



**Minutes of the Open Session of the
Meeting of the El Camino Healthcare District Board of Directors
Tuesday, January 22, 2019
El Camino Hospital | 2500 Grant Road, Mountain View, CA 94040
Conference Rooms F&G (ground floor)**

Board Members Present

Peter C. Fung, MD, Chair

Gary Kalbach

Julia E. Miller, Vice Chair

George O. Ting, MD

John Zoglin, Secretary/Treasurer

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 5:29pm by Chair Fung. A silent roll call was taken. All other Board members were present.	
2. SALUTE TO THE FLAG	Chair Fung led the Board members, staff, and members of the public present in the Pledge of Allegiance.	
3. 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.	
4. PUBLIC COMMUNICATION	Director Miller described written correspondence received from a grateful El Camino Hospital patient.	
5. COMMUNITY BENEFIT SPOTLIGHT: FRESH APPROACH	<p>Motion: To approve <i>Resolution 2019-01</i>.</p> <p>Movant: Miller</p> <p>Second: Kalbach</p> <p>Ayes: Fung, Kalbach, Miller, Ting, Zoglin</p> <p>Noes: None</p> <p>Abstentions: None</p> <p>Absent: None</p> <p>Recused: None</p> <p>Barbara Avery, Director, Community Benefit, introduced Laura deTar, Program Director of Fresh Approach.</p> <p>Ms. deTar provided an overview of Fresh Approach's programming that addresses food insecurity through education (e.g., VeggieRx Nutrition and cooking workshops) and food access programs (e.g., mobile farmers' markets, partnerships with food pantries on local college campuses). She noted that following the classes 33% of participants continue to lose weight and 75% report continuing to eat the same amount of fruits and vegetables – or more.</p> <p>In response to questions from the Board, Ms. deTar described Fresh Approach's partnership work with the American Heart Association, the matching programming and collaboration with Sunnyvale Community Services, services at De Anza College, and typical attendance at cooking workshops (noting a 75-80% retention rate for a full class series).</p> <p>The Board thanked Ms. deTar for her work.</p>	Resolution 2019-01 approved
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 Session of</p>	Consent calendar approved

	<p>the District Board Meeting (December 5, 2018); Minutes of the Open Session of the District Board Meeting (December 7, 2018).</p> <p>Movant: Miller Second: Kalbach Ayes: Fung, Kalbach, Miller, Ting, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p>	
<p>7. FY19 ECHD FINANCIALS</p>	<p>Iftikhar Hussain, CFO, provided an overview of the financials:</p> <ul style="list-style-type: none"> - The consolidated balance sheet is healthy and the cash position is very strong; the organization is well-positioned for the completion of capital projects on the Mountain View campus. - The consolidated statement of operations shows that operating income is \$10 million ahead of budget for the first five months, equally from revenue and expenses. - Investment earnings are currently not as good as the prior year and below budget due to the market decline. Mr. Hussain noted that our market portfolio has an inception to date return of over 6%. - On the standalone balance sheet, there is a negative balance on the fund balance side due to the timing of tax levies used for debt service. - District revenue/expense variance is primarily due to outlays for Community Benefit programming, which are paid primarily in August and February. <p>In response to Director Fung's questions, Mr. Hussain further described the investments, noting that the portfolio includes a mixture of equities and fixed income.</p> <p>In response to Director Ting's question, Mr. Hussain described the forecasted long-term rate of return used to develop the budgeted amount for non-operating income.</p> <p>Motion: To approve the FY19 YTD ECHD Financials.</p> <p>Movant: Kalbach Second: Ting Ayes: Fung, Kalbach, Miller, Ting, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p>	<p><i>FY19 YTD ECHD Financials approved</i></p>
<p>8. BOARD GOVERNANCE ISSUES</p>	<p>Erica Osborne from Via Healthcare Consulting provided an overview of governance trends, challenges, and best practices. She noted that El Camino has been very proactive in the governance space.</p> <p>She described:</p> <ul style="list-style-type: none"> - Industry changes in health care and the necessary changes in governance to respond to those changes, including many organizations shifting to multi-tiered governance - Governance challenges of system growth - Practices correlated with higher-performing boards: generative thinking, clearly defined roles and responsibilities, delegated authority, effective communication and reporting, monitoring 	

