



## AGENDA REGULAR MEETING OF THE EL CAMINO HEALTHCARE DISTRICT BOARD OF DIRECTORS

**Tuesday, January 26, 2021 – 5:30pm**

El Camino Hospital | 2500 Grant Road, Mountain View, CA 94040

PURSUANT TO STATE OF CALIFORNIA EXECUTIVE ORDER N-29-20 DATED MARCH 18, 2020, THE EL CAMINO HEALTHCARE DISTRICT **WILL NOT BE PROVIDING A PHYSICAL LOCATION FOR THIS MEETING**. INSTEAD, THE PUBLIC IS INVITED TO JOIN THE OPEN SESSION MEETING VIA TELECONFERENCE AT:

**1-669-900-9128, MEETING CODE: 369-007-4917#. No participant code. Just press #.**

To watch the meeting livestream, please visit: <http://www.elcaminohealthcaredistrict.org/meetingstream>

Please note that the livestream is for **meeting viewing only** and there is a slight delay; to provide public comment, please use the phone number listed above.

**PURPOSE:** The purpose of the District shall be (i) to establish, maintain and operate, or provide assistance in the operation of, one or more health facilities (as that term is defined in California Health and Safety Code Section 1250) or health services at any location within or without the territorial limits of the District, for the benefit of the District and the people served by the District; (ii) to acquire, maintain and operate ambulances or ambulance services within or without the District; (iii) to establish, maintain and operate, or provide assistance in the operation of free clinics, diagnostic and testing centers, health education programs, wellness and prevention programs, rehabilitation, aftercare, and such other health care services provider, groups, and organizations that are necessary for the maintenance of good physical and mental health in the communities served by the District; and (iv) to do any and all other acts and things necessary to carry out the provisions of the District's Bylaws and the Local Health District Law.

AGENDA ITEM	PRESENTED BY		ESTIMATED TIMES
<b>1. CALL TO ORDER/ROLL CALL</b>	George O. Ting, MD, Board Chair		<b>5:30 – 5:31pm</b>
<b>2. SALUTE TO THE FLAG</b>	George O. Ting, MD, Board Chair		<b>5:31 – 5:33pm</b>
<b>3. POTENTIAL CONFLICT OF INTEREST DISCLOSURES</b>	George O. Ting, MD, Board Chair		<b>5:33 – 5:34</b>
<b>4. PUBLIC COMMUNICATION</b> a. Oral Comments <i>This opportunity is provided for persons in the audience to make a brief statement, not to exceed three (3) minutes on issues or concerns not covered by the agenda.</i> b. Written Correspondence	George O. Ting, MD, Board Chair		<b>information 5:34 – 5:37</b>
<b>5. CONSENT CALENDAR</b> <i>Any Board Member or member of the public may remove an item for discussion before a motion is made.</i> <b>Approval</b> a. <a href="#">Minutes of the Open Session of the District Board Meeting (12/4/2020)</a> b. <a href="#">Minutes of the Open Session of the District Board Meeting (12/29/2020)</a> c. <a href="#">FY21 Pacing Plan</a> <b>Information</b> d. <a href="#">Community Benefit Sponsorship Report</a> e. <a href="#">Silicon Valley Tobacco Securitization Authority and Santa Clara County Tobacco Securitization Corporation Report</a>	George O. Ting, MD, Board Chair	<i>public comment</i>	<b>motion required 5:37 – 5:39</b>

A copy of the agenda for the Regular Board Meeting will be posted and distributed at least seventy-two (72) hours prior to the meeting.

In observance of the Americans with Disabilities Act, please notify us at (650) 988-7504 prior to the meeting so that we may provide the agenda in alternative formats or make disability-related modifications and accommodations.

AGENDA ITEM	PRESENTED BY		ESTIMATED TIMES
6. <b>COMMUNITY BENEFIT SPOTLIGHT: MOMENTUM FOR HEALTH</b> <i>Resolution 2021-01</i> <a href="#">ATTACHMENT 6</a>	Barbara Avery, Director, Community Benefit; Jim Millsap, CPRP, Executive Director, La Selva Group/ Momentum for Health	<i>public comment</i>	<b>possible motion</b> <b>5:39 – 5:49</b>
7. <b>ECHD FY21 YTD FINANCIALS</b> <a href="#">ATTACHMENT 7</a>	Carlos Bohorquez, CFO	<i>public comment</i>	<b>possible motion</b> <b>5:49 – 5:59</b>
8. <b>REPORT ON COVID-19 COMMUNITY TESTING AND VACCINATION PROGRAM</b> <a href="#">ATTACHMENT 8</a>	Dan Woods, CEO; Deb Muro, CIO; Omar Chughtai, VP of Operations	<i>public comment</i>	<b>possible motion</b> <b>5:59 – 6:19</b>
9. <b>CONSIDERATION OF ELECTION OF LANHEE J. CHEN AND GARY KALBACH TO THE EL CAMINO HOSPITAL BOARD OF DIRECTORS AND FOREGOING ALL FURTHER STEPS RELATED TO THE ‘PROCESS FOR RE-ELECTION AND ELECTION OF NON-DISTRICT BOARD MEMBERS TO THE EL CAMINO HOSPITAL BOARD OF DIRECTORS’ FOR FY21</b> <a href="#">ATTACHMENT 9</a>	George O. Ting, MD, Board Chair	<i>public comment</i>	<b>possible motion</b> <b>6:19 – 6:29</b>
10. <b>DRAFT RESOLUTION 2021-02: Appointment of FY21 El Camino Hospital Board Member Election Ad Hoc Committee Members and Advisors</b> <a href="#">ATTACHMENT 10</a>	George O. Ting, MD, Board Chair	<i>public comment</i>	<b>possible motion</b> <b>6:29 – 6:39</b>
11. <b>ADJOURN TO CLOSED SESSION</b>	George O. Ting, MD, Board Chair	<i>public comment</i>	<b>motion required</b> <b>6:39 – 6:40</b>
12. <b>POTENTIAL CONFLICT OF INTEREST DISCLOSURES</b>	George O. Ting, MD, Board Chair		<b>information</b> <b>6:40 – 6:41</b>
13. <b>CONSENT CALENDAR</b> <i>Any Board Member or member of the public may remove an item for discussion before a motion is made.</i>  <i>Approval</i> <i>Gov’t Code Section 54957.2:</i> a. Minutes of the Closed Session of the District Board Meeting (10/20/2020)	George O. Ting, MD, Board Chair		<b>motion required</b> <b>6:41 – 6:43</b>
14. <i>Health &amp; Safety Code Section 32106(b)</i> for a report and discussion involving health care facility trade secrets: - Development of Patient Family Residence	Ken King, CASO		<b>discussion</b> <b>6:43 – 6:58</b>
15. Report involving <i>Gov’t Code Section 54957</i> for discussion and report on personnel performance matters – Senior Management: - Executive Session	George O. Ting, MD, Board Chair		<b>discussion</b> <b>6:58 – 7:03</b>

AGENDA ITEM	PRESENTED BY		ESTIMATED TIMES
<b>16. ADJOURN TO OPEN SESSION</b>	George O. Ting, MD, Board Chair		<b>motion required 7:03 – 7:04</b>
<b>17. RECONVENE OPEN SESSION/ REPORT OUT</b>	George O. Ting, MD, Board Chair		<b>information 7:04 – 7:05</b>
To report any required disclosures regarding permissible actions taken during Closed Session.			
<b>18. BOARD COMMENTS</b>	George O. Ting, MD, Board Chair		<b>discussion 7:05 – 7:09</b>
<b>19. ADJOURNMENT</b>	George O. Ting, MD, Board Chair	<i>public comment</i>	<b>motion required 7:09 – 7:10pm</b>

**Upcoming Meetings:** March 16, 2021; May 18, 2021; June 15, 2021



**Minutes of the Open Session of the  
El Camino Healthcare District Board of Directors  
Friday, December 4, 2020**

Pursuant to State of California Executive Order N-29-20 dated March 18, 2020, El Camino Health did not provide a physical location for this meeting. Instead, the public was invited to join the open session meeting via teleconference.

**Board Members Present**

**Peter C. Fung, MD\*\***

**Gary Kalbach, Chair\*\*<sup>1</sup>**

**Julia E. Miller, Secretary/Treasurer\*\***

**Carol A. Somersille, MD\*\*<sup>1</sup>**

**George O. Ting, MD, Vice Chair\*\***

**John Zoglin\*\***

**Board Members Absent**

None

\*\*via teleconference

**Members Excused**

None

<sup>1</sup> Mr. Kalbach was a Board member until the acceptance of the November 3, 2020 election results from Santa Clara County, at which point Dr. Somersille became a Board member.

<b>Agenda Item</b>	<b>Comments/Discussion</b>	<b>Approvals/ Action</b>
<b>1. CALL TO ORDER/ ROLL CALL</b>	The open session meeting of the El Camino Healthcare District Board of Directors (the "Board") was called to order at 4:00pm by Chair Kalbach. Chair Kalbach reviewed the logistics for the meeting. A verbal roll call was taken. All Board members were present and participated via videoconference pursuant to Santa Clara County's shelter in place order. A quorum was present pursuant to State of California Executive Orders N-25-20 dated March 12, 2020 and N-29-20 dated March 18, 2020.	<b><i>Call to Order at 4:00 pm</i></b>
<b>2. SALUTE TO THE FLAG</b>	Dan Woods, CEO, led all present in the Pledge of Allegiance.	
<b>3. POTENTIAL CONFLICT OF INTEREST DISCLOSURES</b>	Chair Kalbach asked if any Board members may have a conflict of interest with any of the items on the agenda. No conflicts were noted.	
<b>4. PUBLIC COMMUNICATION</b>	Ms. Yoriko Kishimoto introduced herself to the Board, described her experience and other board service, and expressed her interest in serving as the delegate to the Local Agency Formation Commission (LAFCo) of Santa Clara County.  Director Miller offered to discuss this position and candidate qualifications with incoming Chair Ting.	
<b>5. CONSENT CALENDAR</b>	Chair Kalbach asked if any member of the Board or the public wished to remove an item from the consent calendar. No items were removed.  <b>Motion:</b> To approve the consent calendar: Minutes of the Open Session of the District Board Meeting (10/20/2020).  <b>Movant:</b> Ting <b>Second:</b> Zoglin <b>Ayes:</b> Fung, Kalbach, Miller, Ting, Zoglin <b>Noes:</b> None <b>Abstentions:</b> None <b>Absent:</b> None <b>Recused:</b> None	<b><i>Consent calendar approved</i></b>
<b>6. REPORT ON COVID-19 COMMUNITY</b>	Omar Chughtai, VP of Operations, provided an update on the District's COVID-19 Community Testing Program. He reported that 12,117 community members have been tested as of November 30, 2020, with over 3,000 individuals tested in November. There have been 38 pop-up testing	

