



**Minutes of the Open Session of the
Meeting of the El Camino Healthcare District Board of Directors
Tuesday, October 16, 2018
El Camino Hospital | 2500 Grant Road, Mountain View, CA 94040
Conference Rooms F&G (ground floor)**

Board Members Present

Neysa Fligor
Peter C. Fung, MD, Chair
Julia E. Miller, Vice Chair
David Reeder
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 5:30pm by Chair Fung. A silent roll call was taken. Director Reeder arrived at 5:34pm and Director Fligor arrived 5:35pm during Agenda Item 5: Community Benefit Spotlight. 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	There were no comments from the public.	
5. COMMUNITY BENEFIT SPOTLIGHT: BAWSI	<p>Motion: To approve <i>Resolution 2018-11</i>.</p> <p>Movant: Miller Second: Zoglin Ayes: Fung, Miller, Zoglin Noes: None Abstentions: None Absent: Fligor, Reeder Recused: None</p> <p>Barbara Avery, Director, Community Benefit, introduced Jennifer Smith and Jen Fraisl, co-CEOs of Bay Area Women's Sports Initiative (BAWSI).</p> <p>Ms. Smith and Ms. Fraisl thanked the Board and the Community Benefit staff for their support and provided an overview of BAWSI's programming to provide access to sports for underserved girls (BAWSI Girls) and children with disabilities (BAWSI Rollers). Ms. Smith explained that their metrics focus on attitudinal change (liking exercise more, wanting to join a sports team, and setting goals for themselves).</p> <p>Ms. Smith discussed emerging trends and observations from BAWSI's work and direct impacts of BAWSI programs on the participants, volunteers, and community.</p> <p>The Board thanked Ms. Smith and Ms. Fraisl for their work.</p>	<i>Resolution 2018-11 approved</i>
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 the District Board Meeting (Sept. 12, 2018); <i>Resolution 2018-12</i>: Adoption</p>	<i>Consent calendar approved</i>

	<p>of Calendar Year 2019 Meeting Dates; <i>Resolution 2018-13</i>: Amending ECHD Conflict of Interest Code; FY18 Consolidated Year-End Financials.</p> <p>Movant: Reeder Second: Zoglin Ayes: Fligor, Fung, Miller, Reeder, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p>	
<p>7. FY18 COMMUNITY BENEFIT PLAN REPORT</p>	<p>Barbara Avery, Director of Community Benefit, provided an overview of the District's \$6.9 million investment in the community in FY18.</p> <p>She reported that the FY18 Community Benefit program had 58 grants and 22 sponsorships. She described the process of aligning the program with the triennial Community Health Needs Assessment (CHNA) and mapping those needs to three health care priorities (Healthy Body, Health Mind, and Healthy Community).</p> <p>Ms. Avery reported that the 58 grantees achieved 92% of annual targets of for their 212 metrics.</p> <p>She noted the alignment of healthcare industry resources to address social determinants of health. Ms. Avery also described work with El Camino Hospital's Care Coordination department to provide lists of available resources for hospital patients at discharge.</p> <p>She highlighted:</p> <ul style="list-style-type: none"> - Mobile health programs (addressing dental and vision needs, food scarcity, nutrition, access to healthcare, etc.) directly at the source. - Efforts to cultivate health at schools covering 5 districts, 36 schools, 126 program sites, and 39,000 students with services related to primary care, counseling, healthier habits, physical activity, and anti-bullying. - Helping older adults live fuller lives through respiratory programs, falls prevention, access to care, etc. <p>Ms. Avery thanked Sharan Johal and Anne Rabkin, Sr. Community Benefit Specialists, for their work and highlighted the new microsite that provides additional detail to supplement the printed annual report.</p> <p>Motion: To approve the FY18 Community Benefit Report.</p> <p>Movant: Miller Second: Fligor</p> <p>The Board commended and thanked the Community Benefit staff for their work.</p> <p>Director Fligor suggested publishing the lists of grantees in local newspapers in the District to raise awareness about programming.</p> <p>In response to Director Fligor's question, Ms. Avery explained there were more available funds in FY18 compared to FY17. Ms. Avery described the new and additional programming focused on integrated services (e.g., behavioral health, social work, and primary care), domestic violence, and food scarcity.</p> <p>Director Miller described positive feedback on Community Benefit programs from constituents in the community.</p> <p>Chair Fung thanked the Board members who previously served and currently</p>	<p><i>FY18 Community Benefit Report approved</i></p>