	<p>effectiveness of structure and processes</p> <p>She noted that delegated authority allows boards to do more work, faster, and smarter if there are proper mechanisms in place.</p> <p>Ms. Osborne outlined the reserved powers of the District Board, and the delegated responsibilities to the Hospital Board, and the role of Committees (work horses, conducting deep dives). She noted that the roles of the Hospital Board align with other organizations with multi-tiered governance.</p> <p>Ms. Osborne recommended that there be a formal Board policy to document the process for delegating authority to Committees and reporting back to the Hospital Board.</p> <p>The Board and Ms. Osborne discussed the service of non-Board members as Committee Chairs. Cindy Murphy, Director of Governance Services, explained that all of the Committee charters except the Governance Committee currently require that if a non-Board member is Chair of the Committee, a Board member must be a Vice Chair of the Committee; the Governance Committee charter requires that its Chair be a Board member. Board members commented that this structure satisfies any concerns.</p> <p>Ms. Osborne noted that the current delegations of authority to Committees are conservative, and the Hospital Board should continue to review this area for its effectiveness and other opportunities for delegation.</p> <p>In response to questions from the Board, Ms. Osborne noted that the more alignment between an organization's CEO the Board the better and this can be facilitated by the CEO serving on the Board.</p> <p>Ms. Osborne noted that the Board always reserves the right to pull back any delegated authority.</p>	
<p>9. ECH BOARD MEMBER ELECTION AD HOC COMMITTEE REPORT</p>	<p>Director Miller, Chair of the ECH Board Member Election Ad Hoc Committee, explained that she met briefly with Ad Hoc Committee member Zoglin and described the unique situation of the staggered availability of Hospital Board seats.</p> <p>Director Miller asked the Board for guidance for the Ad Hoc Committee on the timing of the appointments to fill the "two-year seat," which is currently vacant due to Neysa Fligor's departure, and the "three-year seat" currently held by Jeffrey Davis, MD, whose current term ends June 30, 2019. She also suggested that any interested members of the public contact Ms. Murphy to submit an application for consideration.</p> <p>The Board discussed the process and appointment timing, noting interested candidates could be considered simultaneously for both seats.</p> <p>Director Zoglin commented that there has been a recruiter identified to help with this work.</p> <p>Director Fung suggested that the District Board consider including Dan Woods, CEO, on the Hospital Board. Other Board members commented that this question should be agendized at a later date and considered by the full Board.</p> <p>In response to Director Kalbach's question regarding Dr. Davis, Director Miller commented that process is open to anyone who wishes to submit an application.</p> <p>The Board commented that the Ad Hoc Committee should conduct a search and review the whole pool of candidates at the same time for both seats.</p>	

<p>10. 2019 NEW LAWS AND PUBLIC POLICY UPDATE</p>	<p>Brenda Taussig, Director of Government & Community Relations, provided an overview of new state laws relevant to District and Hospital operations:</p> <ul style="list-style-type: none"> - AB 2019: District legislation focused on CB grant making policies and administration and how information is made public (requirements for District website); narrowly written language regarding housing - AB 2329: Establishes a single standard of compensation of special district board members. Staff noted that the current District Board compensation policy is in compliance with the law. - SB 115: Hospital Patient Discharge Process: Homeless patients <p>Ms. Taussig noted that deadline for introduction of bills for 2019 is February 12, 2019. She also described Governor Newsom's focus on healthcare, including his appointments, executive orders, and establishment of the office of California Surgeon General.</p> <p>Directors Zoglin and Miller commended Ms. Taussig for her work.</p> <p>Director Miller suggested that the Board pursue an ordinance to increase Board member compensation. Directors Zoglin and Kalbach commented that such an ordinance would not be an effective use of resources. Chair Fung commented that he can discuss agendaizing this topic in the future.</p>	
<p>11. FY19 PACING PLAN</p>	<p>The Board discussed meeting in April or May to review ECH Board member candidates brought forward by the Ad Hoc Committee. Ms. Murphy explained that the Board currently has a meeting scheduled for May 15, 2019, and that staff can add meetings as needed if requested to do so.</p>	
<p>12. ADJOURN TO CLOSED SESSION</p>	<p>Motion: To adjourn to closed session at 7:10pm pursuant to <i>Gov't Code Section 54957.2</i> for approval of Minutes of the Closed Session of the District Board Meeting (October 16, 2018); pursuant to <i>Gov't Code Section 54957</i> for discussion and report on personnel performance matters – CFO: Annual Evaluation of ECHD CFO; pursuant to <i>Gov't Code Section 54957</i> for discussion and report on personnel performance matters – CEO: Annual Evaluation of ECHD CEO; pursuant to <i>Gov't Code Section 54957</i> for discussion and report on personnel performance matters – Senior Management: Executive Session.</p> <p>Movant: Kalbach Second: Ting Ayes: Fung, Kalbach, Miller, Ting, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p>	<p><i>Adjourned to closed session at 7:10pm</i></p>
<p>13. AGENDA ITEM 18: RECONVENE OPEN SESSION/REPORT OUT</p>	<p>Open session was reconvened at 7:50pm. Agenda items 13-17 were addressed in closed session.</p> <p>During the closed session, the Board approved the Minutes of the Closed Session of the District Board Meeting (October 16, 2018) by a unanimous vote in favor of all members present (Directors Fung, Miller, Kalbach, Ting, and Zoglin).</p>	
<p>14. AGENDA ITEM 23: ADJOURNMENT</p>	<p>Motion: To adjourn at 7:50pm.</p> <p>Movant: Kalbach Second: Ting Ayes: Fung, Kalbach, Miller, Ting, Zoglin</p>	<p><i>Meeting adjourned at 7:51pm.</i></p>

	Noes: None Abstentions: None Absent: None Recused: None	
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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



John Zoglin
Secretary, ECHD Board



Prepared by: Cindy Murphy, Director of Governance Services
Sarah Rosenberg, Contracts & Board Services Coordinator