells, Board Clerk, PHCD
Suzie Bigall
David Southerland, St. Joseph Health
Wendi Thomas, RN, Petaluma Valley Hospital

CALL FOR CONFLICT

President Hempel called for conflict. There was none.

MISSION AND VISION

Director Adams 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 Ambrosi to approve the following Consent Agenda items:

Agenda for June 17, 2019

Minutes of the PHCD Special Board meeting of May 7, 2019

Minutes of the PHCD Board meeting of May 21, 2019

Financial Statements for April 2019

This motion was PASSED by a vote of 4 ayes (Directors: Adams, Ambrosi, Hempel, Tobias) and 0 noes. Director Nelson was absent. Director Tobias abstained from the approval of the May 7 meeting minutes, having been absent from that meeting.

PUBLIC COMMENTS ON NON-AGENDIZED ITEMS

There were no public comments.

BOARD COMMENTS

Director Adams raised a question from the minutes of the SRM Alliance board meeting (included in the PHCD agenda packet) that Director Tobias had attended. She asked what clarification had been given regarding system allocation and hospital fees. Director Tobias related Mr. Malmgren's explanation that allocations for a particular period are not paid in real time so that a large transfer occurred within a short calendar period. SJH's financial reporting has been changed so that reports now have such fees fully loaded for the period.

Director Ambrosi reviewed two chapters *52 Ways to Make a Better Board*, which the board is reading together. Chapter 32 discusses committee work, noting that committees are limited in their scope and do not replace the work of the board. Chapter 33 advises that directors make humble service their mantra, remembering that their role is to serve the community.

PETALUMA VALLEY HOSPITAL

The Board welcomed David Southerland (Interim PVH VP of Operations) to the meeting. He provided the following operational update.

The California Dept. of Public Health conducted a surprise visit recently. Management has not yet received the summary of their findings, but already is preparing a plan to address issues they anticipate will be raised in the report. The hospital's infection rate continues to be low.

SJH's Interim CEO has been conducting employee forums to receive feedback at both Santa Rosa Memorial (SRM) and PVH. Most sessions have been well attended with active discussion.

The pace of labor negotiations has picked up with both nursing and facilities/engineering unions, the latter being complete. Negotiations with the food service workers and pharmacy techs has just begun. The PSNP negotiations continue to make moderate progress. The hospital owes counter proposals on six sections of the contract. PSNP owes counters on 15 items. Agreement has been reached on 21 sections. Recent negotiation sessions reportedly have been more productive.

A new nurse manager for ICU/ED has been hired.

The past month has presented several facilities challenges. Installation of the new washer for the surgery department is not yet complete, and instruments are still being couriered between SRM and PVH daily as needed. A collapsed drain was discovered in the food service area, creating backup drainage problems. Repairs are underway and alternate arrangements are being made for food service. This does not affect patient care.

The recent heat wave presented a challenge to the facility chiller. Repairs were relatively easy to make. Mr. Southerland recognized the work of Ms. Thomas during his absence to manage that situation. The excess heat in the aforementioned days resulted in a loss of certain temperature-sensitive medications. Mr. Southerland noted that the building's original roof is still in place. Although it has been patched over the years, it needs to be replaced. Management has begun the capital improvement budgeting process to plan its replacement.

Director Tobias extended kudos to PVH for an improved Leap Frog score.

The Board thanked Mr. Southerland for his presentation.

SRM Alliance Board Update

Director Tobias reported on the recent SRM Alliance meeting, noting that the hospital continues to meet and exceed their revenue projections. He observed an increase in self-pay patients, perhaps indicating an increase in uninsured patients in the whole community. He noted that regional financial reports were not included, as had been in the past.

Director Adams was excused for the rest of the meeting, departing at 5:57 PM.

ADMINISTRATIVE REPORTS

PRESIDENT'S REPORT

President Hempel had no report.

CEO REPORT

CEO Ramona Faith introduced Suzie Bigall who is a candidate for the Board Clerk position. Ms. Wells has resigned the position effective July 19.

