

**MINUTES OF THE APRIL 22, 2010 REGULAR MEETING OF THE
PETALUMA HEALTH CARE DISTRICT BOARD OF DIRECTORS**

CALL TO ORDER:

President Ostroff called the meeting to order at 6:15 p.m. at the Petaluma Health Care District, 1425 N .McDowell Blvd.

PRESENT:

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

ALSO PRESENT:

Barry Blansett
Suzanne Cochrane, Board Liaison
Michael Cookson, STX Consultant
Daymon Doss, Executive Director
Bob Lipman, Real Estate Consultant
Lucinda Lofftus, RN, PVH
Rick Nadale, Controller
Todd Salnas, COO, SJHS

CONSENT CALENDAR:

A motion was made by Director Adams, seconded by Director Thornton to revise the April 22, 2010 Agenda to move the Closed Session directly after Resolution 10-01 and approve the March 25, 2010 minutes. This motion was unanimously approved by all present.

PUBLIC COMMENTS / QUESTIONS

Lucinda Loftus, RN, PVH, reported communication efforts continue to increase between PVH Administration and staff regarding concerns raised at the March Hospital Stewardship Committee meeting. With the implementation of the GRASP program, issues and concerns raised relative to staffing could be addressed.

Todd Salnas, COO, SJHS, indicated PVH Administration is committed to work through operational type issues with PVH staff. PVH financial status improved in April but continue to work on cost saving measures. Mr. Salnas and Jane Read will be preparing a PVH Annual Report to be presented at the May 27, 2010 PHCD Board meeting. Mr.

Salnas also noted that administration continues to work and resolve the issue pertaining to on-call surgeon coverage.

BOARD COMMENTS / QUESTIONS

There were no Board comments.

RESOLUTION 10-01:

Suzanne Cochrane, Board Liaison, presented Resolution 10-01 requesting Board approval for the two Board of Directors positions that will become vacant in December 2010, be placed on the ballot for the upcoming November 2, 2010 election. Ms. Cochrane explained that nominations for office in our district open on July 12, 2010 and close on August 6, 2010. If any incumbent fails to file during the nomination period, there will be a five day extension to August 11, 2010.

A motion was made by President Ostroff, seconded by Director Adams to approve Resolution 10-01 stating that the two vacant Directors' positions are to be placed on the November 2, 2010 ballot. This motion was unanimously passed by all present.

Josephine Thornton, Board Director, officially announced she will be running for re-election in November. Director Thornton read a brief statement stating "that the next four years will be an opportunity for major accomplishments on behalf of our community, our hospital and staff, and our physicians. The District Board must capitalize on this opportunity, seize this moment to move forward and get the important things done for all the people we represent."

Director Thornton further noted that four years from now she envisions a thriving hospital with top notch emergency facilities, expanding service lines and a growing staff. I see a community that has more choices, much better access to care because of our healthy private physician groups and a brilliant new health center that serves people of all ages and incomes.

Director Thornton noted that with collaborating with partners, and by lending our leadership and resources to these issues, as a community and working together, this can be accomplished.

Kathryn Powell, Board Director, also announced that she will seek re-election for the Director's position in the November election.

ADJOURN TO CLOSED SESSION:

President Ostroff adjourned the meeting to closed session for conference with real property negotiator regarding property at 1460 Cader Lane; Government Code §54956.8 closed session regarding real property negotiations.

ADJOURN TO OPEN SESSION

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

1460 CADER LANE:

Directors discussed the information provided by Michael Cookson, Consultant for STX, regarding STX's Business Plan and Financial Reports. As Board of Directors are considering to move forward with the purchase of 1460 Cader Lane and STX currently occupies the largest percentage of the building, Asset Management Committee members requested full Board review of these reports.

After lengthy discussion, a motion was made by Director Thornton, seconded by Director Steady to request an extension of the Due Diligence period until May 19, 2010 allowing time for the Asset Management Committee to review STX's April financials at which time will either make a recommendation to purchase 1460 Cader Lane or to cancel the current purchase agreement. Directors also agreed that if necessary, a special Board meeting could be scheduled prior to the May 19th due diligence deadline.

STRATEGIC PLANNING COMMITTEE REPORTS:

Asset Management Committee:

Director Thornton reported that to date, there has been no written offers received for the Lynch Creek vacant property. Minutes from the March 16, 2010 Asset Management Committee meeting were distributed.

Petaluma Valley Hospital Board will be meeting next week; therefore no reporting information was available.

Hospital Stewardship Committee:

Director Adams reported on a recent Hospital Stewardship Committee meeting held on March 31, 2010. Several staff nurses attended this meeting expressing concern on the GRASP process, outdated telephone system, interpreter process, and late policy. OSHPD data pertaining to staffing ratios were also distributed as an information item at this meeting.

Director Adams also noted that the PVH Management Team is following up on concerns expressed at this meeting.

