



AGENDA

REGULAR MEETING OF THE EL CAMINO HEALTHCARE DISTRICT BOARD OF DIRECTORS

Tuesday, March 14, 2017 – 5:30 pm

El Camino Hospital | Conference Rooms E, F, & G (ground floor)
2500 Grant Road, Mountain View, CA 94040

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
1. CALL TO ORDER	Peter Fung, MD, Board Chair		5:30 – 5:31 pm
2. SALUTE TO THE FLAG	Peter Fung, MD, Board Chair		5:31 – 5:34
3. ROLL CALL	Peter Fung, MD, Board Chair		5:34 – 5:35
4. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Peter Fung, MD, Board Chair		5:35 – 5:36
5. PUBLIC COMMUNICATION a. Oral Comments <i>This opportunity is provided for persons in the audience to make a brief statement, not to exceed 3 minutes on issues or concerns not covered by the agenda.</i> b. Written Correspondence	Peter Fung, MD, Board Chair		information 5:36 – 5:39
6. CONSENT CALENDAR ITEMS: <i>Any Board Member or member of the public may remove an item for discussion before a motion is made.</i> Approval a. Minutes of the Open Session of the District Board Meeting (January 17, 2017) b. Minutes of the Open Session of the District Board Meeting (January 25, 2017)	Peter Fung, MD, Board Chair	<i>public comment</i>	motion required 5:39 – 5:42
7. RESOLUTION 2017-03 COMMUNITY BENEFIT SPOTLIGHT: ALZHEIMER'S ASSOCIATION ATTACHMENT 7	Barbara Avery, Director, Community Benefit		information 5:42 – 5:52
8. FY17 YTD FINANCIALS ATTACHMENT 8	Iftikhar Hussain, CFO	<i>public comment</i>	motion required 5:52 – 5:57
9. COMMUNITY BENEFIT ADVISORY COUNCIL COMPOSITION: STAFF vs. BOARD COMMITTEE ATTACHMENT 9	Donald Sibery, Interim CEO	<i>public comment</i>	possible motion 5:57 – 6:17

A copy of the agenda for the Regular 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
10. AFFIRM PROCESS FOR JUNE BOARD OFFICER ELECTION ATTACHMENT 10	Peter Fung, MD, Board Chair		discussion 6:17 – 6:22
11. ECH BOARD MEMBER ELECTION AD HOC COMMITTEE REPORT ATTACHMENT 11	David Reeder, Ad Hoc Committee Chair		information 6:22 – 6:27
12. ADJOURN TO CLOSED SESSION	Peter Fung, MD, Board Chair		motion required 6:27 – 6:28
13. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Peter Fung, MD, Board Chair		6:28 – 6:29
14. CONSENT CALENDAR <i>Any Board Member may remove an item for discussion before a motion is made.</i> <i>Gov't Code Section 54957.2.</i> Approval a. Minutes of the Closed Session of the District Board Meeting (January 17, 2017) Information b. Closed Session Minutes Requirements	Peter Fung, MD, Board Chair		motion required 6:29 – 6:30
15. Health and Safety Code 32106(b) for a discussion and report on health care facility trade secrets: - El Camino Hospital Governance	JoAnn McNutt, Nygren Consulting; Kelsey Martinez, Director, Marketing & Communications; Brenda Taussig, Director of Government & Community Relations		discussion 6:30 – 7:16
16. Report involving Gov't Code Section 54957 for discussion and report on personnel performance matters: - Executive Session	Peter Fung, MD, Board Chair		discussion 7:16 -7:20
17. ADJOURN TO OPEN SESSION	Peter Fung, MD, Board Chair		motion required 7:20 – 7:21
18. RECONVENE OPEN SESSION / REPORT OUT To report any required disclosures regarding permissible actions taken during Closed Session.	Peter Fung, MD, Board Chair		7:21 – 7:22
19. FY17 PACING PLAN ATTACHMENT 19	Peter Fung, MD, Board Chair		information 7:22 – 7:26
20. BOARD COMMENTS	Peter Fung, MD, Board Chair		information 7:26 – 7:29
21. ADJOURNMENT	Peter Fung, MD, Board Chair		motion required 7:29 – 7:30 pm

Upcoming Meetings

- May 22, 2017
- June 20, 2017
- June 28, 2017



**Minutes of the Open Session of the
El Camino Healthcare District Board of Directors
Tuesday, January 17, 2017**

El Camino Hospital | 2500 Grant Road, Mountain View, CA 94040
Conference Rooms E, F & G

Board Members Present

Dennis Chiu, Vice Chair
(via videoconference)
Peter Fung, MD, Chair
Julia Miller
David Reeder
John Zoglin