Having no questions on her written report, Ms. Faith reported that PVH has offered a facility tour for new PHCD directors. Dr. Tobias has taken the tour. Director Ambrosi will pursue it.

Memos produced by both management and the nurses' union were included in the agenda packet.

Ms. Faith noted a letter of support for the California Long-Term Ombudsman budget appropriation which she issued with Director Hempel's approval. She asked for guidance in developing a policy that will allow the District to make timely responses to such requests. The Governance Committee will undertake the matter.

It was noted that Director Adams serves as a member of the Sonoma County Mental Health Board. The Board requested that she report regularly on her experience with that body.

Ms. Faith has followed up with SJH's Director of Financial Operations on the questions raised in public comment at the March 19 PHCD board meeting with respect to the unaudited financial statements of 2018 that show a dramatically different result between FY17-18 and calendar year 2018. Mr. Malmgren explained that in changing from fiscal year to a calendar year reporting, the fiscal report covered a six-month period and is not comparable to the 12-month calendar year

report. Furthermore, accounting changes begun in CY18 with respect to how corporate-controlled expenses are allocated to the ministries change what is reported as ministry expense, which caused a reduction in ministry-controlled expense for the period.

ADOPTION OF 2019-2024 STRATEGIC PLAN

The Board reviewed a new draft of the 2019-2024 Strategic Plan that incorporates input gleaned from the May meeting. Ms. Faith noted that other health care districts websites articulate their community health priorities very clearly. Staff have drafted additional language that will be added to the strategic priorities section of the Plan that clearly defines the community health goals and initiatives covered by CHIPA.

A MOTION was made by Director Tobias and seconded by Director Ambrosi to adopt the 2019-2024 Strategic Plan with the amendments discuss. This motion was PASSED by a vote of 3 ayes (Directors: Ambrosi, Hempel, Tobias) and 0 noes. Directors Adams and Nelson were absent.

CEO will provide quarterly updates on the work plan that has been established to meet each objective in the Plan. Many of the items related to the hospital are dependent on the completion of a lease for the hospital with a new operator. Ms. Faith reported that two meetings have been held with SJH representatives to develop a plan for a successful ballot measure and public vote approval for a long term hospital lease, once ST Network is authorized.

Public Comments: There were no public comments

PHCD BOARD RESOLUTION TO AUTHORIZE THE CEO TO TAKE ACTION REGARDING ACQUISITION OF REAL PROPERTY

Mr. Koblick summarized the history of the property ownership of Petaluma Valley Hospital.

Petaluma Hospital Building Corporation (Corporation) was formed in 1976 by Petaluma Health Care District (District) for the purpose of issuing bonds to finance construction of the hospital. The Corporation obtained the underlying real property, which it then leased to the District pursuant to a Lease Agreement between the Corporation and the District in 1978.

The Corporation's Articles of Incorporation required transfer of title to the District in the event that the bonds were paid off and upon dissolution of the Corporation. The Lease has terminated and the District is required to purchase the Property for the purchase price of \$1.00. The Corporation's bonds have been paid off and the Corporation has dissolved and executed a Grant Deed to convey its interest in the Property to the District.

Government Code § 27281 requires a resolution of the District's Board of Directors to authorize one or more officers of the District to accept the grant deed to the Property on behalf of the District. In order to effect this action, the following resolution was presented:

RESOLVED, that the Chief Executive Officer is authorized to accept the grant deed to the Petaluma Valley Hospital Property on behalf of the District and to sign a Certificate of Acceptance, and to take any and all further actions, which in the determination of the Chief Executive Officer are necessary and proper to consummate the transfer of the Property.

BE IT FURTHER RESOLVED, that the District Secretary is hereby authorized and directed to file a copy of this Resolution, together with the Grant Deed to the Property, with the County Clerk.