<p><b>TESTING PROGRAM</b></p>	<p>days and 21 pop-ups are scheduled in December 2020 and January 2021 with various schools and downtown associations.</p> <p>Recent accomplishments include 2-day average test result turnaround (75% by the end of the next day), and email prompts for new results in myChart as soon as they are available. Upcoming enhancements include in-house processing of specimens (equipment is currently in validation and scheduled to go live mid-December) and electronic same-day scheduling.</p> <p>Mr. Chughtai commended the cross-functional team for their tremendous efforts on this program.</p> <p>In response to questions and concerns from the Board about testing capacity, staff discussed new testing requirements for healthcare workers. Dan Woods, CEO, explained that the order from the State of California is a strong recommendation, not a mandate, to test employees weekly, noting that organizations are taking different approaches. Many are categorizing employees in tiers. Mr. Woods noted that ECH's in-house testing capacity will increase dramatically mid-December when new equipment goes live. Kathryn Fisk, CHRO, explained that there are currently no restrictions for employees; they can be tested as often as desired and numbers have increased in recent weeks. Staff clarified that employee testing is a hospital-funded program. Staff are closely monitoring reagent levels to ensure that there are adequate supplies for all.</p> <p>The Board commended staff for their work on this program.</p> <p>Carlos Bohorquez, CFO, commented that ECH has and will continue to allocate whatever funds are required to ensure that ECH is protecting employees, patients, and physicians.</p>	
<p><b>7. ELECTING NON-DISTRICT BOARD MEMBERS TO THE EL CAMINO HOSPITAL BOARD OF DIRECTORS</b></p>	<p>Director Fung commented that his concerns have been addressed and he had no further discussion on this topic at this time.</p>	
<p><b>8. ACCEPTANCE OF SANTA CLARA COUNTY ELECTION RESULTS OF NOVEMBER 3, 2020</b></p>	<p>Chair Kalbach noted that the County certified the election results on December 3, 2020.</p> <p><b>Motion:</b> To accept the Santa Clara County election results of November 3, 2020.</p> <p><b>Movant:</b> Miller <b>Second:</b> Fung</p> <p>Director Miller noted that the vote counts in the memo in the packet were not the final numbers from the Santa Clara County Registrar of Voters.</p> <p>Board members congratulated the newly elected and re-elected members.</p> <p><b>Ayes:</b> Fung, Kalbach, Miller, Ting, Zoglin <b>Noes:</b> None <b>Abstentions:</b> None <b>Absent:</b> None <b>Recused:</b> None</p> <p>Director Ting took over the meeting as the new Board Chair. The Board thanked Mr. Kalbach for his service and leadership.</p>	<p><i>November 3, 2020 Election Results accepted</i></p>

<b>9. ADMINISTRATION OF OATH OF OFFICE</b>	Director Miller took the oath of office administered by Jaison E. Miller and witnessed by Director Ting. Director Somersille took the oath of office administered by Lauren Somersille Sibley and witnessed by Director Miller. Director Zoglin took the oath of office administered by Karla Lacey and witnessed by Director Miller.	<i>Directors Miller, Somersille, and Zoglin sworn in</i>
<b>10. ACKNOWLEDGEMENT OF STANDARDS OF CONDUCT</b>	Chair Ting described the District Standards of Conduct, which is affirmed by the Board following each election. The Directors signed a copy of the District Standards of Conduct, which will be compiled and posted on the District's website.	
<b>11. ELECTION OF DISTRICT BOARD MEMBERS TO THE EL CAMINO HOSPITAL BOARD OF DIRECTORS</b>	<p><b>Motion:</b> To elect District Directors Julia Miller, Carol Somersille, and John Zoglin to the El Camino Hospital Board of Directors.</p> <p><b>Movant:</b> Fung  <b>Second:</b> Miller  <b>Ayes:</b> Fung, Miller, Somersille, Ting, Zoglin  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> None  <b>Recused:</b> None</p>	<i>Directors Miller, Somersille, and Zoglin elected to the El Camino Hospital Board of Directors</i>
<b>12. CONFIRMATION OF APPOINTMENT OF VICE CHAIR</b>	<p><b>Motion:</b> To confirm the appointment of John Zoglin as Vice Chair as the El Camino Healthcare District Board Vice Chair for a term effective immediately and expiring June 30, 2021.</p> <p><b>Movant:</b> Miller  <b>Second:</b> Zoglin</p> <p><b>Amendment (Fung):</b> To nominate Julia Miller as the Vice Chair of the District Board starting immediately through June 30, 2021.</p> <p>Director Miller accepted the amendment. Director Somersille seconded the amendment.</p> <p>Director Fung commented that Director Zoglin is serving in a leadership on the Hospital Board and expressed concerns about the time commitment. Director Zoglin commented that he has time to serve in this position.</p> <p>Director Somersille voiced her support of variety in those serving leadership positions on both the District and Hospital Boards.</p> <p>The Board members discussed the procedures of voting on the amendment and its effect on the original motion with Mary Rotunno, General Counsel. She confirmed Director Fung's intent with the amendment and stated if the amendment passes, Director Miller will be the Vice Chair, and the original motion will be moot.</p> <p><b>Ayes:</b> Fung, Miller, Somersille  <b>Noes:</b> None  <b>Abstentions:</b> Ting, Zoglin  <b>Absent:</b> None  <b>Recused:</b> None</p>	<i>Director Miller confirmed as Vice Chair starting immediately through June 30, 2021</i>
<b>13. BOARD COMMENTS</b>	Director Somersille thanked the Board for the warm welcome. Director Zoglin thanked Gary Kalbach for his service.	
<b>14. ADJOURNMENT</b>	<p><b>Motion:</b> To adjourn at 6:17pm.</p> <p><b>Movant:</b> Fung  <b>Second:</b> Miller  <b>Ayes:</b> Fung, Miller, Somersille, Ting, Zoglin  <b>Noes:</b> None</p>	<i>Meeting adjourned at 6:17pm</i>

	<b>Abstentions:</b> None <b>Absent:</b> None <b>Recused:</b> None	
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**Attest as to the approval of the foregoing minutes by the Board of Directors of El Camino Healthcare District:**

\_\_\_\_\_  
George O. Ting, MD  
Chair, ECHD Board

\_\_\_\_\_  
Julia E. Miller  
Secretary, ECHD Board

Prepared by: Cindy Murphy, Director of Governance Services  
Sarah Rosenberg, Contracts Administrator/Governance Services EA



**Minutes of the Open Session of the  
Special Meeting of the  
El Camino Healthcare District Board of Directors  
Tuesday, December 29, 2020**

Pursuant to State of California Executive Order N-29-20 dated March 18, 2020, El Camino Health did not provide a physical location for this meeting. Instead, the public was invited to join the open session meeting via teleconference.

**Board Members Present**

**Peter C. Fung, MD\*\***  
**Julia E. Miller, Vice Chair and**  
**Secretary/Treasurer\*\***  
**Carol A. Somersille, MD\*\***  
**George O. Ting, MD, Chair\*\***  
**John Zoglin\*\***

**Board Members Absent**

**None**  
  
**\*\*via teleconference**

**Members Excused**

**None**

<b>Agenda Item</b>	<b>Comments/Discussion</b>	<b>Approvals/ Action</b>
<b>1. CALL TO ORDER/ ROLL CALL</b>	The open session of the Special Meeting of the El Camino Healthcare District Board of Directors (the "Board") was called to order at 5:30pm by Chair Ting. Chair Ting reviewed the logistics for the meeting. A verbal roll call was taken. All Board members were present and participated via videoconference pursuant to Santa Clara County's shelter in place order. A quorum was present pursuant to State of California Executive Orders N-25-20 dated March 12, 2020 and N-29-20 dated March 18, 2020.	<b><i>Call to Order at 5:30 pm</i></b>
<b>2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES</b>	Chair Ting asked if any Board members may have a conflict of interest with any of the items on the agenda. No conflicts were noted.	
<b>3. PUBLIC COMMUNICATION</b>	None.	
<b>4. CONSENT CALENDAR</b>	Chair Ting noted that the item on the consent calendar was for information only. Director Miller commented that the memo did not include information about all five candidates.	<b><i>Consent calendar approved</i></b>
<b>5. INDEPENDENT SPECIAL DISTRICT BOARD REPRESENTATION ON LAFCO: REVIEW AND DISCUSSION OF POTENTIAL ENDORSEMENT FOR THE UPCOMING INDEPENDENT SPECIAL DISTRICT SELECTION COMMITTEE AND DESIGNATION OF ALTERNATE VOTING MEMBER IF THE BOARD CHAIR IS UNAVAILABLE</b>	<p>Director Ting explained that the Local Agency Formation Commission ("LAFCO") is a state-mandated independent local agency. There is one for each county and each has the authority to oversee the boundaries of cities and special districts, including the El Camino Healthcare District. He reviewed LAFCO's structure, with seven commissioners in five categories. He reported that there is an upcoming election for a special district commissioner and alternate.</p> <p>Director Zoglin commented that LAFCO has the authority to dissolve any district and the Board should review this opportunity for representation of the District. He suggested a candidate from the District Board would be beneficial to the organization and provide a variety of experience and perspectives on LAFCO. Director Zoglin expressed interest in seeking the position or supporting one of his colleagues to do so.</p> <p>Jonathan Cowan, Director of Government &amp; Community Relations, explained that on January 11, 2021, Chair Ting will have the opportunity to help select a regular and alternate commissioner who would represent the 17 special districts in Santa Clara County. He noted that Yoriko Kishimoto, the current alternate commissioner, is planning to run for the regular seat.</p>	



