



**MINUTES OF THE OCTOBER 16, 2019 MEETING OF THE
PETALUMA HEALTH CARE DISTRICT BOARD OF DIRECTORS**

CALL TO ORDER

Board President Elece Hempel called the meeting to order at 5:30 PM in the lobby conference room at 1425 N. McDowell Blvd.

PRESENT

Elece Hempel, President
Crista Barnett Nelson, Vice President
Jeffrey Tobias, MD, Treasurer

ALSO PRESENT

Ramona Faith, CEO, PHCD
Andrew Koblick, Controller, PHCD
Cecelia Fuentes, Board Clerk, PHCD
David Southerland, Interim VP of Operations, Providence SJH
Wendy Thomas, RN, Petaluma Valley Hospital
Rick Jackson, CPA JWT and Associates, LLP
Matt Kelman, Exchange Bank

CALL FOR CONFLICT

President Hempel called for conflict. There was none.

MISSION AND VISION

Director Jeff 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.

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

CONSENT CALENDAR

A **MOTION** was made by Director Nelson and seconded by Director Hempel to approve the following Consent Agenda items with an amendment:

- Approval of October 16, 2019 Agenda
- Approval of September 18, 2019 Board Meeting Minutes with the amendment to change “professional investment assessment must be sought” to “professional investment should be sought”.
- Approval of Financial Statements of September 30, 2019

This motion was PASSED by a vote of 3 ayes (Directors: Hempel, Tobias and Nelson) and 0 noes.

PUBLIC COMMENTS ON CLOSED SESSION ITEMS

No public comments.

ADJOURN TO CLOSED SESSION

President Hempel adjourned the meeting into Closed Session at 5:40 PM for **Government Code 54956.8**; real property transaction – (400 North McDowell Blvd.).

ADJOURN TO OPEN SESSION

President Elece Hempel adjourned the meeting to open session at 6:17 PM.

PUBLIC COMMENTS ON NON AGENDIZED ITEMS

There were no public comments.

BOARD COMMENTS

President Hempel, filling in for Director Fran Adams, commented on 52 Ways to Be a Better Board; Chapters 38 & 39. Chapter 38 “Test Your Values” highlights the importance of considering not only the Board’s values but how those values align with the values of the wider community and to make sure that the board is considering what is best for the community. Chapter 39 focuses on planning for succession. President Hempel stated that although CEO Faith’s contract was just renewed, there will be a need for succession planning in the future.

FINANCIAL SUSTAINABILITY

President Hempel introduced and the Board welcomed Rick Jackson, CPA of JWT and Associates, LLP to present the FY 2018 - 2019 PHCD Annual Financial Audit Report. Mr. Jackson presented the report giving a page by page overview. The first three (3) pages of the report explain the requirements of reporting under government standards and analysis. Pages four (4) and five (5) are opinion pages. The first of the three financial reports start on Page six (6). Mr. Jackson explained the manner in which the income statement is calculated. He showed that the earnings from last year and this year are fairly comparable. Pages nine (9) through sixteen (16) are more of an in-depth explanation of the financial statements from pages six (6) through nine (9). Page 18 has an added statement called EBIDA which makes the cash statement easier to read because it takes out certain factors like depreciation. Mr. Jackson completed his report and recommended that the Board take time to review the report and vote to approve it at the next board meeting.

Matt Kelman from Exchange Bank presented the Quarterly Investment Report indicating that, in an unprecedented move, the Federal Reserve Board cut rates twice since the last quarter. Erring on the side of caution, Mr. Kelman said markets are predicting another rate cut this year and perhaps next year as well. With much uncertainty, the world economy is stuck, the equity market is going up and down, and the fixed income market is uncertain due to federal rate cuts. Mr. Kelman presented a report which included a spreadsheet showing the rates of exchange at Exchange Bank to be a better value than rates on the retail market. He explained possible investment options for the District and what the challenges are going forward in such an uncertain market.

Director Tobias stated the board is giving Mr. Kelman permission to manage the District Investment Fund more actively. Mr. Kelman acknowledged this request and pointed out the challenges in making

investment decisions in the current economic climate. He will meet with the finance committee to deliberate next moves. President Hempel confirmed the recommendation to more actively manage the District's fund. CEO Faith thanked Mr. Kelman for his report.

PETALUMA VALLEY HOSPITAL

David Southerland, VP of Operations, St. Joseph Hospital, stated it has been a very unusual and busy month. Quality patient outcomes continue to be good. Starting in January SJH initiated a new model of collaborative care and sacred conversations to improve care and customer service with patients.

