



**MINUTES OF THE AUGUST 19, 2020 MEETING OF THE
PETALUMA HEALTH CARE DISTRICT BOARD OF DIRECTORS**

1) CALL TO ORDER

President Hempel called the meeting to order at 5:09 PM via Zoom virtual meeting.

PRESENT (VIDEOCONFERENCE CALL)

Elece Hempel, President
Crista Nelson, Vice President
Fran Adams, RN, BSN, Secretary
Jeffrey Tobias, MD, Treasurer
Gabriella Ambrosi, Director-at-Large

ALSO PRESENT (VIDEOCONFERENCE CALL)

Ramona Faith, CEO, PHCD
Andrew Koblick, Controller, PHCD
Donald Bouey, Attorney
Cathy Salenko, Attorney
Jonathan Spees, Consultant
Halley Cloud, Program Community Manager, PHCD
Gina Studebaker, Board Clerk, PHCD

CALL FOR CONFLICT

President Hempel called for conflict. There was none.

MISSION AND VISION

Director Tobias 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.

The Petaluma Health Care District envisions a healthy community, a thriving hospital and equitable access to health and wellness services for all.

2) CONSENT CALENDAR

A MOTION was approved as submitted for the August 19, 2020 agenda, and the minutes of the PHCD Board Meeting on July 22, 2020, the minutes of the PHCD Special Board Meeting on July 30, 2020, the minutes of the PHCD Special Board Meeting on August 4, 2020 and the minutes of the PHCD Special Board Meeting on August 6, 2020. This motion was PASSED by a vote of 5 ayes (Directors: Adams, Ambrosi, Hempel, Nelson, and Tobias) and 0 noes.

3) **PUBLIC COMMENTS ON NON-AGENDIZED ITEMS**

There were none.

4) **BOARD COMMENT**

Director Tobias presented Chapters 49 & 50 from “*52 Ways to be a Better Board*” and gave a brief overview on both chapters. Chapter 49 “Create a Strategy for Success” referred to creating a vision and being able to execute and follow up on that vision. Chapter 50 “Commit to Working on Someone Else’s Behalf” referred to the role of the public board member, which is to represent the needs of the residents of the District as a whole and the importance of maintaining that representation.

Director Adams will present the last two chapters of “*52 Ways to be a Better Board*” at the next regular board meeting.

5) **ANNOUNCEMENT OF CLOSED SESSION ITEMS**

President Hempel announced closed session pursuant to **Government Code §54956.8** Closed Session; real property transaction; meeting with negotiator – 400 North McDowell Boulevard.

6) **PUBLIC COMMENTS ON CLOSED SESSION ITEMS**

There were none.

7) **ADJOURN TO CLOSED SESSION**

President Hempel adjourned the meeting into closed session at 5:17 PM for discussion pursuant to **Government Code §54956.8** Closed Session; real property transaction; meeting with negotiator – 400 North McDowell Boulevard.

8) **ADJOURN TO OPEN SESSION**

President Hempel adjourned the meeting to open session at 5:48 PM and reported that no decisions were reached in closed session.

9) **PETALUMA VALLEY HOSPITAL**

SRM ALLIANCE BOARD UPDATE

Mr. Southerland reported that from mid-July until recently Petaluma Valley Hospital (PVH) has seen an increase in COVID-19 patient admissions. Most of the cases are coming from the virus spreading throughout the skilled nursing homes in Petaluma and Sonoma County. The census for Med-Surg patients continues to be well below budget, but PVH continues to operate and make appropriate staffing adjustments to accommodate the COVID-19 patients. The surgical volume continues to be well below projections. Med-Surg census is running in the low 20s versus the budgeted PVH census of low 30s.

PVH continues to operate a virtual Incident Command Center to respond to COVID-19 as well as the most recent electrical lightning storms and the initiation of some local fires. PVH has re-initiated the coordination with Santa Rosa Memorial Hospital (SRMH) in regard to operation and evacuation procedures.

PVH has taken a number of actions to manage expenses. Scheduling continues to be a challenge due to low Med-Surg volumes and one operating room per day, which is a dissatisfaction for physicians based upon their schedules and needs. COVID-19 PPE availability continues to be very strong. Staffing is another challenge. Some nurses have been exposed to COVID-19, but PVH cannot verify whether it was

acquired from the Hospital or community. PVH is working with recruiters of temporary staffing agencies to improve recruitment and address staffing needs.