	<p>Chair Ting reviewed the proposed actions and possible motions for the Board's consideration as further outlined in the memo.</p> <p><b>Motion:</b> To officially, for the El Camino Healthcare District Board, nominate John Zoglin to be the alternate person representing our District.</p> <p><b>Movant:</b> Miller <b>Second:</b> Zoglin</p> <p>In response to Director Fung's questions, Mr. Cowan described LAFCO's activities over the last several years, including service reviews and connecting special districts with other government entities in the County. Mr. Cowan also explained that LAFCO does not specifically focus on health care; it oversees special district delivery of services, good governance and transparency, and appropriate spheres of influence regardless of industry (e.g., healthcare, fire, water).</p> <p>The Board further discussed the LAFCO service review of the District in 2012 and LAFCO's authority over the District. Mr. Cowan noted that, per LAFCO staff, the next review of the District would likely be in 2023.</p> <p>Director Fung and Director Miller voiced their support of Director Zoglin seeking the alternate position.</p> <p>Chair Ting clarified the intent of the motion with Director Miller to be a Board endorsement of Director Zoglin as a nominee for the Alternate Member position with LAFCO. Director Miller confirmed that was her intention.</p> <p><b>Ayes:</b> Fung, Miller, Somersille, Ting, Zoglin <b>Noes:</b> None <b>Abstentions:</b> None <b>Absent:</b> None <b>Recused:</b> None</p> <p>The Board discussed the proposal of interviewing candidates for the regular special district commissioner position and providing feedback to the District's voting member ahead of the Independent Special District Selection Committee ("ISDSC") meeting on January 11, 2021. Director Zoglin commented that candidates can nominate themselves at the ISDSC meeting, but candidate interviews could be useful. Mr. Cowan cautioned that the full District Board should not question LACFO commissioner candidates, as the District Board is not the entity making the LAFCO appointment.</p> <p><b>Motion:</b> To designate one Board member to interview candidates for the regular LAFCO member position so that the Board is more educated and the District's representative at the ISDSC meeting is more educated.</p> <p><b>Movant:</b> Zoglin <b>Second:</b> Miller</p> <p>Director Miller expressed concerns about Director Zoglin conducting interviews given his interest in the alternate position.</p> <p>The Board discussed the purpose of speaking with the Regular Member candidates. Director Somersille suggested identifying the person who will vote on behalf of the District and allowing that person to determine what they need to vote at the ISDSC meeting.</p> <p>Chair Ting explained that as presiding officer he will be submitting the District's vote.</p>	<p><i>Director Zoglin endorsed</i></p>
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	<p>Director Zoglin amended and restated his motion:</p> <p><b>Motion:</b> That Chair Ting (as a voting member) interview any known candidates for the LAFCO Regular Member position as part of his decision for the person for whom he is going to vote.</p> <p>Director Miller accepted the amended and restated motion.</p> <p><b>Ayes:</b> Fung, Miller, Somersille, Ting, Zoglin  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> None  <b>Recused:</b> None</p> <p>Chair Ting explained that if he is unavailable for the ISDSC meeting on January 11, 2021, that Director Miller, as Vice Chair, has offered to attend and submit the District's vote, if needed.</p> <p><b>Motion:</b> To approve designation of Director Miller to vote at the ISDSC meeting if Chair Ting is not available to do so.</p> <p><b>Movant:</b> Zoglin  <b>Second:</b> Somersille</p> <p>The Board, Mary Rotunno, General Counsel, and Cindy Murphy, Director of Governance Services, discussed the need and LAFCO requirements for a Board motion to approve a designee in order for the District to have a vote at the ISDSC meeting in the event that Chair Ting is unavailable.</p> <p><b>Ayes:</b> Fung, Miller, Somersille, Ting, Zoglin  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> None  <b>Recused:</b> None</p>	<p><i>Chair Ting to interview candidates</i></p> <p><i>Director Miller designated to vote on the District's behalf if Chair Ting is unavailable</i></p>
<p><b>6. PROPOSED MODIFICATION TO DISTRICT-FUNDED COVID-19 COMMUNITY TESTING PROGRAM AUTHORIZATION</b></p>	<p>Dan Woods, CEO, provided an overview of the District's authorization of a COVID-19 community testing program. He reported that there is approximately \$1.9 million in funding available at the end of 2020.</p> <p>Mr. Woods explained that the proposed modification would reallocate some of the remaining available funding to assist the County and community with vaccination efforts when vaccines are available to the public, specifically community members that live, work, or go to school in the District. He noted that there would be a program update and potentially another funding reallocation request for the Board's consideration at its January 2021 meeting.</p> <p>Mr. Woods suggested an initial authorization not to exceed \$100,000, which would cover 5,000 vaccinations for those without insurance at an estimated cost of \$20 per person.</p> <p>Director Fung suggested allocating \$1 million to vaccination efforts.</p> <p><b>Motion:</b> To support Mr. Woods' proposal to authorize the reallocation of \$100,000 unused funds from testing toward vaccination efforts in the event the community and the County require assistance from the Healthcare District and El Camino Health system to vaccinate the community.</p> <p><b>Movant:</b> Fung  <b>Second:</b> Miller</p> <p>Director Somersille commended staff for the proposal and suggested focusing on diversity and encouraging vaccines for and doing outreach to the most susceptible and at-risk populations for COVID-19.</p>	<p><i>Reallocation authorized</i></p>

	<p>Director Fung commended management for El Camino Health's rollout of vaccinations to its employees and physicians.</p> <p>In response to Director Miller's question, Mr. Woods confirmed that the proposal is not for any additional funds at this time and any vaccinations will be coordinated with the State and County requirements and allocated supplies.</p> <p>Mr. Woods reported that ECH has vaccinated over 2,700 physicians and employees. In response to Board questions, Mr. Woods further described the tiers of priority for vaccination rollouts, noting that staff is currently discussing rollout to clinics and other providers like dentists with the County.</p> <p>Chair Ting restated the motion: To use money that was for testing for vaccinations not to exceed \$100,000.</p> <p><b>Ayes:</b> Fung, Miller, Somersille, Ting, Zoglin <b>Noes:</b> None <b>Abstentions:</b> None <b>Absent:</b> None <b>Recused:</b> None</p>	
<b>7. BOARD COMMENTS</b>	<p>In response to Director Miller's question, Ms. Rotunno explained that the item on the consent calendar was for information only and did not require approval.</p> <p>Director Somersille requested more time to review information for special meetings if possible.</p> <p>Director Fung commended Mr. Woods and his team for their response to the increase in the number of COVID patients and the care provided to all patients.</p> <p>Mr. Woods thanked ECH frontline workers for their tireless efforts and urged everyone to stay home.</p>	
<b>8. ADJOURNMENT</b>	<p><b>Motion:</b> To adjourn at 6:34pm.</p> <p><b>Movant:</b> Miller <b>Second:</b> Somersille <b>Ayes:</b> Fung, Miller, Somersille, Ting, Zoglin <b>Noes:</b> None <b>Abstentions:</b> None <b>Absent:</b> None <b>Recused:</b> None</p>	<p><i>Meeting adjourned at 6:34pm</i></p>

**Attest as to the approval of the foregoing minutes by the Board of Directors of El Camino Healthcare District:**

\_\_\_\_\_  
George O. Ting, MD  
Chair, ECHD Board

\_\_\_\_\_  
Julia E. Miller  
Secretary, ECHD Board

Prepared by: Cindy Murphy, Director of Governance Services  
Sarah Rosenberg, Contracts Administrator/Governance Services EA

**EL CAMINO HEALTHCARE DISTRICT BOARD  
FY21 PACING PLAN**

<b>FY21 Q1</b>		
<b>JULY 2020</b>	<b>AUGUST 12, 2020</b>	<b>SEPTEMBER 2020</b>
<p>No Meeting</p> <p><b><u>Standing Items</u></b></p> <ul style="list-style-type: none"> <li>• Approval of Minutes</li> <li>• Recognition (as needed)</li> <li>• Community Benefit Spotlight</li> <li>• Sponsorship Report</li> <li>• Pacing Plan</li> </ul>	<ul style="list-style-type: none"> <li>• Approval of ECHD Consolidated and Stand Alone Budget</li> <li>• Tax Appropriation Resolution</li> </ul>	<p>No Meeting</p>
<b>FY21 Q2</b>		
<b>OCTOBER 20, 2020</b>	<b>NOVEMBER 2020</b>	<b>DECEMBER 8, 2020</b>
<ul style="list-style-type: none"> <li>• FY21 YTD ECHD Financials</li> <li>• FY20 Financial Audit Presentation – Consolidated ECH District Financials</li> <li>• FY20 Year End Community Benefit Year-End Report</li> <li>• Approve FY20 Hospital Audit</li> <li>• Appointment of FY21 El Camino Hospital Board Member Election Ad Hoc Committee Chair</li> <li>• FY20 CEO Performance Review</li> <li>• Community Benefit Ad Hoc Committee Report</li> <li>• Appointment of CBAC Liaison</li> <li>• Update on COVID-19 Community Testing Program</li> </ul>	<p>No Meeting</p>	<ul style="list-style-type: none"> <li>• Oath of Office - Newly elected or Re-elected District Board Members</li> <li>• Appointment of FY21 Election Ad Hoc Committee Member and Advisors (May Delay Until January)</li> <li>• Election of El Camino Hospital Board Members</li> </ul>

**EL CAMINO HEALTHCARE DISTRICT BOARD  
FY21 PACING PLAN**

<b>FY21 Q3</b>		
<b>JANUARY 26, 2021</b>	<b>FEBRUARY 2021</b>	<b>MARCH 16, 2021</b>
<ul style="list-style-type: none"> <li>• FY21 YTD ECHD Financials</li> <li>• Appointment of FY21 El Camino Hospital Board Member Election Ad Hoc Committee Member and Advisors</li> <li>• COVID-19 Testing and Vaccination Program Report</li> <li>• Development of Patient and Family Residence</li> </ul>	No Board Meeting	<ul style="list-style-type: none"> <li>• FY21 YTD ECHD Financials</li> <li>• El Camino Hospital Board Member Election Ad Hoc Committee Report</li> <li>• Possible Election of El Camino Hospital Board Members</li> <li>• COVID-19 Testing and Vaccination Program Report</li> </ul>
<b>FY21 Q4</b>		
<b>APRIL 2021</b>	<b>MAY 18, 2021</b>	<b>JUNE 15, 2021</b>
No Meeting	<ul style="list-style-type: none"> <li>• FY22 Community Benefit Plan Study Session</li> <li>• Community Benefit Mid-Year Metrics</li> <li>• FY22 ECHD Standalone Budget Allocations Preview (CB and Fees)</li> <li>• FY21 YTD ECHD Financials</li> <li>• El Camino Hospital Board Member Election Ad Hoc Committee Report</li> <li>• Possible Election of El Camino Hospital Board Members</li> </ul>	<ul style="list-style-type: none"> <li>• FY21 YTD ECHD Financials</li> <li>• District Capital Outlay Funds</li> <li>• Tax Appropriation for FY22</li> <li>• Approval of FY22 Community Benefit Plan</li> <li>• Approval of ECH FY22 Budget</li> <li>• Approval of ECHD FY22 Budget</li> <li>• Appointment of Liaison to the Community Benefit Advisory Council</li> <li>• Appoint FY22 Hospital Board Member Election Ad Hoc Committee</li> <li>• Approval of FY22 Pacing Plan</li> <li>• Resolution – FY22 Regular Meeting Dates</li> </ul>



## EL CAMINO HEALTHCARE DISTRICT BOARD MEETING MEMO

**To:** El Camino Healthcare District Board of Directors  
**From:** Cecile Currier, VP Corp. & Comm. Health Svcs and President, CONCERN:EAP  
Barbara Avery, Director Community Benefit  
**Date:** January 26, 2021  
**Subject:** Community Benefit Sponsorships

### **Purpose:**

To provide the Board with FY21 ECHD Sponsorships October 2020 – December 2020.

