



**MINUTES OF THE AUGUST 18, 2015 REGULAR MEETING OF THE
PETALUMA HEALTH CARE DISTRICT BOARD OF DIRECTORS**

CALL TO ORDER

President Hempel called the meeting to order at 12:00 noon in the conference room at 1425 N. McDowell Blvd., Suite 103.

PRESENT

Fran Adams, RN, BSN, Secretary
Elece Hempel, President
Robert Ostroff, MD, Vice President
Josephine S. Thornton, M.A., Treasurer

ALSO PRESENT

Jeff Adams, Community Member
Jaynie Boren, VP of Strategic Development, St. Joseph Health
Betty Daniels, Administrative Assistant, PHCD
Ramona Faith, CEO, PHCD
Erin Howseman, Administrative Assistant, PHCD
Steve Jenkins, Exchange Bank Wealth Management Department
Andrew Koblick, Controller, PHCD
Henry Lasky, PHCD Board Candidate
Jerri Ollett, PHCD Board Candidate
Jane Read, VP of Operations, PVH
Todd Salnas, CEO, St Joseph Health
Joseph Stern, PHCD Board Candidate
Joe Tambe, PHCD Board Candidate

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 Ostroff, seconded by Director Adams to approve the August 18, 2015 agenda and the July 21, 2015 Board minutes. This motion was passed by a vote of 4 ayes (Directors: Hempel, Ostroff, Thornton, Adams) and 0 noes.

PUBLIC COMMENTS

There were no public comments.

BOARD COMMENTS

President Hempel reported that she and CEO Ramona Faith had just come from a site review visit for a multi-year collaborative grant, the SJH Community Building Initiative Grant. The grant involved the collaboration of multiple agencies: COTS, Sonoma County, SJH, the PHCD, and Petaluma People's Services Center. The site visit started at McDowell Elementary School, where the collaboration did a presentation about the value of CHIPA and then moved to the Senior Center.

CEO REPORT

CEO Update

There were no questions or comments on the CEO Update in the Board packet.

Browman Development Company

CEO Ramona Faith reported on the District's response to Browman Development Company's request for reimbursement for the project with Walgreens. As a result of the Board's decision last month to deny \$40 thousand dollars reimbursement, a letter to Browman was drafted stating that, based on the LOI, the District was not responsible for paying. However, after consultation with Jim Stephens from Browman Development and the District's legal counsel, Ms. Faith proposed that the District reconsider the response. There was a discussion of the merits of reconsidering reimbursement, considering that the process was much longer than could have been anticipated, and that Browman Development could not have done more to expedite the process. Director Thornton noted that Walgreen's proposal also requested a change to the General Plan.

A motion was made by Director Ostroff to approve payment of \$40,000 to Browman Development for reimbursement of costs on the Walgreen's Project, seconded by Director Thornton. The motion was passed by a vote of 4 ayes (Directors Thornton, Adams, Hempel, Ostroff).

Health Action Update and ACHD Update

It was noted that these were included in the Board packet.

Board Governance Self-Assessment

The last Board Self-Assessment was completed two years ago this fall. The Board's recommendation was to do the Board Governance Self-Assessment every two years. A request was made to move forward in the next couple of months on the process.

Board Vacancy

The posting for the Board vacancy was completed August 14, 2015. There were four interested applicants for the seat, and they were in attendance at the meeting. The candidates were introduced and welcomed: Judge

Henry Lasky, Jerri Ollett, Joseph Stern, and Joseph Tambe.

PRESIDENT'S REPORT

The appointment for the Board position will be decided at a Special Board meeting to be held on Thursday, September 3, at 7:30 a.m. at the District office. The applicants will be invited and will have an opportunity to speak briefly to the Board members. The appointed seat on the Board will serve for 14 months. In November 2016 the seat will be up for election for a two year term, followed by a four year term.

FISCAL SUSTAINABILITY

July 2015 Financials

Healthquest revenue was better than budget for June due in part to \$10,000 in AED sales. In July, Lifeline had the same number of new subscribers as clients who discontinued service.

The annual Review of Investment Policy was presented and reviewed.

A motion was made by Director Ostroff to approve the July financials, seconded by Director Adams. The motion was passed by a vote of 4 ayes (Directors Thornton, Adams, Hempel, Ostroff).

A motion was made by Director Adams to approve the statement of investment policy, seconded by Director Ostroff. The motion was passed by a vote of 4 ayes (Directors Thornton, Adams, Hempel, Ostroff).

Bouey and Black Engagement Letter

CEO Ramona Faith presented the Engagement Letter between the District and Bouey and Black. The purpose of the letter is to confirm that Bouey and Black will serve as legal counsel for hospital due diligence negotiations in determining the future of Petaluma Valley Hospital. There was a discussion regarding changing the wording of the engagement letter which states an hourly rate solely for due diligence negotiations. Director Thornton asked for clarity about the responsibilities of Bouey and Black and those of Camden Group as to who would be in charge of the process relating to the upcoming negotiations. As the District moves forward in the due diligence process, the role of Camden Group and legal counsel will be clarified.

Public Comment on Fiscal Sustainability

Community member and Board applicant Jerri Ollett made a recommendation regarding the Engagement Letter that wording be changed from a "thirty day" payout to a "forty-five day" payout, which is standard practice. Ramona Faith said she would talk to Don Bouey to see if he is agreeable to that change.