Board Members Absent

None

Members Excused

None

Agenda Item	Comments/Discussion	Approvals/Action
1. CALL TO ORDER	The open session meeting of the El Camino Healthcare District Board of Directors (the “Board”) was called to order at 5:31pm by Chair Fung.	
2. SALUTE TO THE FLAG	Director Fung led the Board members, staff, and members of the public present in the Pledge of Allegiance.	
3. ROLL CALL	A verbal roll call was taken. All Board members were present. Director Chiu participated via videoconference.	
4. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Chair Fung asked if any Board members may have a conflict of interest with any of the items on the agenda. No conflicts were noted.	
5. PUBLIC COMMUNICATION	There were no comments from the public.	
6. CONSENT CALENDAR	<p>Chair Fung asked if any member of the Board or the public wished to remove an item from the consent calendar. No items were removed.</p> <p>Motion: To approve the consent calendar: Minutes of the Open Sessions of the District Board Meeting (December 6, 2016).</p> <p>Cindy Murphy, Board Liaison, reported that the copy of the minutes for approval and signature at the meeting included a request from Director Miller in the section to accept the Santa Clara County Board of Supervisors’ Resolution. Director Miller requested that the words “those individuals” be deleted and substituted with “Directors” for a more accurate of reflection of what was said at the meeting.</p> <p>Movant: Miller Second: Zoglin Ayes: Chiu, Fung, Miller, Reeder, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p>	<i>Consent calendar approved</i>
7. FY17 YTD FINANCIALS	<p>Iftikhar Hussain, CFO, reported that the numbers presented included combined results for the Hospital and District and detailed financial information for the District.</p> <p>He noted that, as of November, the consolidated income statement was</p>	<i>FY17 YTD Financials approved</i>

	<p>\$26 million ahead of budget. Revenues were \$14 million ahead of budget, including \$6 million due to IGT payments that were expected last year and received this year. He also described the operating revenues of the PRIME program, a program designed to improve the care of Medi-Cal patients. The remaining variance was due to improved revenue cycle operations, including good work by clinical and revenue cycle teams.</p> <p>In the District Standalone financials, Mr. Hussain noted that the variance was due to the PRIME program and timing variance for the Community Benefit program.</p> <p>In response to Director Miller's question, Mary Rotunno, General Counsel, reported that legal fees are for outside counsel, Mitchell Olejko, of Buchalter Nemer and his work on matters related to the District. She explained that the District is invoiced monthly.</p> <p>In response to Director Fung's question, Mr. Hussain clarified the IGT program including timing of payments. He also further explained the PRIME program.</p> <p>Motion: To approve the FY17 YTD Financials.</p> <p>Movant: Reeder Second: Zoglin Ayes: Chiu, Fung, Miller, Reeder, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p>	
8. ADJOURN TO CLOSED SESSION	<p>Motion: To adjourn to closed session at 5:42 pm pursuant to <i>Gov't Code Section 54957.2</i> for approval of the Minutes of the Closed Session of the District Board Meeting (December 6, 2016); pursuant to <i>Gov't Code Section 54956(d)(2)</i> – conference with legal counsel – pending or threatened litigation and <i>Health & Safety Code 32106(b)</i> for a report on involving health care facility trade secrets: El Camino Hospital Governance; pursuant to <i>Gov't Code Section 54957</i> for discussion and report on personnel performance matters: Executive Session.</p> <p>Movant: Miller Second: Reeder Ayes: Chiu, Fung, Miller, Reeder, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p>	<i>Meeting adjourned to closed session at 5:42pm.</i>
9. AGENDA ITEM 14: RECONVENE OPEN SESSION/REPORT OUT	<p>Open session was reconvened at 7:55 pm.</p> <p>During the closed session, the Board approved the Minutes of the Closed Session of the District Board Meeting of December 6, 2016 with an addendum with regards to a request by a Board member by a vote in favor by four Directors in favor (Directors Chiu, Fung, Miller, Zoglin). Director Reeder opposed.</p>	
10. AGENDA ITEM 15: ECH BOARD MEMBER	<p>David Reeder, ECH Board Member Election Ad Hoc Committee Chair, reported that an RFP was issued to six search firms, and based on interviews with two firms, the Committee recommended selecting</p>	