Joint Ventures Committee:

Director Steady reported the Joint Ventures Committee met on April 22, 2010 and provided an outline for the Regional Action Program (RAP) 4 scheduled for June 11, 2010. A sub-committee has been established to review the core values discussed at the RAP 3 meeting which will be incorporated into the Business Plan. The goal is to send out the RAP 4 packet of information by May 14th allowing for enough time to review the RAP Business Plan, MOU, and proposed budget prior to the June 11th RAP 4 meeting.

Lease Oversight Committee:

President Ostroff distributed a proposed letter as a recommendation from the Lease Oversight Committee addressed to the SRM Alliance Board outlining a concern around the occasional scheduling difficulties for general surgery community call through the Emergency Room.

Minutes from the March 16, 2010 Lease Oversight Committee meeting were also distributed to Board of Directors.

Discussion ensued with the Board of Directors in support of submitting the proposed letter regarding general surgery community call to the SRM Alliance Board.

Daymon Doss encouraged Board of Directors to attend SRM Alliance Board meetings and will have Suzanne Cochrane distribute a meeting schedule. Mr. Doss recommended Directors communicate to Suzanne Cochrane their availability to attend future SRM Alliance Board meetings.

Mr. Doss provided an update on the Petaluma Women's Health currently in the process of creating an in-house billing system overseen by Maryann Pises. Due to the passing of our biller, there have been no insurance reimbursements received for the past few weeks and staff are in the process of entering superbills for submittal to insurance companies. Insurance payments are anticipated to be received shortly.

South County Mental Health Collaborative:

Director Adams reported the next meeting of the South County Mental Health Collaborative is scheduled for May 20, 2010. The Agenda for this meeting will be a tour of the Sonoma County jail and a review of services offered. South County Mental Health Collaborative will not meet in the summer months resuming their meetings in September.

WORK ITEM REPORTS:

Finance Report:

Rick Nadale, Controller, provided the Petaluma Health Care District financials ending March 31, 2010 noting the statement of Net assets reflected assets of \$17,619,633 and liabilities and deferred revenue of \$3,634,206 leaving the net fund balance at \$13,985,427. The District continues to carry certificates of deposit with 1st Community and Exchange Banks. Transfers of \$125,000 from the PHCD portfolio were made during March 2010 to cover operating expenses, equipment loan to Petaluma Women's Health and the funding of the Medical Model study.

The year to date Statement of Revenue and Expense shows a loss of \$381,255 which is \$133,639 more than budgeted.

PHCD operational loss from Petaluma Women's Health (PWH) in the month of March 2010 was \$12,367. The total advanced to PWH through March 2010 is \$323,483.

The District's rate of return on investments increased .06% to 5.27% for March 2010. Market Gains to the District's portfolio are \$191,686 through March 2010.

President's Report:

Board of Directors reviewed and revised the current Ongoing Task list. Suzanne Cochrane will update for the next meeting.

Information pertaining to the upcoming ACHD Conference scheduled for May 12th through May 14th was distributed.

Directors interested in attending the upcoming Benedetti Leadership Celebration scheduled for May 7, 2010 are to contact Suzanne Cochrane. The District is a sponsor of this event.

Invitations to the Board of Directors was sent for the Community Health Foundation Community Celebration acknowledging the grantees who received grants for 2010. This event was held at the Petaluma Woman's Club on April 22, 2010 from 8:00 a.m. to 10:30 a.m. with 65 guests that included Grantees, Trustees, Sponsors of the New Year's Eve event, and Community Foundation Sonoma County.

Also included in the Board packet was an invitation to A Twisted Revival Dinner also sponsored by the Community Health Foundation in partnering with Dick and Julie Warner, previous owners of the Twisted Vine Restaurant. This event is scheduled May 21st and will be held at the Petaluma Woman's Club.

A Save the Date card for the CHF Mardi Gras event scheduled for March 5, 2010 was included in the Board packet.

Executive Director's Report:

Daymon Doss announced the Petaluma Health Center has received funding to move forward and purchase 1179 N. McDowell Blvd. The PHC has indicated once funds are received; the District will be receiving repayment of their loan in the amount of \$500,000. May 13, 2010 is a tentative date for PHC to complete escrow on 1179 N. McDowell Blvd.

ADJOURNED TO CLOSED SESSION:

President Ostroff adjourned to closed session for Public Employee Performance Evaluation: Executive Director Government Code Section §54957.7.

ADJOURN TO OPEN SESSION:

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

EXECUTIVE DIRECTOR POSITION:

A motion was made by Director Powell to begin the succession planning process by bringing proposals/estimates to the District Board for conducting a replacement for the Executive Director position, seconded by Director Adams and unanimously approved by all present.

DISCUSSION OF PUBLIC COMMENTS:

There were no items discussed.

NEXT STEPS:

No items were discussed.

ADJOURN:

President Ostroff adjourned the meeting at 9:15 p.m.

Respectfully Submitted,

Stephen Steady, MD, Board Secretary

RECORDED BY:

Suzanne Cochrane, Board Liaison