### **Summary:**

1. **Situation:** Community Benefit Staff was asked to keep the Board informed regarding Community Benefit Sponsorships YTD.
2. **Authority:** Board reviewed and approved \$100,000 for Sponsorships in the FY21 Community Benefit Plan in June 2020.
3. **Background:**
  - Sponsorship information and instructions are available on the District website.
  - Requests include sponsorship packets that outline event date, purpose, levels of sponsorship and requirements for sponsor acknowledgement. These requests are reviewed throughout the year as they come in by Community Benefit Staff and the other designated departments that provide community sponsorships (*e.g.*, Marketing & Communications and Government & Community Relations).
  - Community Benefit-funded Sponsorships provide general support for health-related agencies improving the well-being of the community.
  - Community Benefit Sponsorships from **October 1, 2020** through December 31, 2020 totaled **\$45,500** for the following agencies:
    - Adolescent Counseling
    - Community Services Agency Mountain View
    - Downtown Streets Team
    - Momentum for Mental Health
    - Homefirst
    - Habitat for Humanity
    - Pacific Stroke Association
    - Pancreatic Cancer
4. **Assessment:** N/A
5. **Other Reviews:** N/A
6. **Outcomes:** N/A

**List of Attachments:** N/A

**Suggested Board Discussion Questions:** None. This is an informational consent item.



## EL CAMINO HEALTHCARE DISTRICT BOARD MEETING MEMO

**To:** El Camino Healthcare District Board of Directors  
**From:** Julia E. Miller  
**Date:** January 26, 2021  
**Subject:** Report on Silicon Valley Tobacco Securitization Authority and Santa Clara County Tobacco Securitization Corporation

### **Purpose:**

To inform the Board regarding the status of the Silicon Valley Tobacco Securitization Authority and Santa Clara County Tobacco Securitization Corporation.

### **Summary:**

1. **Situation:** On March 5, 2014, the District Board appointed me to serve as this Board's representative to the Silicon Valley Tobacco Securitization Authority ("SVTSA"). I currently serve as Vice President of the SVTSA Board of Directors under Board President Paul Lorenz, CEO, Valley Medical Center. Tina Zhuo, Accountant III, Finance Department, Santa Clara County is the other member of the SVTSA Board. I also serve as Chairperson of the Santa Clara County Tobacco Securitization Corporation ("Corporation") Board of Directors. Ms. Zhuo is the other member of the Corporation Board. I have held both of these positions for several years. Both Boards hold annual meetings, and I have attended them all.
2. **Authority:** N/A
3. **Background:** On December 12, 2006, the District, by resolution, and at the request of the County of Santa Clara (the "County"), approved the form of and authorized the execution of a joint exercise of powers agreement and directed certain other actions in connection with the agreement. Pursuant to this agreement between the District and the County, a Joint Powers Authority ("JPA") known as the SVTSA was created. The District appointed then Director Mark O'Connor as its representative on the SVTSA Board of Directors.

The purpose of the JPA was to assist the County in funding necessary seismic upgrades to the County's Valley Medical Center through the issuance of bonds securitized by certain tobacco settlement revenues that the County had the right to receive. The County bears all expenses and indemnifies the District from liability related to the JPA. At its meeting on January 3, 2007, the SVTSA Board of Directors elected officers and authorized the issuance of "not to exceed \$115,000,000 tobacco settlement asset backed bonds."

On January 24, 2014, the County contacted the District and requested that the District's representative attend a meeting of the JPA for approving the annual financial statement and audit report. The County Controller-Treasurer's office also informed District staff that the JPA's Board has not met since 2007. Since Mr. O'Connor was no longer a member of the District Board, the Board appointed me to serve. Subsequently, the Corporation appointed me to serve on the Corporation's Board. I attended the most recent meetings on November 12, 2020 at which time the Boards took the following actions:

**A. SVSTA**

- i. Election of Officers
- ii. Adopted Financial Statements and Annual Audit Report for FY2019-2020
- iii. Ratified First Amendment to Legal Services Agreement
- iv. Delegated Authority to the Treasurer to execute, amend or terminate the Legal Service Agreement as needed

**B. Corporation**

- i. Election of Officers
- ii. Adopted Financial Statements and Annual Audit Report for FY2019-2020
- iii. Ratified First Amendment to Legal Services Agreement
- iv. Delegated Authority to the Treasurer to execute, amend or terminate the Legal Service Agreement as needed

4. Assessment: N/A

5. Other Reviews: None.

6. Outcomes: N/A

**List of Attachments**: Detailed Description of the Entities

**Suggested Board Discussion Questions**: None. This is an informational consent item.



### **Santa Clara County Tobacco Securitization Corporation**

The Santa Clara County Tobacco Securitization Corporation (Corporation) was incorporated on December 21, 2006 by the Santa Clara County (County) as a nonprofit organization under the California nonprofit public corporation law of the State of California.

The Corporation was formed for the purposes of purchasing the County's future Tobacco Settlement Revenue (TSR) under the Master Settlement Agreement (Agreement) signed in November 1998 between 46 states, including the State of California, and the four major tobacco companies. Under its agreement with the County, the Corporation has title to all payments due the County under the Agreement noted above, the Memorandum of Understanding, the Agreement Regarding Interpretation of the Memorandum of Understanding and the Consent Decree and all other agreements and understandings that are due the County, including any interest thereon, between the State of California and the tobacco companies.

The Corporation is a separate legal entity that is an integral part of the County. The Corporation is administered by its Board of Directors consisting of three directors designated by the Board of Supervisors of the County, of which two of them are employees of the County and one of them is an independent director as defined in the Corporation's bylaws. The County exercises significant financial and management control over the Corporation. The Corporation provides services entirely to the County. The Corporation and the County have a financial and operational relationship which requires that the Corporation's financial statements be blended into the County's financial statements. Therefore, the Corporation is considered a blended component unit of the County, and its financial activities are included in to the County's basic financial statements.

### **Silicon Valley Tobacco Securitization Authority**

The Silicon Valley Tobacco Securitization Authority (Authority) is a public entity created by a Joint Exercise of Powers Agreement, dated December 1, 2006 by and between the County of Santa Clara (County) and the El Camino Hospital District (District) pursuant to Article 1 of Chapter 5 of Division 7 of Title 1 of the State of California Government Code Section 6500 and following.

In November 1998, the Attorney General of 46 states, including the State of California, signed a master settlement agreement (Agreement) with four major tobacco companies. The Agreement is the largest civil settlement in U.S. history, which is estimated to provide \$206 billion in tobacco settlement payments in exchange for the release of all past, present, and future claims related to the use of tobacco products. Pursuant to a Memorandum of Understanding (MOU) and an Agreement Regarding Interpretation of Memorandum of Understanding (ARIMOU), the State of California agreed to distribute a portion of its share of the settlement to its counties based on population. Under the formula, the County will receive approximately \$1.3 billion over fifty years, starting with the fiscal year ended June 30, 2007.

The Authority was formed for the purposes of financing a loan to the Santa Clara County Tobacco Securitization Corporation (Corporation). With this loan, the Corporation has purchased the County's future Tobacco Settlement Revenues (TSRs) under the Agreement. Under its agreement with the County, the Corporation has title to all payments to be received by the County under the Agreement noted above, the MOU, the ARIMOU and the Consent Decree and all other agreements and understandings that are due the County, including any interest thereon, between the State of California and the tobacco companies. With these funds, the Corporation will provide payments to the Authority to meet its obligations under the Tobacco Settlement Asset-Backed Bonds.

The Authority is a separate legal entity that is an integral part of the County. The Authority is administered by its Board of Directors consisting of three directors, of which two of them are designated by the Board of Supervisors of the County and one is designated by the governing body of the District. The County exercises significant financial and management control over the Authority. The Authority provides services entirely to the County. The Authority and the County have a financial and operational relationship which requires that the Authority's financial statements be blended into the County's financial statements. Therefore, the Authority is considered a blended component unit of the County, and its financial activities are included in to the County's basic financial statements.

# EL CAMINO HEALTHCARE DISTRICT

RESOLUTION 2021-01

## RESOLUTION OF THE BOARD OF DIRECTORS OF EL CAMINO HEALTHCARE DISTRICT REGARDING RECOGNITION OF SERVICE TO THE COMMUNITY

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**WHEREAS**, the Board of Directors of the El Camino Healthcare District values and wishes to recognize the contribution of individuals who serve the District's community as well as individuals who exemplify the El Camino Healthcare District's mission and values.

**WHEREAS**, the Board wishes to honor and recognize Momentum for Health for partnering with El Camino Healthcare District to deliver psychiatric services and medication management for underinsured and uninsured community members.

The El Camino Healthcare District and Momentum for Health began a partnership in 2011 to provide mental health services to those who do not have access to treatment because they cannot afford to pay for services and those who are uninsured. Provided through Momentum's La Selva Community Clinic, the services address language barriers to accessing care and provide quick access to treatment and essential supportive services. This often includes managing patients with complex conditions on a daily basis. This partnership has served 1,156 community members with 13,151 mental health services.

**WHEREAS**, the Board would like to acknowledge Momentum for Health for its commitment to providing psychiatric services and medication management to those who otherwise do not have access to this care.

**NOW THEREFORE BE IT RESOLVED** that the Board does formally and unanimously pay tribute to:

### Momentum for Health

**IN WITNESS THEREOF**, I have here unto set my hand this **26<sup>TH</sup> DAY OF JANUARY, 2021**.

**EL CAMINO HEALTHCARE DISTRICT BOARD OF DIRECTORS:**

Peter C. Fung, MD • Julia E. Miller • Carol A. Sommersille, MD

George O. Ting, MD • John Zoglin

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**JULIA E. MILLER**  
**SECRETARY/TREASURER**  
**EL CAMINO HEALTHCARE DISTRICT BOARD OF DIRECTORS**





*Dedicated to improving the health and well being of the people in our community.*

**Board Finance Presentation  
Fiscal Year 2021  
7/1/2020-12/31/20**

Carlos Bohorquez, CFO  
El Camino Healthcare District Board of Directors Meeting  
January 26, 2021

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## **ECHD Stand-Alone Financial Statements**

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<b>Statement of Fund Balance Activity as of December 31, 2020 .....</b>	<b>Page 8</b>
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**NOTE:** Accounting standards require that audited financial statements for El Camino Healthcare District be presented in consolidated format, including El Camino Hospital and its controlled affiliates. In an effort to help ensure public accountability and further ensure the transparency of the District’s operations, the District also prepares internal, “Stand-Alone” financial statements which present information for the District by itself.