<p>ELECTION AD HOC COMMITTEE REPORT</p>	<p>Witt/Kieffer to conduct a Hospital Board member search.</p> <p>Director Miller commented that she would have preferred a soft recruitment (using contacts in the community). She voiced her concerns about spending money on an outside firm rather than a recruiter based in the area.</p> <p>Director Zoglin encouraged the Committee to negotiate the fees and get clarity on placements (and associated fees). Kathryn Fisk, CHRO, clarified that there will be one fee regardless of the number of candidates selected. She also explained that there is a guarantee – if the initial search is not successful in finding a candidate, the firm will redo the search gratis.</p> <p>In response to Director Chiu’s question, Director Reeder described his reasoning for recommending Witt/Kieffer, including specialized work in healthcare, large support staff, and good industry contacts. The Board and Ms. Fisk discussed the principal’s experience with Board-specific searches and ECH’s past experience with the firm.</p> <p>In response to Director Miller’s question, Cindy Murphy, Board Liaison, reported that references have not been checked, as staff were waiting for the Board to take action.</p> <p>Motion: To approve the Draft Revised Position Description.</p> <p>Movant: Reeder Second: Miller Ayes: Chiu, Fung, Miller, Reeder, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p> <p>Motion: To engage Witt/Kieffer to assist the Board with the selection of new El Camino Hospital Board members.</p> <p>Movant: Reeder Second: Zoglin</p> <p>Director Chiu expressed concerns about working with Witt/Kieffer, given ECH’s past experience with the firm.</p> <p>In response to Director Fung’s question, Director Reeder described the Ad Hoc Committee’s assessment of the alternative candidate (local contact, retired, one to two searches performed per year, more limited breadth). Director Miller commented that Mr. Gregory would provide a local perspective for the search. Director Zoglin commented he supports the Committee’s recommendation. Director Fung noted that he also supports the recommendation of the Committee.</p> <p>Movant: Reeder Second: Zoglin Ayes: Fung, Reeder, Zoglin Noes: Miller Abstentions: Chiu Absent: None Recused: None</p>	
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11. AGENDA ITEM 16: PACING PLAN	<p>Chair Fung explained that an additional District Board meeting could be advantageous to 1) interview potential Hospital Board member finalists brought forward by the Ad Hoc Committee and 2) to receive CBAC's report and recommendations (to allow for more time between the Board's decision and the beginning of a grantee's year for programming starting on July 1st). He suggested Tuesday, May 16, 2017 as a potential date.</p> <p>Director Miller asked to give an ACHD update at either the March or May District Board meeting. The Board discussed the District's membership in ACHD, timing of dues payment, and the best time to evaluate membership for the next year.</p> <p>Motion: To add a District Board meeting on May 16th (agenda items to include: potential Hospital Board member finalist interviews, CBAC grant report (in lieu of the report in June), ACHD report, and membership dues review).</p> <p>Movant: Miller Second: Zoglin Ayes: Chiu, Fung, Miller, Reeder, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p>	<i>Pacing Plan approved</i>
12. AGENDA ITEM 17: BOARD COMMENTS	There were no additional comments from the Board.	
13. AGENDA ITEM 18: ADJOURNMENT	<p>Motion: To adjourn at 8:20 pm.</p> <p>Movant: Miller Second: Zoglin Ayes: Chiu, Fung, Miller, Reeder, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p>	<i>Meeting adjourned at 8:20 pm.</i>

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

Peter C. Fung, MD
Chair, ECHD Board

Julia Miller
ECHD Board Secretary

Prepared by: Cindy Murphy, Board Liaison
Sarah Rosenberg, Board Services Coordinator



**Minutes of the Open Session of the
Special Meeting of the El Camino Healthcare District Board of Directors
Wednesday January 25, 2017**
El Camino Hospital | 2500 Grant Road, Mountain View, CA 94040
Conference Room A & B (ground floor)

Board Members Present

Dennis Chiu, Vice Chair

Peter Fung, MD, Chair

Julia Miller

David Reeder

John Zoglin (via videoconference)

Board Members Absent

None

Members Excused

None

Agenda Item	Comments/Discussion	Approvals/Action
1. CALL TO ORDER/ ROLL CALL	The open session meeting of the El Camino Healthcare District Board of Directors (the "Board") was called to order at 5:17 pm by Chair Fung. A verbal roll call was taken. All Board members were present. Director Zoglin participated via videoconference.	
2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Chair Fung asked if any Board members may have a conflict of interest with any of the items on the agenda. No conflicts were noted.	
3. PUBLIC COMMUNICATION	There were no comments from the public.	
4. CONSENT CALENDAR	<p>Chair Fung asked if any member of the Board or the public wished to remove an item from the consent calendar. No items were removed.</p> <p>Motion: To approve the consent calendar: <i>Resolution 2017-01</i>: To clarify membership on the Hospital Board Member Election Ad Hoc Committee; Draft Revised Process for Re-Election and Election of Non-District Board Members to the El Camino Hospital Board.</p> <p>Movant: Reeder Second: Chiu Ayes: Chiu, Fung, Miller, Reeder, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p>	<i>Consent calendar approved</i>
5. AGENDA ITEM 5: ADJOURNMENT	<p>Motion: To adjourn at 5:20 pm.</p> <p>Movant: Reeder Second: Chiu Ayes: Chiu, Fung, Miller, Reeder, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p>	<i>Meeting adjourned at 5:20 pm.</i>

