

**MINUTES OF THE MARCH 19, 2013 REGULAR MEETING OF THE  
PETALUMA HEALTH CARE DISTRICT BOARD OF DIRECTORS**

**CALL TO ORDER:**

Fran Adams, RN, BSN, Secretary  
Elece Hempel, Member-At-Large  
Robert Ostroff, MD, Treasurer  
Josephine S. Thornton, MA, President

**ABSENT:**

Kathie Powell, MS, Vice-President

**ALSO PRESENT:**

Suzanne Cochrane, Board Clerk, PHCD  
Ramona Faith, CEO, PHCD  
Richard Nadale, Director of Finance, PHCD  
Joe Manthey, Community Member  
Jane Read, VP of Operations, PVH

**CONSENT CALENDAR:**

There were no conflict of interest Agenda items for this meeting.

**A motion was made by Director Ostroff, seconded by Director Hempel to approve the March 19, 2013 Agenda and the February 19, 2013 minutes as written. This motion was passed by 4 ayes and 1 absent.**

**PUBLIC COMMENTS:**

Joe Manthey attended to further promote his request to seek funding for an upcoming lecture series that addresses the gender-specific needs of boys. The series is titled "Raising Good Sons Lecture Series". The target audience for the event is parents, professionals and students. Presenters include authors that have written books relative to specific needs of boys as well as local educators that will sit on the panel discussion.

Mr. Manthey has partnered with SCAYD, Sonoma County Adult and Youth Development and asked the Board for consideration of support for this project.

**BOARD COMMENTS:**

Discussion ensued regarding informing the public of the process for information presented during public comments. President Thornton was in support of this request and will define the process at each meeting.

The Board asked Ramona Faith for clarification on our funding request process for community programs/services.

Ms. Faith noted funding requests are submitted within a certain time frame prior to annual budget approval. The requests are reviewed by a District sub-committee and approval of requests is based on alignment with District Community Health Strategic Priorities, overall Strategic Plan and available resources. At this time, the sub-committee is waiting for additional information to complete the submission process. Joe Manthey has requested funding through the District funding process.

The Board also suggested that CHIPA could be another avenue to support programs that fall under CHIPA's initiatives.

## **ADMINISTRATIVE REPORT:**

### ***CEO Report:***

The Board had no further questions regarding the CEO Report. A copy of a communication to Petaluma Community Foundation was included in the Board packet.

The Scope of Work for the \$25,000 Grant through Health Action Council will be presented to the County Board of Supervisors for approval.

Ramona Faith provided an update on the status of the District funded Feasibility Study for the potential development of a medically integrated wellness fitness model in Petaluma. Phone calls have occurred with Meritage, the consultant firm who will be conducting the feasibility study for planning purposes. One on one stake holder interviews are being scheduled with Meritage on April 15<sup>th</sup> and April 16<sup>th</sup>, 2013.

### ***President's Report:***

President Thornton reviewed the committee assignments with Directors as follows:

*Asset Management/Business Development:* Director Ostroff (Chair); Director Hempel, Director Adams, Director Powell, President Thornton

*District Representative serving on the SRM Alliance Board:* Director Powell

*CHIPA:* President Thornton (Chair); Director Hempel, Director Powell

*South County Behavioral/Mental Health Collaborative:* Director Adams (Chair); President Thornton

Ad Hoc Committees:

*Hospital Stewardship Committee:* Director Powell (Chair); Director Hempel

*PVH Lease Transition Process Oversight Committee:* President Thornton and Director Ostroff

### ***Board Governance:***

Rosenberg's Rules of Order were included in the board packet and will be further discussed at the March 28, 2013 Special Board meeting. Directors were asked to review this document and be prepared to discuss under the topic of Board Governance.

### **PVH Report:**

Jane Read, VP of Operations, Petaluma Valley Hospital, announced David Ziolkowski has been appointed as the new Chief Operating Officer who officially started on March 11, 2013.

SJH Management is reviewing the various investment options, including the pros and cons of each, and is in dialogue with the Petaluma Health Care District management to review various options.

A "Don't Text and Drive Campaign" will begin on March 25<sup>th</sup> with Supervisors Shirley Zane and David Rabbitt holding a press conference to announce the new billboard for this campaign. A billboard was donated by SJH that supports PVH's accidental injury and trauma prevention efforts and can be seen on the 101 Highway.

A new computer access program that utilizes the use of employee badges is being implemented and is in the orientation period.