# El Camino Healthcare District

## Consolidated Comparative Balance Sheet (\$ Millions)

(Includes El Camino Hospital)

	Dec 31, 2020	June 30, 2020 Audited w/o Eliminations		Dec 31, 2020	June 30, 2020 Audited w/o Eliminations
<b><u>ASSETS</u></b>			<b><u>LIABILITIES &amp; FUND BALANCE</u></b>		
<b>Current Assets</b>			<b>Current Liabilities</b>		
Cash & Investments	\$502	\$461	Accounts Payable & Accrued Exp	\$152	\$183
Patient Accounts Receivable, net	\$137	\$129	Bonds Payable - Current	14	13
Other Accounts and Notes Receivable	\$44	\$87	Bond Interest Payable	10	10
Inventories and Prepays	\$24	\$22	Other Liabilities	16	18
<b>Total Current Assets</b>	<b>707</b>	<b>699</b>	<b>Total Current Liabilities</b>	<b>192</b>	<b>224</b>
<b>Board Designated Assets</b>			<b>Deferred Revenue</b>	<b>77</b>	<b>77</b>
Foundation Reserves	17	15	<b>Deferred Revenue Inflow of Resources</b>	<b>31</b>	<b>31</b>
Community Benefit Fund	21	20	<b>Long Term Liabilities</b>		
Operational Reserve Fund <sup>(1)</sup>	161	150	Bond Payable	609	615
Workers Comp, Health & PTO Reserves	78	75	Benefit Obligations	48	47
Facilities Replacement Fund <sup>(2)</sup>	244	222	Other Long-term Obligations	7	7
Catastrophic & Malpractice Reserve <sup>(3)</sup>	23	20	<b>Total Long Term Liabilities</b>	<b>663</b>	<b>669</b>
<b>Total Board Designated Assets</b>	<b>545</b>	<b>502</b>	<b>Fund Balance</b>		
<b>Non-Designated Assets</b>			Unrestricted	1,524	1,368
Funds Held By Trustee <sup>(4)</sup>	38	51	Board Designated & Restricted	612	582
Long Term Investments	476	372	<b>Total Fund Balance</b>	<b>2,136</b>	<b>1,950</b>
Other Investments	33	30			
Net Property Plant & Equipment	1,161	1,166			
Deferred Outflows of Resources	17	18			
Other Assets	121	115			
<b>Total Non-Designated Assets</b>	<b>1,847</b>	<b>1,751</b>			
<b>TOTAL ASSETS</b>	<b>\$3,099</b>	<b>\$2,952</b>	<b>TOTAL LIAB. &amp; FUND BAL.</b>	<b>\$3,099</b>	<b>\$2,952</b>



*Note: Totals may not agree due to rounding. See page 5 for footnotes.*

# El Camino Healthcare District

## Consolidated Comparative Statement of Revenues & Expenses (\$ Millions)

Year-to-Date through December 31, 2020

(Includes El Camino Hospital)

	<u>Actual</u>	<u>Budget</u>	<u>Fav (Unfav) Variance</u>	<u>Prior YTD FY Actual</u>
Net Patient Revenue <sup>(5)</sup>	533	420	113	508
Other Operating Revenues <sup>(6)</sup>	23	28	-4	28
<b>Total Operating Revenues</b>	<b>556</b>	<b>448</b>	<b>108</b>	<b>535</b>
Wages and Benefits	287	264	-23	275
Supplies	84	65	-19	80
Purchased Services	84	87	3	85
Other	23	22	-1	23
Depreciation	34	35	1	26
Interest	9	6	-3	1
<b>Total Operating Expense <sup>(7)</sup></b>	<b>521</b>	<b>480</b>	<b>(41)</b>	<b>490</b>
<b>Operating Income</b>	<b>36</b>	<b>(32)</b>	<b>67</b>	<b>45</b>
Non-Operating Income <sup>(8)</sup>	149	26	123	56
<b>Net Income</b>	<b>184</b>	<b>(6)</b>	<b>190</b>	<b>101</b>



Note: Totals or variances may not agree due to rounding. See page 5 for footnotes.

**El Camino Healthcare District**  
**Notes to Consolidated Financial Statements**  
**Current FY 2021 Actual to Budget**  
*(Includes El Camino Hospital)*

- 1) The increase is due to the annual resetting of a 60 day reserve of expenses based on the current fiscal year's Hospital budget.
- 2) The current period Facilities Replacement Fund is comprised of (\$ Millions):

ECH Capital Replacement Fund (i.e. Funded Depr.)	\$194
ECHD Appropriation Fund (fka: Capital Outlay)	19
ECH Women's Hospital Expansion	30
ECHD Capital Replacement Fund (i.e. Funded Depr.)	<u>1</u>
	<u>\$244</u>

- 3) The current period Catastrophic & Malpractice Fund is comprised of (\$ Millions):

ECH Catastrophic Fund (aka: Earthquake Fund)	\$21
ECH Malpractice Reserve	<u>2</u>
	<u>\$23</u>

- 4) The decrease is due to the Bond Project Fund disbursements for the IMOB and BHS construction.
- 5) ECH and ECHMN patient volumes with the exception of MV's emergency room continue to exceed budget and pre-COVID levels.
- 6) The decrease is due to ECHMN no longer providing Hospitalists services to O'Connor Hospital.
- 7) Higher expenses for labor and supplies due to the higher than expected inpatient and outpatient volumes.
- 8) The positive variance is due to increased cash/investments and the outstanding performance in the investment returns.
- 9) The \$1.2M FY2020 funding for the Community COVID Testing Program was recorded end of October 2020.





# El Camino Healthcare District

## Stand-Alone Comparative Balance Sheet (\$ Thousands)

*These financial statements exclude the District's El Camino Hospital Corporation and its controlled affiliates*

	December 31, 2020	June 30, 2020		December 31, 2020	June 30, 2020
<b><u>ASSETS</u></b>			<b><u>LIABILITIES &amp; FUND BALANCE</u></b>		
Cash & cash equiv	\$5,681	\$5,443	Accounts payable	\$0	\$79
Short term investments <sup>(1)</sup>	3,713	5,710	Current portion of bonds	5,050	4,400
Due fm Retiree Health Plan <sup>(2)</sup>	20	30	Bond interest payable <sup>(10)</sup>	1,590	1,852
S.C. M&O Taxes Receivable <sup>(3)</sup>	2,245	0	Other Liabilities	235	1,295
Other current assets	71	268			
<b>Total current assets</b>	<b>\$11,730</b>	<b>\$11,451</b>	<b>Total current liabilities</b>	<b>\$6,875</b>	<b>\$7,626</b>
Operational Reserve Fund <sup>(4)</sup>	1,500	1,500			
Capital Appropriation Fund <sup>(5)</sup>	18,657	26,495			
Capital Replacement Fund <sup>(6)</sup>	5,958	5,741	Deferred income	0	50
Community Benefit Fund <sup>(7)</sup>	3,037	2,349	Bonds payable - long term	111,601	116,651
<b>Total Board designated funds</b>	<b>\$29,152</b>	<b>\$36,085</b>	<b>Total liabilities</b>	<b>\$118,476</b>	<b>\$124,327</b>
Funds held by trustee <sup>(8)</sup>	<b>\$26,236</b>	<b>\$27,347</b>	<b>Fund balance</b>		
<b>Capital assets, net <sup>(9)</sup></b>	<b>\$10,683</b>	<b>\$10,710</b>	Unrestricted fund balance	\$51,321	\$56,814
			Restricted fund balance <sup>(11)</sup>	(91,996)	(95,548)
			<b>Total fund balance</b>	<b>(\$40,675)</b>	<b>(\$38,734)</b>
<b>TOTAL ASSETS</b>	<b>\$77,801</b>	<b>\$85,593</b>	<b>TOTAL LIAB &amp; FUND BALANCE</b>	<b>\$77,801</b>	<b>\$85,593</b>



*Note: Totals may not agree due to rounding. See page 9 for footnotes.*

# El Camino Healthcare District

## YTD **Stand-Alone** Stmt of Revenue and Expenses (\$ Thousands)

### Comparative Year-to-Date December 31, 2020

*These financial statements **exclude** the District's El Camino Hospital Corporation and its controlled affiliates*

	Actual	Current Year Budget	Variance	Prior Full Year Actual
<b><u>REVENUES</u></b>				
(A) Ground Lease Revenue <sup>(12)</sup>	\$ 50	52	\$ (2)	\$ 91
(B) Redevelopment Taxes <sup>(13)</sup>	3	150	(147)	325
(B) Unrestricted M&O Property Taxes <sup>(13)</sup>	6,148	6,148	-	8,845
(B) Restricted M&O Property Taxes <sup>(13)</sup>	4,650	4,650	-	9,706
(B) G.O. Taxes Levied for Debt Service <sup>(13)</sup>	5,100	5,100	-	10,493
(B) IGT/PRIME Medi-Cal Program <sup>(14)</sup>	(643)	(1,302)	659	(4,048)
(B) Investment Income (net)	128	144	(16)	1,444
(B) Other income	-	-	-	0
<b>TOTAL NET REVENUE</b>	<b>15,436</b>	<b>14,942</b>	<b>494</b>	<b>26,856</b>
<b><u>EXPENSES</u></b>				
(A) Wages & Benefits <sup>(15)</sup>	-	-	-	0
(A) Professional Fees & Purchased Svcs <sup>(16)</sup>	274	574	300	553
(A) Supplies & Other Expenses <sup>(17)</sup>	43	67	24	90
(B) G.O. Bond Interest Expense (net) <sup>(18)</sup>	1,557	1,391	(166)	2,474
(B) Community Benefit Expenditures <sup>(19)</sup>	6,750	4,772	(1,978)	7,544
(A) Depreciation / Amortization	26	26	-	57
<b>TOTAL EXPENSES</b>	<b>8,650</b>	<b>6,830</b>	<b>(1,820)</b>	<b>10,718</b>
<b>NET INCOME</b>	<b>\$ 6,786</b>	<b>\$ 8,112</b>	<b>\$ (1,326)</b>	<b>\$ 16,138</b>
 (A) Operating Revenues & Expenses (B) Non-operating Revenues & Expenses				
<b><u>RECAP STATEMENT OF REVENUES &amp; EXPENSE</u></b>				
(A) Net Operating Revenues & Expenses	\$ (293)			
(B) Net Non-Operating Revenues & Expenses	7,079			
<b>NET INCOME</b>	<b>\$ 6,786</b>			



Note: Totals may not agree due to rounding. See page 10 for footnotes.