PVH continues to negotiate with PSNP and management has recently offered a 5% increase for all nurses, which was accepted. The increase is retroactive to the last pay period.

Construction projects are ongoing to move specific projects forward. The Medication Room and Cafeteria should be operational and back in service.

10) ADMINISTRATIVE REPORTS

CEO REPORT

CEO Faith reported the District submitted the hospital ballot measure to the county. The argument in favor of the ballot measure was submitted and there was no rebuttal. The District continues to have their weekly calls with the community education and outreach team, which includes Brian Sobel, Board President Hempel, PR and legal team, and District staff. The first mailer has been finalized and submitted to the postal service. A second mailer will be sent out the end of August. The District submitted one of three ads in the Argus Courier highlighting the upcoming Community Education Forums regarding the sale and purchase of PVH. The first Community Education Forum took place today, August 19, from 12:00 to 1:00 pm and the forum went well, received appropriate questions and positive comments. Board President Hempel facilitated the virtual community forum, CEO Faith presented the terms and conditions of the proposed sale and Mr. Klockenga, CEO of Providence St. Joseph Health, Northern California Region, provided a brief statement on the interest in continuing to serve the community. Special thanks was given to Ms. Cloud who coordinated the zoom call and Director Nelson for participating on the panel. There were approximately 21 attendees, not including the panelists. The next forum will be held on Saturday, August 22 at 9:00 am where Director Ambrosi will serve on the panel. Two additional virtual forums are scheduled, which are Tuesday, August 25 at 6:00 pm and Friday, August 28 at 12:00 pm.

CEO Faith continued with ACHD updates, such as the SB977 (Monning) bill that would require the Attorney General to approve an affiliation or acquisition between health care systems and health care facilities or providers. There is a new ACHD CEO, Cathy Martin, who comes from the California Hospital Association. She is highly experienced in the area of philanthropy and has worked with large health systems and smaller district hospitals. CEO Faith encouraged the Board to attend the ACHD Annual Meeting in September 2020.

CEO Faith informed the Board that she will be working on her CEO performance evaluation. Lastly, CEO Faith referred to the numerous district news articles and recognized the District's PR team for their support and partnership.

11) COMMITTEE CHARTERS AND APPOINTMENTS

The list of committees and appointments was brought back from a previous board meeting due to the need to needed revisions. It was recommended that the following committees be removed from the list:

- Community Advisory Committee
- Ad hoc Committee for Planning and Public Information Services for Community Support

It was also noted that if the proposed sale of the hospital is approved and moves forward, the need for the Ad Hoc Hospital Quality Stewardship Committee may no longer be appropriate.

In addition, the Finance Business and Development Committee takes place on a monthly basis and sometimes that date changes. The District is finalizing and forming the Petaluma Health Foundation, which will require two board members to participate on that newly formed committee.

A MOTION was made by Director Adams, Board Secretary and seconded by Director Ambrosi, Director at Large to approve the Committee Charters and Appointments with the removal of the Community Advisory Committee and the Ad Hoc Committee for Planning and Public Information Services for Community Support and the recommended change regarding when Finance Business and Development Committee meets. This motion was PASSED by a vote of 5 ayes (Directors: Adams, Ambrosi, Hempel, Nelson, and Tobias) and 0 noes

12) BOARD GOVERNANCE SELF-ASSESSMENT FOLLOW UP

At a previous board meeting the request was made as part of the board's self-assessment to improve the boards understanding of their role in advocacy. The Board of Directors play a critical role in advocating for health-related issues that affects the health of the community in which they serve. The policy was reviewed, including the addendum that lists critical questions to be answered when the Board is considering advocating for a specific issue. It was also reviewed that the Board cannot utilize District funds to promote or oppose a ballot measure.

A MOTION was made by Director Tobias, Board Treasurer and seconded by Director Nelson, Board Vice President to approve the Board Advocacy policy and analysis worksheet (Addendum). This motion was PASSED by a vote of 5 ayes (Directors: Adams, Ambrosi, Hempel, Nelson, and Tobias) and 0 noes.