A MOTION to adopt the foregoing resolution was made by Director Ambrosi, seconded by Director Tobias, and was passed and adopted by the following vote:

Ayes:	Ambrosi, Hempel, Tobias
Noes	none
Absent	Adams, Nelson

Public Comments: There were no public comments

BLUE ZONES PROJECT: COMMUNITY WIDE WELL-BEING INITIATIVES TO HELP PEOPLE LIVE LONGER BETTER

CEO Ramona Faith presented an overview of the Blue Zones Project, an initiative that involves all sectors of the community in identifying its health challenge areas and in developing solutions. Beach Cities Health District has used it for several years and has demonstrated success in dramatically improving childhood obesity. Salinas Valley is undertaking the Project focusing on workforce issues.

Blue Zones takes public health to the next level, beyond documenting shortcomings to developing collaborations that can move the community forward together. An initial investment is required for Blue Zones to conduct the community assessment research and identify a project based on greatest need. Ms. Faith has made an overture to Sonoma County Dept. of Health Services to explore the possibility of implementing a local Blue Zones project across the Health Action chapters.

FORGING A NEW PATH FOR PETALUMA VALLEY HOSPITAL

CEO Ramona Faith reported on her recent conversation with St. Joseph Health's Northern California Region CEO Kevin Klockenga. SJH anticipates further delay in a decision by the Attorney General (AG) with respect to approval of the ST Network joint operating company, which will likely push the public vote on the PVH lease to the November 2020 ballot. The AG had scheduled a public hearing on the proposed joint venture for June 28. However, the date may have changed. Ms. Faith will confirm. Directors are encouraged to attend that meeting when it happens. Ms. Faith further recommended that the board select a spokesperson to make a formal public comment.

FINANCIAL SUSTAINABILITY

Dr. Tobias and Mr. Koblick presented the FY 2019-2020 draft budget and summarized the principal differences between the current year and proposed budget. The FY2020 budget will include a small net staffing increase to expand the Healthquest program and a part-time community health worker to implement CHIPA outreach. Legal fees also have been increased to include due diligence around the development of the Lynch Creek property.

There is a projected loss of \$1.625M. Director Tobias recommended that the recent grant awards be paid in the current fiscal year, so that the budget is decided before the grant funding is

deliberated. Director Hempel concurred and recommended planning a budget workshop in early 2020.

The Board discussed how to maximize the District's program impact within fiscally responsible means. Implementation of some of the new ventures proposed in the Strategic Plan may have to wait. Director Tobias proposed that hiring the half-time community health worker position be postponed. He further questioned whether grant funding can continue at \$100,000 for FY2020. CEO Faith recommends that grant funding be budgeted at that level for FY2020 and requested that the Board confirm the amount of grant funding available in January before the grant application process is launched in February.

Staff will rework the budget to reflect the changes discussed. The final draft will be presented for Board approval at the July 17 meeting.

Ms. Faith reported that JWT Associates will be engaged to conduct the FY2018-19 audit.

INFORMATIONAL ITEMS

Several upcoming community events were noted among the informational items in the agenda packet. Ms. Faith requested that the July board agenda include a discussion on how board members can engage the community through events like these.

PUBLIC COMMENT ON CLOSED SESSION ITEMS

There were no public comments.

ADJOURN TO CLOSED SESSION

President Hempel adjourned the meeting into Closed Session at 7:03 PM for

- **Government Code §54956.8** Closed Session; real property transaction; meeting with negotiator – (400 North McDowell Blvd.); Bouey & Black, LLP
- **Government Code §54957.6** Closed Session regarding employee matters

ADJOURN TO OPEN SESSION

President Hempel adjourned the meeting to open session at 7:55 PM.

President Hempel reported that no decisions were reached in closed session.

PLUS / DELTA

No comments were offered.

ADJOURN

The next regular Board meeting is scheduled for July 17 at 5:30 PM.

President Hempel adjourned the meeting at 7:56 PM.

Submitted by Fran Adams, Board Secretary

Recorded by Ruth Wells, Board Clerk