# El Camino Healthcare District

## Comparative YTD **Stand-Alone** Stmt of Fund Balance Activity (\$ Thousands)

*These financial statements **exclude** the District's El Camino Hospital Corporation and its controlled affiliates*

	<u>Dec 31, 2020</u>	<u>June 30, 2020</u>
<b>Fiscal year beginning balance</b>	<b>\$ (38,734)</b>	<b>\$ (48,009)</b>
Net income year-to-date	\$ 6,786	\$ 16,138
Transfers (to)/from ECH:		
IGT/PRIME Funding <sup>(20)</sup>	\$ (888)	\$ 360
Capital Appropriation projects <sup>(21)</sup>	\$ (7,839)	(7,223)
<b>Fiscal year ending balance</b>	<b><u><u>\$ (40,675)</u></u></b>	<b><u><u>\$ (38,734)</u></u></b>



*Note: Totals may not agree due to rounding. See page 10 for footnotes.*

# El Camino Healthcare District

## Notes to Stand-Alone Financial Statements

*These financial statements exclude the District's El Camino Hospital Corporation and its controlled affiliates*

- (1) **Short term investments** – The decrease is due to the beginning of the year establishment of the Community Benefit Fund for FY 2021 (see Footnote 7).
- (2) **Due from Retiree Health Plan** – The monies due from Trustee for District's Retiree Healthcare Plan.
- (3) **S.C. M&O Taxes Receivable** – The increase is due to the accruals for the current year's Unrestricted (Gann Limit) and Restricted (Capital Appropriation) Funds, actual cash receipts normally begin in December and the following months.
- (4) **Operational Reserve Fund** – Starting in FY 2014, the Board established an operational reserve for unanticipated operating expenses of the District.
- (5) **Capital Appropriation Fund** – Decrease is due to funding of the commitment to the Women's Hospital renovation project to commence after the IMOB is completed.
- (6) **Capital Replacement Fund** – Formerly known as the Plant Facilities Fund (AKA - Funded Depreciation) which reserves monies for the major renovation or replacement of the portion of the YMCA (Park Pavilion) owned by the District.
- (7) **Community Benefit Fund** – This fund retains unrestricted (Gann Limit) funds to support the District's operations and primarily to support its Community Benefit Programs.
- (8) **Funds Held by Trustee** – Funds from General Obligation tax monies, being held to make the debt payments when due.
- (9) **Capital Net Assets** - The land on which the Mountain View Hospital resides, a portion of the YMCA building, property at the end of South Drive (currently for the Road Runners operations), and a vacant lot located at El Camino Real and Phyllis.
- (10) **Bond Interest Payable** – The decrease is due to semi-annual payment made on 8/01/20.
- (11) **Fund Balance** – The negative fund balance is a result of the General Obligation bonds which assisted in funding the replacement hospital facility in Mountain View. Accounting rules required the District to recognize the obligation in full at the time the bonds were issued ; receipts from taxpayers will be recognized in the year they are levied, slowly reducing the negative fund balance over the next 16 years.



# El Camino Healthcare District

## Notes to Stand-Alone Financial Statements

*These financial statements **exclude** the District's El Camino Hospital Corporation and its controlled affiliates*

**(12) Other Operating Revenue** – Lease income from El Camino Hospital for its ground lease with the District.

**(13) Taxes: Redevelopment, M&O, G.O.** – Tax receipts (either received or to be received) during the period. Note amount for the G.O. Taxed Levied for Debt will come in less than prior year mostly due to the March 2017 G.O. Refunding that the District did that reduced the previously \$12.90 of assessed property valuation per \$100,000 to a current \$10.00 per \$100,000.

**(14) IGT/PRIME Expense** – Payments in support of the PRIME or IGT programs.

**(15) Wages & Benefits** – The District employs no employees. Employees are based at the Hospital, CONCERN, or SVMD entities. The District does contract with the Hospital and outside professional and general services organizations (see item 17).

**(16) Professional Fees & Services** – Actual detailed below:

• Community Benefit Support from ECH (54% of SW&B)	\$ 208
• Consulting	13
• Legal Fees	40
• Other	13
	<u>\$274</u>

**(17) Supplies & Other Expenses** – Actual detailed below:

• Marketing	\$ 17
• Dues & Subscriptions	25
• Bank Fees	1
	<u>\$ 43</u>

**(18) G.O. Bond Interest Expense** – It is to be noted that on March 22, 2017 the District refunded \$99M of its remaining \$132M 2006 G.O. bond issue. Refunding of the 2006 G.O. debt, given current interest rates, caused a net present value savings of \$7M.

**(19) Community Benefit Expenditures** – Starting in FY2014, the District is directly operating its Community Benefit Program at the District level. This represents amounts expended to grantees and sponsorships thus far in this fiscal year. Note the major payments to recipients are made in August & February of the fiscal year.

**(20) IGT/PRIME Funding** – Transfers from ECH for participation in the PRIME or IGT program thus far in FY 2021.

**(21) Capital Appropriation Projects Transfer** – This amount for FY2021 was the approved amount at the Board's June 2020 meeting to be transferred to the Hospital in FY2021 for the future renovation of the Women's Hospital.



# El Camino Healthcare District

## Sources & Uses of Tax Receipts (\$Thousands)

*These financial statements **exclude** the District's El Camino Hospital Corporation and its controlled affiliates*

<u>Sources of District Taxes</u>	12/31/20
(1) Maintenance and Operation and Government Obligation Taxes	\$15,898
(2) Redevelopment Agency Taxes	3
<b>Total District Tax Receipts</b>	<b>\$15,901</b>
<u>Uses Required Obligations / Operations</u>	
(3) Government Obligation Bond	5,100
<b>Total Cash Available for Operations, CB Programs, &amp; Capital Appropriations</b>	<b>10,801</b>
(4) Capital Appropriation Fund – Excess Gann Initiative Restricted*	4,650
<b>Subtotal</b>	<b>6,151</b>
(5) Operating Expenses (Net)	293
<b>Subtotal</b>	<b>5,858</b>
(6) Capital Replacement Fund (Park Pavilion)	34
<b>Funds Available for Community Benefit Programs</b>	<b>\$5,824</b>

\*Gann Limit Calculation for FY2021

\$9,221

(1) M&O and G.O. Taxes	• Cash receipts from the 1% ad valorem property taxes and Measure D taxes
(2) Redevelopment Agency Taxes	• Cash receipts from dissolution of redevelopment agencies
(3) Government Obligation Bond	• Levied for debt service
(4) Capital Appropriation Fund	• Excess amounts over the Gann Limit are restricted for use as capital
(5) Operating Expenses	• Expenses incurred in carrying out the District's day-to-day activities
(6) Capital Replacement Fund	• Fund to ensure that the District has adequate resources to fund repair and replacement of its capital assets (Park Pavilion)



## **Appendix: Major Budget Assumptions for FY2021**

1. Pages 13 and 14: Are the pages 3 and 4 of the FY21 ECHD Stand-Alone Budget presented to the ECHD Board and approved on August 12, 2020.

2. Page 15: Additional detail about Community Benefit SW&B allocation process

## **Appendix: General Obligation Bond of the District**

1. Pages 16 and 17: Description of the Bonds and annual debt service requirements grid.



# Major Budget Assumptions – El Camino Healthcare District

## *Excludes El Camino Hospital & its affiliates*

- Other Operating Revenue is based on the existing ground lease agreement.
- This year the Redevelopment Agency revenues were once again budgeted as they continue to be distributed by the County without any lapse in payments in the past years.
- Operating Expenses are based on historical payment information with adjustments made for non-recurring expenses, which for budget FY2021 a placeholder of \$250,000 is projected for the November District Board election costs from the Santa Clara County Registrar of Voters.
- Community Benefit Support fee based on the cost of services as follows:

Community Benefit Staff FY2021		Total Paid FTEs
VP Corp Comm Hlth Svcs		0.25
Director Community Benefit		0.75
Administrative Assistant		1.00
Sr Community Benefit Spec		2.00
Business Coordinator		0.21
Total		4.21
Total Salaries, Wages & Benefits	\$	771,414
Estimated allocation of time at 54% =	\$	416,564

- Supplies and Other Expenses includes modest increases for Direct Mail material, website development, advertising and postage. The District's budgeted dues are expected to remain a constant of LAFCO at an amount of \$25,000 and \$7,000 for California Special Districts Association.
- Expenses related to the G.O. bonds are based on the 2017 G.O. Refunding outcomes and required payment schedules.
- Investment income is based on the expected return rate provided by our Investment Consultant of a very conservative .09% for FY2021 on an average cash balance of \$40M.
- Community Benefit expenditures are based on the Community Benefit plan.
- IGT – Medi-Cal (PRIME) program - It is expected that the District/Hospital will participate in the program again this year.





# El Camino Healthcare District FY 21 Budget

*Information excludes El Camino Hospital & its affiliates*

(in 000s)

Revenues	FY2019 Actual	FY2020 Actual	FY 2021 Budget	Change Favorable / (Unfavorable)	% Change
(A) Other Operating Revenue	96	92	103	11	12.0%
(B) Unrestricted M&O Property Taxes	8,429	8,845	9,221	376	4.3%
(B) Restricted M&O Taxes	8,989	9,676	9,300	(376)	-3.9%
(B) Taxes Levied for Debt Service	9,989	10,493	10,200	(293)	-2.8%
(B) Investment Income (net)	1,307	1,461	359	(1,102)	-124.6%
(B) Other - Redevelopment Agency	268	325	300	(25)	-7.7%
<b>Total Net Revenue</b>	<b>29,078</b>	<b>30,892</b>	<b>29,483</b>	<b>(1,409)</b>	<b>-4.6%</b>
<b>Expenses</b>					
(A) Community Benefit Support	397	397	417	(20)	5.0%
(A) Fees & Purchased Services	232	201	447	(246)	-55.0%
(A) Supplies & Other Expenses	62	45	112	(67)	-59.8%
(A) Depreciation/Amortization/Interest Expense	212	57	53	4	7.5%
(B) G.O. Interest Expense (net)	2,805	2,462	2,770	(308)	-11.1%
(B) Community Benefit Program	7,337	7,544	7,665	(121)	-1.6%
(B) IGT Medi-Cal Program Expense	6,829	4,048	2,603	1,445	55.5%
<b>Total Expenses</b>	<b>17,874</b>	<b>14,754</b>	<b>14,067</b>	<b>687</b>	<b>4.9%</b>
<b>NET INCOME</b>	<b>11,204</b>	<b>16,138</b>	<b>15,416</b>	<b>(722)</b>	<b>-4.5%</b>

## FY21 BUDGET RECAP STATEMENT OF REVENUES & EXPENSE

(A) Net Operating Revenues & Expenses	(873)
(B) Net Non-Operating Revenues & Expenses	16,289
<b>NET INCOME</b>	<b>15,416</b>



## **FY 21 Budget - Community Benefit SW&B Allocation**

- Community Benefit staff are El Camino Hospital (ECH) employees who provide services to the District and to the Hospital Corporation.
- Pursuant to a Statement of Work (SOW) between El Camino Hospital and the District, Community Benefit Staff SW&B are allocated between the Hospital and the District.
- Per the SOW, the allocation is to be negotiated between the District Board Chair and the ECH Controller each spring for the coming fiscal year.
- For FY20, a percentage allocation (60%) was negotiated even though the percentage of District grant funds increased. Then Board Chair Fung and Board Vice Chair Miller participated in the negotiations with Controller, Michael Walsh.
- For FY21, the total SW&B for the Community Benefit staff is budgeted at \$771,414 with 54% (\$416,564) allocated to the District. The Board Chair Gary Kalbach reviewed this allocation with Controller, Michael Walsh, and approved the allocation.