13) FINANCIAL SUSTAINABILITY

CEO Faith presented the final FY 2020/2021 budget and reported that \$500K to \$600K has been allocated to the due diligence process in securing a hospital operator. The same allocations were used in preparing the FY2020/2021 budget as was used in last year's budget with appropriate cost of living adjustments and an additional \$100K in grant funding due to no grants funded in FY2019/2020, which provides \$200K for grant funding this fiscal year. The proposed budget, although a 12-month budget, will be re-evaluated January 2021.

A MOTION was made by Director Nelson, Board Vice President and seconded by Director Adams, Board Secretary, the budget stands, as presented, until January 1, 2021 and revisited at the January 2021 board meeting. This motion was PASSED by a vote of 5 ayes (Directors: Adams, Ambrosi, Hempel, Nelson, and Tobias) and 0 noes.

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Adams, Ambrosi, Hempel, Nelson, and Tobias) and 0 noes.

Mr. Kelman reported the second quarter of the calendar year was the largest contraction the U.S. economy has on record. The third quarter anticipates a rebound, but it is expected to take two to three years or longer to fully recover. The Federal Reserve has initiated a massive bond purchasing program that has affected the pricing mechanism in the fixed income market. The District, by law is limited to investment vehicles that are high-quality, short-term fixed income investments and cash equivalents. As of the close of the markets on June 30, 2020, a five-year Treasury was only yielding less than 1/3 of 1%. For the past few months, the goal was to bring down the daily liquid money to \$500K - \$750K range. Exchange Bank does not want to lock in the District's entire portfolio for a long period of time at current low rates.

Last fiscal year generated a total return for the portfolio with a significant amount of it sitting in cash close to 2% after fees which is similar to other health care districts.

14) PETALUMA EDUCATIONAL FOUNDATION AND PHCD PARTNERSHIP

Ms. Cloud gave a brief overview of why education is a strategic priority for the Petaluma Health Care District (PHCD). Education is a social determinant of health. The level of education is the single biggest predictor of earnings in Sonoma County. There's also a clear positive correlation between life expectancy and education. People with higher educational attainment and enrollment have longer lives. Petaluma Educational Foundation (PEF) has a direct line to all of the Petaluma schools and the District's partnership with PEF focuses on the health and well-being of students, teachers, and parents.

Ms. Highland summarized the history and the important integral role of the PHCD, and PEF partnership. She informed the Board of this year's BASH, which is scheduled on September 12, 2020. The BASH will be held as a live-stream online broadcast and will be free to the public. The BASH is focused on two initiatives, which are Social Emotional Learning (for all grade levels) and TECH - addressing the digital divide of having access and use of technology devices. PEF is hoping to raise \$200K. They hope that all 38 schools will have the opportunity to apply and receive partner funding to support their students in one of the two initiatives. PEF grants have historically been a competitive process allocating up to \$15K per grant. This year it's a different process. Due to universal need, PEF is reducing the grant amount in order to help every one of the schools, students, and teachers in Petaluma.

Ms. Faith recommended the District continue at the same partnership level with PEF, which is a \$30K commitment. This includes \$20K in funds and \$10K in kind. This is not the year to reduce the level of funding due to student social and emotional learning needs as a direct result of COVID-19.

A MOTION was made by Director Nelson, Board Vice President and seconded by Director Tobias, Board Treasurer, to support the Petaluma Educational Foundation for \$30K, a fiscal year commitment that was included in the final budget presented. This motion was PASSED by a vote of 5 ayes (Directors: Adams, Ambrosi, Hempel, Nelson, and Tobias) and 0 noes.

15) FORGING A NEW PATH FOR PETALUMA VALLEY HOSPITAL

CEO Faith had informed that the PHCD Board approved the non-binding term and condition sheet and the District is in the process of negotiating definitive agreements. Once the definitive agreements are approved and executed and the public approves ballot measure, the District would be able to move forward with the sale of Petaluma Valley Hospital.

16) INFORMATIONAL ITEMS

President Hempel had informed that there's a possibility of a Special Board Meeting the week of August 24th, 2020. CEO Faith also reminded the board members to register for the ACHD 68th Annual Meeting on September 23-25, 2020 by virtual event.

17) PLUS / DELTA

No comments were offered.

18) ADJOURN

The next Special Board meeting will possibly be the week of August 24th, 2020.

President Hempel adjourned the meeting at 7:41 PM.

Submitted by Fran Adams, Board Secretary

Recorded by Gina Studebaker, Board Clerk