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

Peter C. Fung, MD
Chair, ECHD Board

Julia Miller
ECHD Board Secretary

Prepared by: Cindy Murphy, Board Liaison

EL CAMINO HEALTHCARE DISTRICT

RESOLUTION 2017 - 03

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

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 Alzheimer's Disease and Related Disorders Association for partnering with El Camino Healthcare District to deliver Latino Family Connections and Asian Dementia Initiative, two outstanding community programs that increase public awareness about Alzheimer's Disease and Related Disorders (ADRD) in Asian and Latino communities and link community members with services.

El Camino Healthcare District and Alzheimer's Disease and Related Disorders Association began a partnership in 2012 in an effort dedicated to provide culturally and linguistically competent services to Asian and Latino residents dealing with ADRD. Through Latino Family Connections and Asian Dementia Initiative, Alzheimer's Disease and Related Disorders Association has served nearly 5,300 individuals. The services provided to the community include culturally appropriate education and skill-building workshops to caregivers, multilingual telephone and online assistance, and educational programs for physicians, caregivers, and those suffering from ADRD to improve awareness and understanding of ADRD.

WHEREAS, the Board would like to acknowledge Alzheimer's Disease and Related Disorders Association for its commitment to providing culturally and linguistically competent services for the Asian and Latino communities.

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

Alzheimer's Disease and Related Disorders Association

IN WITNESS THEREOF, I have here unto set my hand this **14TH DAY OF MARCH, 2017**.

EL CAMINO HEALTHCARE DISTRICT BOARD OF DIRECTORS:

Dennis Chiu, JD • Peter Fung, MD • Julia Miller • David Reeder • John Zoglin

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 2017
7/1/2016- 01/31/2017

Iftikhar Hussain, CFO

El Camino Healthcare District Board of Directors Meeting
March 14, 2017

Contents

ECHD Consolidated Financial Statements (Includes El Camino Hospital)

Comparative Balance Sheet as of January 31, 2017.....	Page 3
Statement of Revenues & Expenses Year to Date thru January 31, 2017	Page 4
Notes to Financial Statements	Page 5

ECHD Stand-Alone Financial Statements

Comparative Balance Sheet as of January 31, 2017.....	Page 6
Statement of Revenues & Expenses Year to Date thru January 31, 2017.....	Page 7
Statement of Fund Balance Activity as of January 31, 2017	Page 8
Notes to Financial Statements	Pages 9-10
Sources & Uses of Property Taxes	Page 11

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)

	Jan 31, 2017	June 30, 2016 Audited w/o Eliminations		Jan 31, 2017	June 30, 2016 Audited w/o Eliminations
<u>ASSETS</u>			<u>LIABILITIES & FUND BALANCE</u>		
Current Assets			Current Liabilities		
Cash & Investments	\$235	\$188	Accounts Payable & Accrued Exp	\$80	\$94
Patient Accounts Receivable, net	\$106	\$122	Bonds Payable - Current	7	6
Other Accounts and Notes Receivable	\$4	\$7	Bond Interest Payable	2	8
Inventories and Prepaids	\$46	\$40	Other Liabilities	5	8
Total Current Assets	391	357	Total Current Liabilities	93	116
Board Designated Assets			Deferred Revenue	1	1
Foundation Reserves	14	14	Long Term Liabilities		
Community Benefit Fund	17	16	Bond Payable	350	360
Operational Reserve Fund	102	102	Benefit Obligations	40	38
Workers Comp, Health & PTO Reserves	64	64	Other Long-term Obligations	4	4
Other Board Designated Reserves	160	156	Total Long Term Liabilities	394	402
Total Board Designated Assets	357	351	Fund Balance		
Funds Held By Trustee	40	46	Unrestricted	1,088	1,004
Long Term Investments	222	208	Board Designated & Restricted	252	242
Other Investments	34	34	Capital & Retained Earnings	15	14
Net Property Plant & Equipment	758	743	Total Fund Balance	1,355	1,261
Other Assets	47	48			
Total Non-Designated Assets	1,101	1,079			
TOTAL ASSETS	\$1,849	\$1,786	TOTAL LIAB. & FUND BAL.	\$1,849	\$1,786



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 January 31, 2017

(Includes El Camino Hospital)