## **El Camino Healthcare District General Obligation Bonds of the District**

- 2006 General Obligation Bonds - Upon voter approval, in November 2003, the District issued in 2006, \$148,000,000 principle amount of 2006 General Obligation Bonds, which consists of \$115,665,000 of Current Interest Bonds. Interest on the Current Interest Bonds is payable semiannually at rates ranging from 4% to 5% and principal maturities ranging from \$2,065,000 in 2016 to \$18,050,000 in 2036 are due annually on August 1. Interest at rates ranging from 4.38% to 4.48% and principal of the Capital Appreciation Bonds are payable only at maturity. In March 2017, the District advanced refunded a portion of the 2006 General Obligation Bonds, through the issuance of the 2017 General Obligation Refunding Bonds.
- The Bonds are general obligations of the District payable from ad valorem taxes. Payment of principal, interest and maturity value of the Bonds, when due, is insured by a municipal bond insurance policy.
- 2017 General Obligation Bonds - Upon Board approval, in March 2017, the District advanced refunded a portion of the 2006 General Obligation Bonds, through the issuance of the \$99,035,000 2017 General Obligation Refunding Bonds, which consists of \$115,665,000 of Current Interest Bonds, and \$32,335,000 of Capital Appreciation Bonds. Interest on the 2017 General Obligation Refunding Bonds is payable semiannually at rates ranging from 2% to 5% and principal maturities ranging from \$3,570,000 in 2017 to \$17,480,000 in 2036 are due annually on August 1. This refinancing resulted in a reduction of future interest payments with a present value of approximately \$7,000,000.



# Annual Debt Service Requirements

As of August 1, 2020

2017 G.O Refunding Bonds

Series 2006 Capital Appreciation Bonds (1)

Aggregate Annual  
Debt Service on all  
general  
obligation  
bonds

Year Ending (August 1)	Principal (Pays 8/1)	Interest	Total Debt Service	Principal (Pays 8/1)	Accreted Interest	Total Debt Service	
2017	\$ 3,570,000	\$ 1,428,675	\$ 4,998,675				\$ 4,998,675
2018	3,310,000	3,915,600	7,225,600				7,225,600
2019	3,800,000	3,816,300	7,616,300				7,616,300
2020	4,400,000	3,626,300	8,026,300				8,026,300
2021	5,050,000	3,406,300	8,456,300				8,456,300
2022	5,760,000	3,153,800	8,913,800				8,913,800
2023		2,865,800	2,865,800	3,293,063	3,476,937	6,770,000	9,635,800
2024		2,865,800	2,865,800	3,397,871	3,922,129	7,320,000	10,185,800
2025		2,865,800	2,865,800	3,411,361	4,278,639	7,690,000	10,555,800
2026		2,865,800	2,865,800	3,551,505	4,843,495	8,395,000	11,260,800
2027		2,865,800	2,865,800	3,598,421	5,306,579	8,905,000	11,770,800
2028		2,865,800	2,865,800	3,673,863	5,846,137	9,520,000	12,385,800
2029		2,865,800	2,865,800	3,741,914	6,413,086	10,155,000	13,020,800
2030		2,865,800	2,865,800	3,802,634	7,007,366	10,810,000	13,675,800
2031		2,865,800	2,865,800	3,864,367	7,645,633	11,510,000	14,375,800
2032	12,000,000	2,865,800	14,865,800				14,865,800
2033	13,190,000	2,445,800	15,635,800				15,635,800
2034	14,525,000	1,918,200	16,443,200				16,443,200
2035	15,950,000	1,337,200	17,287,200				17,287,200
2036	17,480,000	699,200	18,179,200				18,179,200
<b>Total</b>	<b>\$ 99,035,000</b>	<b>\$ 54,405,375</b>	<b>\$153,440,375</b>	<b>\$ 32,335,000</b>	<b>\$48,740,000</b>	<b>\$81,075,000</b>	<b>\$ 234,515,375</b>

Blue highlighted items are paid down

2017 Outstanding Principle \$88,355,000. 2006 Outstanding Principle \$32,335,000.

(1) The Series 2006 Capital Appreciation Bonds are payable only at maturity on August 1 of each year, and interest on the series 2006 Capital Appreciation Bonds is compounded semiannually on each February 1 and August 1





## EL CAMINO HEALTHCARE DISTRICT BOARD MEETING MEMO

**To:** El Camino Healthcare District Board (“Board”) of Directors  
**From:** Dan Woods, CEO; Deb Muro, CIO; Omar Chughtai, Vice President of Operations  
**Date:** January 26, 2021  
**Subject:** Status Report on the El Camino Healthcare District Community COVID-19 Testing and Vaccination Program and Request for Reallocation of Funds to Vaccinations (the “District Program”)

**Recommendation:** To approve reallocation of \$900,000 in funds to COVID-19 vaccinations for the community.

### **Summary:**

1. **Situation:** On May 19, 2020, the Board approved funding and operations of a no-cost Community COVID-19 testing program for asymptomatic individuals who live, work, or go to school in the District. Thereafter, on June 16, 2020, the Board modified the approval to authorize (1) prepaying of \$1.2 million in FY20 to El Camino Health to implement and manage the District Program in FY20 and FY21 and (2) distribution of \$1.2 million in FY21 to provide ongoing services to the District Program in FY21. Subsequently, on December 29, 2020, the Board authorized the reallocation of \$100,000 of the funds to provide COVID-19 vaccinations.
2. **Authority:** The District Board has authority to authorize the District CEO to distribute funding and manage public health initiatives in furtherance of its purpose, which includes providing assistance in the operation of health care services for the benefit of the District and the people served by the District. Pursuant to this authorization, the District entered into a Services Agreement with El Camino Health to operate the District Program. We are in process of executing an amendment to the Services Agreement to include vaccination.
3. **Background:** Pursuant to the Agreement with El Camino Health, COVID-19 tests are currently being performed at a number of locations through the District including (1) the El Camino Health Mountain View hospital campus, (2) public school sites in the Mountain View-Whisman, Sunnyvale, Los Altos and Mountain View/Los Altos High School Districts, (3) downtown retail districts in Mountain View, Los Altos and Sunnyvale and St. Francis High School. The mobile testing sites within the District’s business districts were initially focused on serving employees of small businesses who are less likely to have insurance and whose work schedules make traveling to the El Camino Hospital campus impractical. However, due to low demand, we opened those sites to other members of the public. To provide good stewardship of the District’s tax revenues, El Camino Health is successfully billing third party insurance and reserving District funds to cover the costs of testing when insurance is not available. As of January 15, 2020, we provided 18,748 tests.

The testing program is patient centered to facilitate quick-prescheduled appointments, online scheduling, extended hours for appointments, electronic results, e-mail notification when results, including negative results, are available in MyChart. Testing is currently being offered at the Hospital Monday through Friday from 7:30 am until 7:00 pm. El Camino Health continues to rely on PCR (polymerase chain reaction) testing as this is the most sensitive and accurate mode. We do have antibody testing available in house but this has limited applicability because it does not guarantee lack of infectivity and does not guarantee immunity.

Status Report on District Funded Community COVID-19 Testing Program  
January 26, 2021

For the District program, we had been using a national laboratory and obtaining results in 2-3 days. Thanks to the generosity of the El Camino Health Foundation, we purchased additional equipment and are doing in house testing for ED Discharge and pre-procedural patients. We anticipate being able to perform all testing in-house within the next two weeks. Results are reported next day.

On January 19, 2021, El Camino Health rolled out its community vaccination program at our First Street Clinic for Tier 1a individuals as well as those 75 years of age and over in accordance with state and county guidelines. The reallocated funds will be used to provide vaccinations for people who live, work or go to school in the District. We are exploring, in collaboration with the County, the possibility of quickly standing up a mass vaccination center within the District with the primary focus of vaccinating individuals who live, work or go to school in the District as they become eligible per state and county guidelines and as Santa Clara County allocates vaccine supply to El Camino Health.

At this time, we are requesting a reallocation of an additional \$900,000 to cover the costs of the vaccine program including a vaccine administration fee, other labor, site costs (rental and equipment) and marketing expenses.

Program Expenses in FY21 Period 6

COVID-19 Tests: \$43,300

Labor: \$73,725.56

Marketing: \$0.00

**Total: \$117, 025.56**

Since Inception Through FY21 Period 6 (December 31, 2020)

**Total: \$677,671**

4. Assessment: The District Program operations are in place for testing and the vaccination program is ramping up, subject to availability of funding and vaccine allocation.
5. Other Reviews: N/A
6. Outcomes: Addressing the COVID-19 pandemic through providing community testing and vaccination to decrease spread of COVID-19 in the community.

**List of Attachments:**

1. Testing Schedule

**Suggested Board Discussion Questions:**

1. Does the Board have any concerns or suggestions about the execution of the District Program?

# ECHD Community COVID-19 Test Schedule through 2/19/2021

\*Reflects schedule as of 1/19/2021

Grand Total	*958
01/20/2021	
MV LASD BLACH IS	Total = 228
18 or Younger	99
19 or Older	129
01/21/2021	0
LG COVID COM BEN	Total = 170
18 or Younger	13
19 or Older	157
01/25/2021	
MV MTN VIEW CHMBR COM	Total = 21
18 or Younger	3
19 or Older	18
01/26/2021	
MV COLUMBIA MID SCH	Total = 94
18 or Younger	0
19 or Older	94
01/27/2021	
MV MOUNTAIN VIEW HS	Total = 84
18 or Younger	31
19 or Older	53
01/28/2021	
MV LASD BLACH IS	Total = 41
18 or Younger	17
19 or Older	24
02/01/2021	
MV SUNNYVALE CHMBR COM	Total = 1
18 or Younger	0
19 or Older	1
02/02/2021	
MV MVWSD CRITTENDEN MS	Total = 124
18 or Younger	0
19 or Older	124
02/03/2021	
MV LASD EGAN JR HS	Total = 174
18 or Younger	68
19 or Older	106

02/04/2021

LG COVID COM BEN Total = 2

18 or Younger 0

19 or Older 2

02/09/2021

MV LOS ALTOS VILLAGE ASSOC Total = 6

18 or Younger 0

19 or Older 6

02/11/2021

MV LASD BLACH IS Total = 13

18 or Younger 6

19 or Older 7





## EL CAMINO HEALTHCARE DISTRICT BOARD MEETING MEMO

**To:** El Camino Healthcare District (ECHD) Board of Directors  
**From:** George O. Ting, MD, Board Chair  
**Date:** January 26, 2021  
**Subject:** Consideration of Re- Election of Lanhee J. Chen and Gary Kalbach to the El Camino Hospital Board of Directors and Foregoing All Further Steps Related to the “Process For Re-Election and Election of Non-District Board Members to the El Camino Hospital Board of Directors” (“the Process”) for FY21.

### **Recommendation(s):**

To consider re-electing Lanhee J. Chen and Gary Kalbach to the El Camino Hospital (“ECH”) Board of Directors immediately and foregoing all further steps related to the Process for FY21. Should the Board decide to continue with the Process, we would begin with Section A3 with Directors Kalbach and Chen.