A motion was made by Director Ostroff to approve changing the wording of the Bouey and Black Engagement Letter from stating an hourly rate solely for lease negotiations to stating an hourly rate which includes "all future work", seconded by Director Thornton. The motion was passed by a vote of 4 ayes (Directors Thornton, Adams, Hempel, Ostroff).

Exchange Bank Quarterly Investment Presentation

Steve Jenkins from Exchange Bank's Wealth Management Department gave a presentation on the District's investments, noting that our portfolio is improving compared to benchmarks. The August 2015 interest rate

forecast was reviewed, and investment activity through June 30, 2015 was presented.

PETALUMA PEOPLE SERVICES CENTER

Eleece Hempel, Executive Director of PPSC, reported that PPSC was named Best Place to Work for the 8th year in a row. PPSC was able to secure another round of funding for the County for their Share Sonoma which is the home-share program county-wide for seniors. It was launched in October, and they have made 56 successful shares. They have partnered with HIP Housing (a home sharing program) in San Mateo County and they are using its database. Regarding the issue of affordable housing, due to the difficulty of building new housing units in this area, it will be very important to look at existing stock of housing units.

COMMENT ON INFORMATIONAL ITEMS

The District will be a sponsor for the American Heart Association Heart Walk on September 13, and is the only CPR provider who will be participating. CEO Ramona Faith reported that she was approached by Katie Santy from PVH and was invited to attend the PVH Executive Medicine Committee next week. The committee wants an update on the PVH due diligence process.

PETALUMA VALLEY HOSPITAL

Petaluma Valley Hospital Strategic Plan Presentation

Todd Salnas, CEO of St. Joseph's Health, presented the SJH FY 16 Integrated Strategic and Financial Plan. He was assisted by Jaynie Boren, VP of Strategic Development, St. Joseph Health, and Jane Read, VP of Operations, Petaluma Valley Hospital. This is the third year of their five year plan. Their presentation included:

- WHA/SCAN Lives: Met 4,000 net new lives goal for Sonoma County - Western Health Advantage and SCAN keeps patients in our community, providing affordable access to health care for individuals and employers through insurance and partnership strategies.
- Annadel Medical Group's growth and patient satisfaction recognition: Community Benefit Outreach in Sonoma County – They are joining with Sonoma County to engage in Community Benefit planning for healthy aging, access to care for the most vulnerable, substance abuse, healthy eating and exercise. Ramona Faith expressed appreciation for the partnership on the Community Benefits Program. The District's Healthy for Life program is expanding into more schools this year. Also the Petaluma Sober Circle Pilot Program will receive \$50,000 from SJH Community Benefits program.
- SJH has over 25,000 employees and they continue to grow their managed care population. They have worked to recruit physicians in the areas of family medicine, infectious disease, and ear, nose and throat. They have been partnering with Napa and trying to increase coverage for weekend ICU.
- PVH maintains high quality care. It has achieved top quartile performance in Responsiveness, Pain Management, and communication about Medicines for the last 12 months and achieved greater than 90% adherence to Computerized Physician Order Entry.
- The strategic plan for PVH (St. Joseph Health) is to be a Population Health Manager, which is a large, regional health system that will be able to provide (either directly or through managed relationships) a full continuum of services, across all service lines and levels of acuity.

- Last year, St. Joseph Health received suggestions and inputs from the medical staff at Petaluma Valley Hospital relative to their Population Health and Network of Care Strategies. The medical staff input was considered and was added to FY16 Strategic Plan.
- PVH has a good patient satisfaction rating; they are in the 84th percentile in employee engagement, and feel they have very engaged staff.
- Growth Strategy for FY14-18 includes: Increase access to quality care for vulnerable populations; promote healthy eating and physical activity; improve behavioral health and substance use disorder care for high-risk populations; improve coordination and management of care for seniors; provide oral health treatment and education to underserved children.
- Recruitment efforts have improved due to the foundation model of hiring specialists to cover multiple campuses.

The goals of St. Joseph Health are to have a strong acute care facility; to continue to have a strong specialty network and expand the regional network of care; and continue their population health strategy. These are things that will keep them moving in the right direction. Regarding the merger with Providence, SJH believes the merger will make them stronger in the long term because Providence and SJH have the same dedication to mission.

PUBLIC COMMENTS

The Board applicants and other community members introduced themselves. Jeff Adams, a member of the community asked a question about the issue of palliative care in Petaluma. Jane Read from PVH answered that there has been more training of staff in this area. Mr. Adams also commented that the foundation model may not be completely effective in the Petaluma community. Todd Salnas of SJH responded to the comment by noting that SJH would be having more in-depth conversations about civic needs.

ADJOURN TO CLOSED SESSION

President Hempel adjourned the meeting into closed session pursuant to:

- **Government Code §54957.6 closed session regarding employee matters**
- **Government Code §54956.8 closed session; real property transaction; meeting with negotiator – 400 North McDowell Blvd.; The Camden Group**

ADJOURN TO OPEN SESSION

President Hempel adjourned the meeting into open session and reported that no action was taken in closed session.

ADJOURN

President Hempel adjourned the meeting at 4:50 p.m.

Submitted by Fran Adams, Board Secretary

RECORDED BY

Erin Howseman, Board Clerk