	Current Fiscal Year			Prior Year <u>Actual</u>
	<u>Actual</u>	<u>Budget</u>	<u>Fav (Unfav) Variance</u>	
Net Patient Revenue ⁽¹⁾	473	457	16	442
Other Operating Revenues	<u>25</u>	<u>25</u>	<u>0</u>	<u>23</u>
Total Operating Revenues	498	481	17	465
Wages and Benefits	262	273	10	256
Supplies	65	69	3	67
Purchased Services	61	62	2	62
Other	17	17	0	24
Depreciation	28	30	2	28
Interest	<u>3</u>	<u>3</u>	<u>0</u>	<u>3</u>
Total Operating Expense ⁽²⁾	437	454	17	440
Operating Income	61	27	34	25
Non-Operating Income ⁽³⁾	<u>31</u>	<u>14</u>	<u>16</u>	<u>(24)</u>
Net Income	92	41	51	1



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 2017 Actual to Budget

(Includes El Camino Hospital)

- (1) Net Patient Revenue was above budget by approximately \$16M due to receipt of delayed (unbudgeted) IGT payment (\$6.5M), \$3.6M from PRIME and improvements in rev cycle operations including improvements in charge capture and reduction in denials.**
- (2) The positive expense variance of approximately \$17M is primarily due to improve productivity in labor resulting a favorable labor costs variance of \$10M. Other favor variances are in supplies (+\$3.1M), purchases services (+2M), and depreciation (+\$2M).**
- (3) The \$16M Non-Operating Income positive variance is due to a \$19M favorable in investment income YTD at ECH Hospital.**



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*

	Jan 31, 2017	June 30, 2016		Jan 31, 2017	June 30, 2016
ASSETS			LIABILITIES & FUND BALANCE		
Cash & cash equiv	\$2,239	\$2,694	Accounts payable ⁽⁸⁾	\$0	\$585
Short term investments	8,695	4,861	Current portion of bonds	2,950	2,485
Due fm Retiree Health Plan ⁽¹⁾	10	80	Bond interest payable	456	2,523
S.C. M&O Taxes Receivable	0	0	Other Liabilities	139	133
Other current assets	0	0			
Total current assets	\$10,944	\$7,635	Total current liabilities	\$3,544	\$5,726
Operational Reserve Fund ⁽²⁾	1,500	1,500			
Capital Appropriation Fund ⁽³⁾	6,174	15,472			
Capital Replacement Fund ⁽⁴⁾	4,873	4,684	Deferred income	84	44
Community Benefit Fund ⁽⁵⁾	4,489	3,495	Bonds payable - long term	130,847	133,797
Total Board designated funds	\$17,036	\$25,151	Total liabilities	\$134,475	\$139,567
Funds held by trustee ⁽⁶⁾	\$14,725	\$15,452	Fund balance		
Capital assets, net ⁽⁷⁾	\$11,305	\$11,449	Unrestricted fund balance	\$39,063	\$43,472
			Restricted fund balance ⁽⁹⁾	(119,527)	(123,353)
			Total fund balance	(\$80,464)	(\$79,881)
TOTAL ASSETS	\$54,010	\$59,686	TOTAL LIAB & FUND BALANCE	\$54,010	\$59,686



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 January 31, 2017

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

	Actual	Current Year Budget	Variance	Prior Full Year Actual
<u>REVENUES</u>				
(A) Ground Lease Revenue ⁽¹⁰⁾	\$ 52	\$ 52	\$ -	\$ 88
(B) Redevelopment Taxes ⁽¹¹⁾	148	134	14	463
(B) Unrestricted M&O Property Taxes ⁽¹¹⁾	5,633	4,467	1,166	7,162
(B) Restricted M&O Property Taxes ⁽¹¹⁾	2,946	2,946	-	6,171
(B) G.O. Taxes Levied for Debt Service ⁽¹¹⁾	6,374	5,367	1,007	9,836
(B) IGT/PRIME Medi-Cal Program ⁽¹²⁾	(5,856)	-	(5,856)	(802)
(B) Investment Income (net)	(115)	140	(255)	375
(B) Other income	122	101	21	239
TOTAL NET REVENUE	9,304	13,207	(3,903)	23,532
<u>EXPENSES</u>				
(A) Professional Fees & Purchased Svcs ⁽¹³⁾	196	525	329	355
(A) Supplies & Other Expenses	112	92	(20)	58
(B) G.O. Bond Interest Expense (net) ⁽¹⁴⁾	2,806	2,740	(66)	4,695
(B) Donations to Outside Organizations ⁽¹⁵⁾	3,797	3,923	126	5,986
(A) Depreciation / Amortization	144	144	-	253
TOTAL EXPENSES	7,055	7,424	369	11,347
NET INCOME	\$ 2,250	\$ 5,783	\$ (3,534)	\$ 12,185

