

**MINUTES OF THE DECEMBER 7, 2011 REGULAR MEETING OF THE  
PETALUMA HEALTH CARE DISTRICT BOARD OF DIRECTORS**

**CALL TO ORDER:**

President Adams called the meeting to order at 5:30 pm in the conference room at 1425 N. McDowell Blvd.

**PRESENT:**

Fran Adams, RN, BSN, President  
Robert Ostroff, MD, Vice-President  
Kathryn Powell, MS, Member-At-Large  
Stephen Steady, MD, Secretary  
Josephine S. Thornton, MA, Treasurer

**ALSO PRESENT:**

Suzanne Cochrane, Board Liaison  
Ariel DuCellie, SRJC Student  
Ramona Faith, CEO  
Tom Gaebe, Community Member  
Babs Kavanaugh, Facilitator Consultant  
Maria Larsen, PHCD Manager  
Kerri Lockard, SRJC Student  
Rick Nadale, Controller  
Jane Read, VP of Operations, PVH  
Kris White, SRJC Student  
Marilyn Everett, CPA

**CONSENT CALENDAR:**

**The December 7, 2011 Agenda and October 24, 2011 minutes were approved as written by Director Thornton, seconded by Director Steady and unanimously approved by all present.**

**PUBLIC COMMENTS / QUESTIONS:**

There were no public comments.

**BOARD COMMENTS / QUESTIONS**

There were no board comments.

## **2010–2011 PHCD AUDIT REPORT:**

This Agenda item was moved to the front of the meeting to accommodate meeting participant's schedule.

Marilyn Everett of Matson and Isom, distributed an Agenda outlining the focus and processes in conducting the Petaluma Health Care District's annual audit. A complete audit was conducted in August 2011 with the report presented at the December Board meeting.

Ms. Everett reported no new accounting policies were adopted and the application of existing policies was not changed during 2011. There were no noted transactions entered into during the year for which there is a lack of authoritative guidance or consensus. There were also no significant difficulties in dealing with management in performing and completing our audit.

Discussion and review occurred with management whether or not the Petaluma Community Foundation should be included as a component unit of the District. Management determined, with auditors in concurrence, that the Foundation is not a component unit of the District as it operates and has operated with functional autonomy for a number of years.

The audit team only noted one input error on a pay rate for an employee with a recommendation that all payroll changes should be reviewed by another person to mitigate such an error.

Ms. Everett reviewed with the Board of Directors the following reports:

- Statements of Net Assets
- Statements of Revenues and Expenses
- Changes in Net Assets
- Statement of Cash Flows
- Cash and Investments

Ms. Everett acknowledged the excellent work that was conducted by the Accounting Department of the District to prepare the appropriate documents requested of the audit team. It was also noted that there

were no adjusting journal entries resulting in no significant audit findings.

**A motion was made by Director Thornton, seconded by Director Powell to approve the 2010–2011 Financial Audit Report as presented. This motion was unanimously approved by all present.**

**CEO REPORT / UPDATE:**

Ramona Faith distributed an updated Ongoing Task List to Directors. Due to time restraints of the meeting, the CEO encouraged any further questions regarding the CEO Report and the Task List be communicated directly to her.

**FINANCE REPORT:**

Richard Nadale, Controller, reported at the request of the Board, a new format for the Statement of Net Assets to include the previous year's balance sheet figures. In addition, the Statement of Revenue and Expenses reporting format was revised to reflect the total income and expenses for all departments rolled up into one line item. Individual department financial information is available upon request.

Mr. Nadale further noted that as of October 31, 2011, the Statement of Net Assets reflected assets of \$16,447,170 and liabilities and deferred revenue of \$3,462,216 leaving the net fund balance at \$12,984,954.

The year to date Statement of Revenue and Expense shows a profit of \$151,521 which is \$306,895 better than the budgeted year to date loss of \$155,374.

PHCD spent \$31,954 in the month of October 2011 for Petaluma Women's Health (PWH) operational expenses. There were no reimbursements from PWH in October. The note receivable from PWH at the end of October reflected a balance of \$669,017 on the District's books.

**BOARD COMMITTEE MINUTES:**

**Asset Management Committee:**

Director Thornton noted an audit has been conducted at the Petaluma Women's Health internal billing system recommending an additional audit trail for receipt records to be matched with the deposits and the daily close be established. In addition, it was further recommended to generate month-end reports at the close of the billing period and to maintain EOB(s) for a seven year period.

### **Petaluma Valley Hospital:**

Jane Read, VP of Operations at Petaluma Valley Hospital noted a full time intensivist will be starting at PVH in March 2012 replacing Dr. Dilisio who has opted to focus on his practice in Santa Rosa.

Two local physicians have joined Annadel Medical Group and will be partnering with Locum Hospitalists to provide 24 hour on call surgery coverage. The two physicians have agreed to take 14 days per month for on-call coverage.

Ms. Read reported PVH Financials report a 25% above budget for the October financials. Year to date data reflects a loss, however it is less than projected. This is due to the steady increase in census averaging higher than budgeted.

In addition, topics discussed included, negotiations with CNA regarding wage re-opener currently underway. Patient satisfaction scores were positive and are currently focusing on quietness offering ear plugs and educating families about a quiet environment.

Ramona Faith asked when the District Board could review the Employee Satisfaction Survey.

Ms. Read noted that once the focus groups have been completed the Employee Satisfaction Survey information will be available to the District Board.

### **PRESIDENT'S REPORT:**

Included in the Board packet was information pertaining to upcoming events sponsored by the District and a list of 2012 Board meeting dates.

Discussion ensued regarding moving the January 25, 2012 Board meeting date to accommodate a conflict in the CEO's schedule. It was

recommended by the Board of Directors to move the January Board meeting date to January 11, 2012.

**SLATE OF OFFICERS:**

A recommendation was made to continue with the current Slate of Officers for 2012.

**A motion was made by Director Ostroff, seconded by Director Steady to approve a Slate of Officers for 2012 to remain the same as follows:**

President	Fran Adams, RN, BSN
Vice-President	Robert Ostroff, MD
Treasurer	Josephine S. Thornton, MA
Secretary	Stephen Steady, MD
Member-At-Large	Kathryn Powell, MS, MSHA

**ADJOURNED TO CLOSED SESSION:**

**President Adams called the meeting to closed session pursuant to the following section:**

- **Trade Secrets (Health & Safety Code Section 32106(b)). Discussion will concern, physician/hospital agreements, HMO agreements, inter-hospital agreements, management services agreements and development of new services and programs. Estimate date of public disclosure: December 2011.**

**ADJOURN TO OPEN SESSION:**

**President Adams adjourned the meeting to open session and reported the Board approved a Strategic Plan and Implementation Process for 2012-2017.**

**NEXT STEPS:**

There was no discussion.

**ADJOURN:**

President Adams adjourned the meeting at 6:35 p.m.

**Respectfully submitted,**

Stephen Steady, MD, Board Secretary

**RECORDED BY:**

Suzanne Cochrane, Board Liaison