The Board received a presentation from Todd Salnas regarding the impact of Health Care Reform, including its impact on PVH reductions. The February financials showed a consistent loss in income from operations and are anticipating additional reductions due to Medicare coding adjustments and Medi-Cal DRG conversion. Immediate steps are being developed to address these issues.

Ms. Read also noted that interviews for a general surgeon with vascular specialties recently occurred. This was at a request of other general surgeons. Progress continues towards stroke designation and testing telemedicine solutions that could be used for several subspecialties. In addition, efforts continue to provide hospitalists coverage organized through Annadel.

CNA negotiations continue with little movements. A mediator has joined the proceedings as of March 20<sup>th</sup> to facilitate movement. A recent Strike authorization vote was taken. Strike information will be distributed to PHCD Board of Directors.

Ramona Faith shared her recent discussions with Todd Salnas regarding SJH-SC engaging in discussion with the District to find ways to support future projects. As the District moves forward with the Due Diligence process, SJH is also completing their due diligence process. April 1<sup>st</sup> has been confirmed for a continuation of a strategic planning discussion with the District Board of Directors and Jaynie Boyen and Todd Salnas of St. Joseph Health.

## **COMMITTEE REPORTS:**

### ***Community Health:***

Minutes from the CHIPA Committee and South County Behavioral/Mental Health Collaborative were included in the Board packet. No additional questions were raised. Directors were reminded of upcoming presentations regarding the Health Care Reform at these two meetings.

## **FISCAL SUSTAINABILITY:**

Richard Nadale, Director of Finance, distributed a detailed analysis of the \$770K loss for Fiscal Year 2012/13.

Ramona Faith, Rick Nadale, and Maria Larsen met with the Camden Group to discuss developing a business plan for Lifeline to enhance or expand services. Phillips has agreed to share in the cost of developing a District Lifeline Business Plan.

The PHCD Financials ending February 28, 2013 were included in the board packet. As of February 28, 2013 the Statement of Net Assets reflected assets of \$13,999,098 and liabilities and deferred revenue of \$2,176,853 leaving the net fund balance at \$11,822,245.

The year to date Statement of Revenue and Expense shows a loss of \$378,710 which is \$155,792 better than the restated year to date budgeted loss of \$534,502.

**A motion was made by Director Hempel, seconded by Director Adams to approve the February 28, 2013 financials. This motion was passed by a vote of 4 ayes and 1 absent.**

Mr. Nadale represented a proposed Resolution 13-3 approving a Line of Credit through Exchange Bank established to cover cash flow deficits that may arise due to the fluctuation of cash flow needs. The Resolution includes approval for a \$500,000 line of credit with an interest rate of Prime +.25, currently at 3.5% for two (2) years with a loan fee of \$500.00.

**A motion was made by Director Ostroff, seconded by Director Adams to approve Resolution 13-3. This motion was passed by a vote of 4 ayes and 1 absent.**

## **BOARD GOVERNANCE SPECIAL MEETING**

President Thornton reviewed the purpose of scheduling a Board Governance session to clarify and support governance leadership. President Thornton, Director Hempel and Ramona Faith recently attended an ACHD Conference on Board Governance which stressed the importance of establishing Board policies that enhance the effectiveness of the Board. A proposed Agenda for the March 28<sup>th</sup> Board Governance meeting was reviewed.

## **INFORMATION ITEMS:**

Upcoming events were included on the Agenda. Directors interested in attending upcoming events are to contact Suzanne Cochrane, Board Clerk.

Communications/acknowledgement letters were also included in the board packet with upcoming Board meeting dates.

**ADJOURNED TO CLOSED SESSION:**

**President Thornton adjourned the meeting to closed session pursuant to the following:**

- **Government Code §54957.6 closed session regarding employee matters**

**ADJOURNED TO OPEN SESSION:**

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

**Discussion ensued with a motion made by Director Hempel, seconded by Director Ostroff to approve an increase of one week's vacation be added to the CEO's benefit package. This motion was passed by a vote of 4 ayes and 1 absent.**

**ADDITIONAL PUBLIC COMMENTS ON AGENDA TIMES:**

There were no topics discussed.

**PLUS/DELTA:**

Meeting went well and ended earlier than scheduled

**ADJOURN:**

President Thornton adjourned the meeting at 2:30pm

Respectfully Submitted,

Fran Adams, Board Secretary

**RECORDED BY:**

Suzanne Cochrane, Board Clerk