(A) Operating Revenues & Expenses

(B) Non-operating Revenues & Expenses

RECAP STATEMENT OF REVENUES & EXPENSE

(A) Net Operating Revenues & Expenses	\$ (400)
(B) Net Non-Operating Revenues & Expenses	2,650



Note: Totals may not agree due to rounding. See page 9 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>January 31, 2017</u>	<u>June 30, 2016</u>
Fiscal year beginning balance	\$ (79,881)	\$ (92,282)
Net income year-to-date	\$ 2,250	\$ 12,185
Transfers (to)/from ECH:		
IGT/PRIME Funding ⁽¹⁶⁾	\$ 6,441	\$ 216
Capital Appropriation projects ⁽¹⁷⁾	\$ (9,274)	-
Fiscal year ending balance	<u><u>\$ (80,464)</u></u>	<u><u>\$ (79,881)</u></u>



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) **Due from Retiree Health Plan** – The monies due from Trustee for District's Retiree Healthcare Plan.
- (2) **Operating Reserve Fund** – Starting in FY 2014, the Board established an operational reserve for unanticipated operating expenses of the District.
- (3) **Capital Appropriation Fund** – Formerly known as the Capital Outlay Fund, which accumulates at the end of each fiscal year those M&O property taxes that are over the Gann limit and thus become restricted for plant and equipment projects. This amount reflects the accumulation of the fiscal year ended 2016. Note, at each fiscal year end the amount placed into this fund must be board designated for a capital project (must be a value greater than \$100,000 and a minimum life of 10 years) within the next two fiscal years.
- (4) **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.
- (5) **Community Benefit Fund** – Newly established fund at the District in FY 2014, as the District retains its unrestricted M&O property taxes to pay for its operations and support its Community Benefit Program.
- (6) **Funds Held by Trustee** – Funds from General Obligation tax monies, being held to make the debt payments when due.
- (7) **Capital Net Assets** - The land on which the Mountain View Hospital resides, a portion of the YMCA building, and a vacant lot located at El Camino Real and Phyllis.
- (8) **Accounts Payable and Accrued Expenses** – Expenses due which have not yet been paid.
- (9) **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 19 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

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

(11) Taxes: Redevelopment, M&O, G.O. – Tax receipts (either received or to be received) during the period.

(12) IGT/PRIME Expense – Participation thus far in Inter Governmental Transfer program for FY 2017, not expected for this fiscal year. This program was extremely behind in being implemented for the fiscal year 2015/2016 by the State and finally occurred in August of the District's fiscal year 2017, thus causing it to be non-budgeted. Also participation began in the behavioral health PRIME program with an initial funding of \$1.7M, which returned \$3.5M to the Hospital.

(13) Professional Fees & Services – Detailed below:

• Community Benefit/Admin Support from ECH	\$182
• Legal	5
• Direct Mail / Website	0
• Other	9
	<u>\$ 196</u>

(14) G.O. Bond Interest Expense – Expense includes bond interest expense accruing on the District's debt and other related bond expense.

(15) Donations to Outside Organizations – Starting in FY 2014, 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 .

(16) IGT/PRIME Funding – Transfers from ECH for participation in the two programs thus far in FY 2017.

(17) Capital Appropriation Projects Transfer – This amount was the approved amount at the Board's June 2016 meeting to be transferred to the Hospital for the future renovation of the Women's Hospital after the IMOB is completed in the Fall 2018.



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>	<u>1/31/2017</u>
(1) Maintenance and Operation and Government Obligation Taxes	\$14,953
(2) Redevelopment Agency Taxes	148
Total District Tax Receipts	\$15,101
<u>Uses Required Obligations / Operations</u>	
(3) Government Obligation Bond	6,374
Total Cash Available for Operations, CB Programs, & Capital Appropriations	\$8,727
(4) Capital Appropriation Fund – Excess Gann Initiative Restricted*	2,946
Subtotal	\$5,781
(5) Operating Expenses	308
Subtotal	\$5,473
(6) Capital Replacement Fund (Park Pavilion)	187
Funds Available for Community Benefit Programs	\$5,286

*Gann Limit Calculation for FY2017 \$7,658

(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)





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

**Community Benefit Advisory Council
Staff Committee or Board Committee?**

Date: March 14, 2017
Name: Donald Sibery
Title: Interim CEO

1. Purpose of today's discussion: To determine if, for the purpose of El Camino Healthcare District ("District") Grants, the Community Benefit Advisory Council ("CBAC") should continue to be a staff committee for consistency with the El Camino Hospital ("Hospital") Board decision on August 12, 2015?