The Pharmacy Board made a surprise visit resulting in a few recommendations for improvement. The United States Pharmacopeial Convention (USP) 800 is a cleanroom standard issued in March 2014. Mr. Southerland explained that (USP) 797 is a revision to Chapter 800 that will become official on December 1, 2019 directing all hospitals to improve their pharmacy areas. Mr. Southerland indicated that St. Joseph Health has budgeted \$85 million, using \$15 million in Northern California alone, to improve pharmacies. Memorial upgrade will run \$4.5 million. There is a deadline but it has been pushed back because most hospitals can't comply.

PG&E initiated a power shut off Oct 8 - 10, but PVH did not lose power. PVH proactively opened a command center and participated in conversation with EMS. The last nursing union meeting was cancelled due to the power outage.

Ms. Faith stated she heard there was consideration by SJH to discontinue 24/7 general surgery ED coverage and asked if surgery call coverage on the weekends would be in jeopardy. Mr. Southerland confirmed the regulatory requirement for 24/7 ER general surgery on call coverage. Mr. Southerland continued his report stating that management is working to increase hospital census. The hospital keeps a list of admissions and transfers for every day and every person so they know who is coming in and going out. They have had their fair share of behavioral health patients. Staff have stated that at times they do not feel safe due to caring for patients with behavioral and mental health issues. SJH received 'Values and Actions' nominations from PVH and SRMH. PVH accounts for about 20% of the total nominees.

Director Tobias requested a progress report on contract negotiations with the nurse's union. Mr. Southerland responded that progress is slow but indicated that the last meeting was more productive due to the presence of the nurses' union attorney.

Ms. Faith requested information on planned management changes at the hospital. Mr. Southerland responded that SJH is looking for a new OB director. The infection control manager resigned due to relocation.

Regarding environmental issues, the family birthing room has been remediated and is waiting for OSHPOD approval. The room used for pulmonary rehab services has been relocated to a temporary space. The main roof is being replaced and the roof over the ancillary areas will be done next year. CEO Faith requested a progress report on the chiller and generator replacement. Mr. Southerland responded that the chiller was replaced and the generator is scheduled to be replaced but needs OSHPOD approval. Ms. Faith said she will review, with Mr. Southerland, the Facility Assessment report that was completed a few years ago which was a required part of establishing a new hospital lease. Mr. Southerland asked to have the report sent to him so he can familiarize himself with it before reviewing with Ms. Faith.

A financial credit of \$160,000 was applied to the recent PVH financial report. This positive adjustment was due to improper regional charge allocations for the proposed joint operating company.

ADMINISTRATIVE REPORTS

There was no President's report.

A written CEO Report was submitted and Directors had no questions.

CEO Ramona Faith introduced a video from the 2019 ACHD conference which was attended by Director Hempel, Director Nelson and CEO Faith. Director Hempel received the ACHD 2019 Trustee of the Year Award and was recognized for excellence in community engagement, board governance and authentic leadership. Director Hempel will be joining the ACHD Governance Committee and Director Crista Nelson will be joining the ACHD Advocacy Committee. CEO Ramona Faith continues to serve on the ACHD Board of Directors and the ACHD Education and Advocacy Committees.

Ms. Faith gave an update on Portrait of a Graduate, a vision for high school graduates which includes a collection of skills and attributes necessary to succeed. Ms. Faith gave an update on trainings being offered through the Sonoma Community Resilience Collaborative. Ms. Faith was trained as a resilience workgroup and skills training facilitator and will be working with other community leaders to create and support a hub in Southern Sonoma County for resilience trainings.

Ms. Faith asked the Board for clarity and direction about which land development experts to bring to future board meetings to provide insight and education. Suggestions were provided, including Dave Alden, Tennis Wick and Heather Heinz. President Hempel suggested that members of the Board attend a talk by Ingrid Alverde about the economic needs of our community at the Petaluma Library on October 28, at 5:30PM to familiarize themselves with the needs and plans of the city. More information gathering is needed as well as community engagement. CEO Faith will follow up.

STRENGTHEN COMMUNITY RELATIONS THROUGH ACTIVE BOARD MEMBER ENGAGEMENT

President Hempel requested that due to time constraints this subject matter be postponed one final time to the next board meeting on December 4, 2019.

FORGING A NEW PATH FOR PETALUMA VALLEY HOSPITAL

The Attorney General's decision on the proposed joint operating company between SJH and Adventist Healthcare West has not been made and SJH is awaiting a final decision.

INFORMATIONAL ITEMS

CEO Faith reviewed upcoming events, district ads, newspaper articles of interest and letters received.

ADJOURN

The next regular Board meeting is scheduled for December 4, 2019 at 5:30 PM.
President Hempel adjourned the meeting at 8:11 PM.

Submitted by Fran Adams, Board Secretary
Recorded by Cecelia Fuentes, Board Clerk