### **Summary:**

1. **Situation:** Two of the current ECH Board Members (Lanhee Chen and Gary Kalbach) have terms expiring on June 30, 2021 and both are very interested in being re-elected to the ECH Board for another 3-year term.
2. **Authority:** Pursuant to the Process, each year the ECHD Board has appointed an Ad Hoc Committee to consider the re-election of ECH Board members whose terms are set to expire at the end of the fiscal year. However, the Board has the authority to simply re-elect Director Chen and Kalbach to the ECH Board and forego any remaining steps in the Process for this year.
3. **Background:** The ECHD Board knows ECH Directors Chen and Kalbach very well. Director Chen is currently serving his second term as an ECH Director and his second term as ECH Board Chair. Before becoming ECH Board Chair, Director Chen served as a member of the ECH Compliance and Audit Committee and Chair of the ECH Executive Compensation Committee. Director Kalbach is serving his first term as an ECH Board Director, was the Past Chair of this District Board and, prior to his joining the ECH Board as a Director, served as a Community member of the Governance Committee and the Investment Committee. Director Kalbach currently serves as a member of the Finance Committee and the Governance Committee. I see both Directors Chen and Kalbach as valuable contributors, and I do not perceive an area we need to strengthen in subject matter expertise. Foregoing the additional steps in the Process will save the ECHD Board time, staff time, and consultant fees associated with conducting and compiling results for the surveys provided for in Section A3 of the Process. I am suggesting we consider a departure from our usual process for this year because, in light of how familiar we are with the qualifications and contributions of Directors Chen and Kalbach, it seems that our resources, including Board time, staff time and District funds could be better spent addressing the needs of the community created by the COVID-19 pandemic.
4. **Assessment:** N/A
5. **Other Reviews:** None
6. **Outcomes:** The possible re-election Lanhee J. Chen and Gary Kalbach to the El Camino Hospital (“ECH”) Board of Directors and foregoing all further steps related to the Process for FY21

Consideration of Re-Election  
January 26, 2021

**List of Attachments:** Process For Re-Election and Election of Non-District Board Members to the El Camino Hospital Board of Directors

**Suggested Board Discussion Questions:** Shall the Board forego additional steps in the Process this year?



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**BOARD OF DIRECTORS**

*Peter C. Fung, MD*  
*Gary Kalbach*  
*Julia E. Miller*  
*George O. Ting, MD*  
*John L. Zoglin*

**Process for Re- Election and Election  
of Non-District Board Members  
to the El Camino Hospital Board of Directors.\***

**A. Timeline**

**1. Previous FYQ4 –**

- a. The District Board Chair shall appoint a District Director as Chair of an Ad Hoc Committee. In addition to serving as a member of the Ad Hoc Committee, the Ad Hoc Committee Chair's role shall be to set the Ad Hoc Committee's meeting agendas, work with staff to set meeting dates and facilitate the meetings.
- b. The Board shall approve the appointment of one additional District Director as a member of the Committee.
- c. The Board shall also approve the appointment of up to two advisors to the Ad Hoc Committee. One advisor should be a Non Hospital Director member of the El Camino Hospital Governance Committee (who has been referred by the Chair of the Governance Committee) and the other should be a Hospital Director who is not a member of the District Board (who has been referred by the Chair of the El Camino Hospital Board).
- d. The District Board, on the recommendation of the Hospital Board and Hospital Governance Committee, shall approve a Hospital Board Competency Matrix and a Hospital Non District Board Member ("NDBM") Position Description for the upcoming fiscal year.

**2. FYQ1 –** The District Board Chair (i) asks the El Camino Hospital Director(s), who is an NDBM whose term is next to expire to declare interest and (ii) informs the Chair of the Ad Hoc Committee of intent.

**3. FYQ1/Q2 – Regular District Board Meeting:**

- a. Prior to the Meeting:
  - i. District and Hospital Board Members: Complete the ECH Board Competency Matrix Survey and, unless the Ad Hoc Committee votes not to use it in a given year, ECH Board Member Re-Election Report Survey.
  - ii. Ad Hoc Committee analyzes survey results, interviews the NDBM, reviews candidate profile (updated resume, candidate questionnaire and attendance report), and develops a recommendation regarding re-election of the NDBM to the Hospital Board

4. **FYQ2** – Regular District Board Meeting:
  - a. District Board considers re-election of NDBM.
  - b. If NDBM is re-elected, the Hospital Board shall be notified.
  - c. If NDBM is not re-elected, the District Board will authorize external recruitment of a new NDBM.
  - d. If there are any mid-term vacancies or other open seats on the Hospital Board the District Board will authorize a timeline for recruitment to fill those seats. Any individual may apply and staff shall solicit applications from the public, the ECH Board, the ECH Foundation Board, ECH Board Advisory Committees and the Executive Leadership Team.
5. **FYQ2 or Q3** – Begin external search as authorized in Section 4(c) and (d).
6. **FYQ2 or Q3** – Regular District Board Meeting:
  - a. Ad Hoc Committee to present an interim update to the District Board.
    - i. Incorporate Board feedback into further recruitment efforts.
    - ii. Plan for interviews – direct staff to schedule.
7. **FYQ3 or Q4** – Regular District Board Meeting:
  - a. Prior to the Meeting: Ad Hoc Committee to summarize interviews for the Board packet and make a recommendation to the District Board
  - b. District Board Considers AD Hoc Committee recommendation and votes to elect new NDBM(s) to the Hospital Board.
8. This process to be confirmed by the District Board annually when the process is complete.
9. The following matters are delegated to the El Camino Hospital Board Governance Committee:
  - a. **FYQ3** – Review and recommend changes to the survey tools identified in section 3(a)(i).
  - b. **FYQ3** – Review and recommend changes to this process.
  - c. **FYQ3** – Review and recommend changes to NDBM Position Specification and Job Description.
  - d. Participate in the recruitment effort of new NDBM by referring a member to advise the Ad Hoc Committee as described in #1 above.

**B. General (Primary) Competencies**

1. Understanding of the vital role El Camino Hospital plays in the broader region.
2. Loyalty to El Camino Hospital's charitable purposes.
3. Ability to understand and monitor the following:
  - a. Diverse portfolio of businesses and programs
  - b. Complex partnerships with clinicians
  - c. Programs to create a continuum of care
  - d. Investment in technology

- e. Assumption of risk for population health
- f. Resource allocation
- g. Quality metrics
- 4. Commitment to continuing learning.
- 5. Demonstrated strategic thinking.
- 6. Understanding and support of the role the District Board plays in Governance of the 501(c)(3) corporation.

C. Portfolio Skill Set

- 1. Complementary to skill sets of other Board members (gap-filling).
- 2. Applicable to the then current market. (See, Competency Matrix)

D. Other (Secondary) Criteria

- 1. Positive working relationship with other Board members.
- 2. Productive working relationship with the El Camino Hospital CEO.
- 3. Attendance at Board and Committee meetings.

*\*Approved 12/9/2014; revised 3/17/2015; revised 6/14/2016; revised 1/25/2017, revised 10/17/2017; 5/15/2018; 1/28/2020*



## EL CAMINO HEALTHCARE DISTRICT BOARD MEETING MEMO

**To:** El Camino Healthcare District (“ECHD” Board of Directors)  
**From:** George O. Ting, MD, Board Chair  
**Date:** January 26, 2021  
**Subject:** Draft *Resolution 2021-02: Appointment of FY21 El Camino Hospital (“ECH”) Board Member Election Ad Hoc Committee Member and Advisors.*

### **Recommendation(s):**

To approve Draft Resolution 2021-02. If ECH Board Directors Chen and Kalbach are re-elected in the previous agenda item, this item shall be moot.

### **Summary:**

1. Situation: Two of the current El Camino Hospital (“ECH”) Board Members (Lanhee Chen and Gary Kalbach) have terms expiring on June 30, 2021.
2. Authority: Pursuant to the Board-approved “Process for Re-Election and Election of Non-District Board Members to the El Camino Hospital Board of Directors” (the “Process”), each year the ECHD Board appoints an Ad Hoc Committee to consider the re-election of ECH Board members whose terms are set to expire at the end of the upcoming fiscal year.
3. Background: The Process provides that the Committee will consist of two members of the ECHD Board. It also provides that the ECHD Board will appoint up to two advisors:
  - One member of the ECH Governance Committee nominated by the Chair of the Governance Committee; and
  - One ECH Board Director (who is not an ECHD Director) nominated by the El Camino Hospital Board Chair.

Article VII, Section 1 of the El Camino Healthcare District Bylaws as well as the Process provide for the Board Chair to appoint the Chairperson of the Committee. The Process provides for the Board to appoint the other member of the Committee and up to two advisors. Former Board Chair Gary Kalbach appointed me as Chairperson of the Committee at the Board’s October 20, 2020 meeting. However, I do not wish to serve as the Chairperson of the Committee at this time. At the meeting:

- A. I will announce that I have appointed Director John Zoglin as the Chairperson of the Ad Hoc Committee.
  - B. I will recommend appointment of ECH Governance Committee member Mike Kasperzak, nominated by Peter C. Fung, MD, ECH Governance Committee Chair, to serve as an advisor to the Ad Hoc Committee.
  - C. I will recommend appointment of ECH Board Member Bob Rebitzer, nominated by ECH Board Chair Lanhee Chen, to serve as an advisor to the Ad Hoc Committee.
  - D. I will suggest the Board take nominations from the floor with respect to appointment of the second member of the Committee.
4. Assessment: N/A
  5. Other Reviews: None

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6. Outcomes: Appointment of An Ad Hoc Committee to consider reelection ECH Board Members Lanhee Chen and Gary Kalbach to the ECH Board of Directors.

**List of Attachments:** Draft *Resolution 2021-02*

**Suggested Board Discussion Questions:** None.

**EL CAMINO HEALTHCARE DISTRICT  
RESOLUTION 2021-02  
APPOINTMENT OF SPECIAL ADVISORY COMMITTEE FOR  
LIMITED PURPOSE AND LIMITED DURATION**

**WHEREAS**, the Board of Directors has determined it is necessary to carefully consider and prepare for the re-election or election of Directors to the El Camino Hospital Board,

**WHEREAS**, such work can be undertaken by a special advisory committee for presentation to and consideration by the Board of Directors at a future meeting; now, therefore, be it

**RESOLVED**, that a temporary advisory special committee (the “El Camino Hospital Board Member Election Ad Hoc Committee”), consisting of two members is hereby established pursuant to Article VII, Section 1 of the Bylaws of the El Camino Healthcare District, to carefully consider and prepare for the FY 2021 election or re-election of one or more Directors to the El Camino Hospital Board.

**RESOLVED**, that the Chairperson of the temporary advisory special committee shall determine the time, place, date and frequency of such committee meetings; be it further

**RESOLVED**, that, Director \_\_\_\_\_ is appointed as a member of the temporary advisory special committee; be it further

**RESOLVED**, that John Zoglin, shall also serve as a member of the committee having been appointed as Chairperson of the committee by the Board Chair George O. Ting, MD on January 26, 2021; be it further

**RESOLVED**, that Mike Kasperzak shall serve as an advisor to the Committee, having been nominated by the Chair of the El Camino Hospital Board’s Governance Committee; be it further

**RESOLVED**, that Bob Rebitzer shall also serve as an advisor to the Committee, having been nominated by the Chair of the El Camino Hospital Board of Directors.

**DULY PASSED AND ADOPTED** at a regular meeting held on January 26, 2021, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Julia E. Miller, Secretary  
ECHD Board of Directors