2. Question: Why is this issue being raised now?

3. Answers:

A. At the March 2016 District Board meeting staff agreed to bring back a revised CBAC Charter to the District Board reflecting that the CBAC is a staff committee.

B. Staff has identified and would like to appoint four new community representatives to the CBAC.



Background

- CBAC has long functioned as a staff committee, reviewing both District and Hospital community benefit grant applications. Staff brings proposed grant funding to both Boards annually for approval.
- October 21, 2014 – ECHD Board approves revised CBAC Charter – including the following provisions:
 - CBAC is composed of community representatives, up to two Board members, physicians and senior management staff
 - Board approval of final selection of new CBAC members
- November 12, 2014 - Hospital Board approves revised CBAC Charter identical to District CBAC Charter



Background Cont'd.

- August 12, 2015 – Hospital Board adopts motions (1) confirming CBAC is a staff committee and (2) Board liaisons to the CBAC serve as liaisons, not as members equal to other CBAC members.
- March 15, 2016 – District Board appoints Director Miller to a three year term as District Board Liaison to the CBAC. She had previously been appointed to the CBAC for a three year term in March 2013.
- June 8, 2016 – Hospital Board renews Director Fung's appointment as Hospital Board Liaison to the CBAC.



Legal effect of Hospital Board's actions on August 12, 2015:

- Gave management authority over the structure and operation of the CBAC at least with respect to the El Camino Hospital grant application process.
- Ensured Brown Act compliance by clarifying that the appointed Board members are liaisons to, not members of, the CBAC.



Considerations for “Changing” CBAC to a District Board Committee for Purposes of Reviewing District Grant Applications

1. Continuing as a staff committee is consistent with Hospital Board action and allows one body to continue to review grant applications for both the Hospital and the District.
2. Because the Hospital Board has decided the CBAC is a staff committee, the District would have to create a second body (Board committee) operating under a different set of rules (Brown Act) to review its grant applications.



Considerations Cont'd.

3. The Brown Act would make all grant applications and discussion of merit public which would present the following issues:

- Proposals contain proprietary information such as staff salaries and benefits.
- Grant applicants have a strong expectation of confidentiality.
- CBAC members would be reluctant to share their concerns and criticisms if they knew the information would be made public and attributable to them.

4. The CBAC as a staff committee provides a safeguard for the Board that protects them from being lobbied by prospective grantees.



Considerations Cont'd.

5. Would create the potential to politicize what is currently a criteria and metric driven grant application process.

6. The current model is working effectively, is well recognized as a metrics driven, fair, disciplined model.



Conclusion – Possible Alternative Board Motions

- To confirm that the CBAC is a staff committee and that Board members serve as liaisons to the council.

OR

- To create a District Board Committee to advise the District Board regarding District community benefit grant applications.



ECHD BOARD MEETING AGENDA ITEM COVER SHEET

Item:	Board Officer Election Process El Camino Healthcare District Board of Directors March 14, 2017
Responsible party:	Cindy Murphy, Board Liaison
Action requested:	For Discussion/Possible Motion
<p>Background:</p> <p>The El Camino Healthcare District Bylaws Article III, provides as follows:</p> <p>“<u>Section 5</u> ELECTION AND TERM OF OFFICERS. Before July 1st of every odd-numbered year, the District Board shall elect officers from the District Directors then in office. The officers shall be elected by a majority vote of the District Directors. The District Board shall elect officers to serve for a term of two (2) years. Each officer shall hold office for such two (2) year term or until his or her successor is elected and qualified.”</p> <p>The current terms of Director Fung as Chairperson, Director Chiu as Vice Chair, and Director Miller as Secretary will expire on June 30, 2017. The Bylaws do not specify a process for “end of term election”* or limit the number of consecutive or total terms a Director may serve as an Officer.</p> <p>In 2015, the Board considered the following options to elect Board Officers:</p> <ol style="list-style-type: none"> 1. Competency based selection. 2. “Automatic” Ascension of Vice Chair to Chair and Secretary to Vice Chair. 3. Nominations from the floor for all offices. <p>The Board chose to use nominations from the floor in 2015.</p> <p>*In contrast, the handling of mid-term Board Officer vacancies is specified in the ECHD Bylaws. The Vice Chair would automatically ascend to the Chair if the Chair were to leave office for any reason. If a mid-term vacancy were to occur in one of the other offices the Chair would appoint a successor, subject to confirmation of the Board (Article III, Section 7).</p>	
Committees that reviewed the issue and recommendation, if any: None.	
<p>Summary and Session Objectives:</p> <p>To confirm the process by which Board Officers will be elected in June 2017.</p>	
Suggested discussion questions: None.	
Proposed Board motion(s), if any: At the discretion of the Board.	
LIST OF ATTACHMENTS: None.	

ECHD BOARD MEETING AGENDA ITEM COVER SHEET

Item:	El Camino Hospital Board Member Election Ad Hoc Committee Report El Camino Healthcare District Board of Directors March 14, 2017
Responsible party:	David Reeder, Ad Hoc Committee Chair
Action requested:	For Information
Background: The Ad Hoc Committee met on March 14, 2017 with staff, its advisor Gary Kalbach and Jim Gauss of Witt/Kieffer. The Committee reviewed a list of 16 potential candidates for the upcoming El Camino Hospital Board of Directors vacancy. The Committee will meet with Mr. Gauss on March 30 th to review candidate profiles and to select candidates for interviews with the Committee. Timeline: <div style="margin-left: 40px;"> April 2017: Ad Hoc Committee interviews May or June 2017: Finalist Interviews with ECHD Board. Appointment of a new El Camino Hospital Board Member for a 3-year term effective July 1, 2017. </div>	
Committees that reviewed the issue and recommendation, if any: El Camino Hospital Board Member Election Ad Hoc Committee	
Summary and Session Objectives: To update the Board on the status of the El Camino Hospital Board Member Recruitment.	
Suggested discussion questions: None.	
Proposed Board motion(s), if any: None.	
LIST OF ATTACHMENTS: None.	

EL CAMINO HEALTHCARE DISTRICT BOARD
FY2017 PACING PLAN (Updated March 7, 2017)

FY17 Q1		
JULY 2016	AUGUST 10, 2016	SEPTEMBER 2016
No Meeting	Approval of Campus Development Funding	No meeting
FY17 Q2		
OCTOBER 18, 2016	NOVEMBER 2016	DECEMBER 6, 2016
<ul style="list-style-type: none"> ▪ FY17 YTD ECHD Financials ▪ FY16 Community Benefit Year End Report ▪ FY16 Stand-Alone Financials ▪ FY16 Financial Audit Presentation – Consolidated ECH District Financials ▪ Approve FY16 Hospital Audit ▪ Hospital Board Member Election Ad Hoc Committee Report ▪ GO Bond Re-Financing Approval ▪ Approval of Easement for Melchor and 2500 Hospital Drive Driveway merging ▪ Pacing Plan 	No Meeting	<ul style="list-style-type: none"> ▪ Swearing in of District Board Members ▪ Election of El Camino Hospital Board Directors ▪ Silicon Valley Tobacco Securitization Joint Powers Authority Board Report ▪ ACHD Report ▪ Affirm and Sign Standards of Conduct ▪ Pacing Plan

FY17 Q3		
JANUARY 17, 2017	FEBRUARY 2017	MARCH 14, 2017
<ul style="list-style-type: none"> Recognition (As Needed) Community Benefit Spotlight (If Time Allows) FY17 YTD ECHD Financials Hospital Board Member Election Ad Hoc Committee Report (if necessary) Pacing Plan Bi Annual By Laws Review (done last in FY15) Bi Annual Reserve Powers Review (done last in FY15) GO Bond Transaction Update El Camino Hospital Governance 	No Meeting	<ul style="list-style-type: none"> Recognition (As Needed) Community Benefit Spotlight (If Time Allows) FY17 YTD ECHD Financials Hospital Board member Election Ad Hoc Committee Report (if necessary). Affirm Process for <u>June</u> Board Officer Election <u>Pacing Plan</u> <u>Closed Session Minutes Requirements</u> <u>ECH Governance</u> <u>CBAC: Staff or Board Committee</u> <p><u>Added March 8 Meeting Re GO Bond Refinancing)</u></p>
FY17 Q4		
APRIL 2017	MAY 22, 2017	JUNE 20, 2017
No Meeting	<p>No Meeting</p> <ul style="list-style-type: none"> <u>Candidate Interviews and Appointment of ECH Board Member</u> <u>Study Session – CB Grantee Application Review</u> <u>ACHD Report and Membership Review</u> <u>Community Benefit Mid -Year Metrics and Audit</u> 	<ul style="list-style-type: none"> Recognition (As Needed) Community Benefit Spotlight (If Time Allows) FY17 YTD ECHD Financials Tax Appropriation for FY18 District Capital Outlay Fund Review and Approve FY18 Pacing Plan Approval of FY18 Community Benefit Plan Approve ECH FY18 Budget Approve ECHD FY18 Budget Appoint Hospital Board Member/ Election Ad Hoc Committee <u>Report</u> <u>Biennial Board Officer Election</u> <u>ECH Physician Development Plan?</u> <u>Biennial Bylaws Review</u> <u>Biennial Review of Reserve Powers</u>