	<p>serve as liaisons to the Community Benefit Advisory Council.</p> <p>Ayes: Fligor, Fung, Miller, Reeder, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p>	
8. FINANCIAL REPORT	<p>a. ECHD FY18 Period Year-End Standalone Financials</p> <p>Matt Harris, Controller, provided an overview of the year-end financials, highlighting:</p> <ul style="list-style-type: none"> - Capital Outlay Funds, which are approved by the Board for building assets on the Hospital's Mountain View campus (<i>i.e.</i>, New Main Hospital, Behavioral Health Services Building, Women's Hospital expansion), grew by \$7 million over the prior year, noting that these are monies from property taxes received over the Gann limit. - The variance in General Obligation tax revenue was due to bond refunding that reduced income from District residents, but also resulted in interest rate savings. - The District received \$256,000 from wind down of redevelopment agencies in Mountain View and Sunnyvale. <p>b. ECHD FY19 Financials YTD</p> <p>Mr. Harris provided an overview of the FY19 Period 2 Financials, explaining that 1) cash has gone down due to the timing of expenditures for Community Benefit, which are paid primarily in August and February; 2) the decrease in the capital outlay fund is due to the District Board's approval of \$6.2 million for ECH's Women's Hospital project; and 3) there has been no redevelopment agency payment activity in FY19 so far.</p> <p>In response to Director Fung's question, Mr. Harris explained that District funds are not used to purchase health care facility assets outside of the District.</p> <p>In response to Director Miller's questions, Mr. Harris described 1) the District Retiree Healthcare Plan, which originally had 250-300 employees under this program; 2) the professional fees and purchased services line item that reflects the management and community benefit program services provided by the Hospital to the District; and 3) other fees include Board stipends and travel/education reimbursement.</p> <p>Director Miller suggested that the property on South Drive be listed as a capital asset in the financials.</p> <p>The Board thanked Mr. Harris for his service to the District and the Hospital.</p> <p>Motion: To approve the ECHD FY18 Year-End Standalone Financials and ECHD FY19 YTD Financials.</p> <p>Movant: Miller Second: Zoglin Ayes: Fligor, Fung, Miller, Reeder, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p>	<p><i>ECHD FY18 Year-End Standalone Financials approved</i></p>
9. FY18 FINANCIAL AUDIT	<p>Brian Conner and Joelle Pulver from Moss Adams presented the results of the audit of the consolidated financial statements of the District, Foundation, CONCERN:EAP, and Auxiliary. Mr. Conner explained that all reports</p>	

	<p>include Moss Adams' unmodified opinion, the highest level of assurance they can provide. Mr. Conner reported that financial statements as prepared by management were fairly stated in all material respects.</p> <p>Ms. Pulver highlighted District standalone results, including:</p> <ul style="list-style-type: none"> - Cash and investments had an \$11 million increase from FY17. - On the income statement, revenue is predominantly property tax revenue, which is designated for debt service, community benefit, operating expenses, and capital expenditures. - Outflow of expenses include: depreciation of capital assets, GO bond interest (which has decreased due to refinancing), IGT and Community Benefit expenses. <p>Mr. Conner outlined the required communications to those charged with governance; he noted that management selected and applied significant accounting policies appropriately and management's estimates are reasonable. He also reported that there were no corrected or uncorrected adjustments and there were no material weaknesses in the internal control structure or significant deficiencies, and those from the prior year were corrected.</p> <p>In response to Director Miller's questions, Ms. Pulver described the adoption of a new accounting standard related to post-retirement liability and Mr. Conner described the increasing trend of health care costs. He noted that it is unusual to see a fully funded retirement program like El Camino Hospital's and highlighted the Hospital's strong financial position.</p>	
<p>10. ECH BOARD MEMBER ELECTION AD HOC COMMITTEE REPORT</p>	<p>Director Zoglin suggested that the Ad Hoc Committee review any vacancies on the Hospital Board following the election.</p> <p>Director Reeder suggested that the Board consider adding a step to the process in Quarter 1 to take a poll of the Board regarding the Non-District Board Member (NDBM) up for re-election; if the survey results are favorable, the Board could proceed with a shorter, more simplified process for that member.</p> <p>Director Fligor suggested that the Board provide direction on weighting for the different criteria listed in the process (attendance, competency, working well with others, etc.).</p> <p>Director Miller noted that the recommendations can be discussed with the Ad Hoc Committee and then referred to the Hospital's Governance Committee for the next cycle of the process.</p> <p>Chair Fung acknowledged the Ad Hoc Committee members for their work.</p>	
<p>11. PROPOSED EL CAMINO HOSPITAL BYLAWS CHANGE</p>	<p>Director Fligor disclosed a potential conflict of interest and recused herself from this item.</p> <p>Chair Fung outlined the proposed change to the bylaws as further detailed in the materials.</p> <p>Motion: To approve the proposed El Camino Hospital bylaws change.</p> <p>Movant: Zoglin Second: Miller</p> <p>Director Reeder suggested alternative methods to address term end dates through a vote or resolution on the pacing plan following each election, to be timed with the administration of oaths of office.</p> <p>Director Zoglin commented that Hospital Board terms should be aligned with any District Board resignations or Directors choosing not to run for re-</p>	<p><i>Proposed bylaws change approved</i></p>

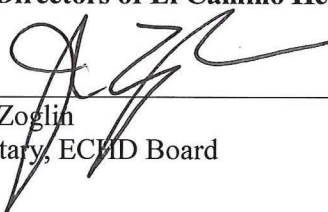
	<p>election.</p> <p>Ayes: Fung, Miller, Zoglin Noes: Reeder Abstentions: None Absent: None Recused: Fligor</p>	
12. ADJOURN TO CLOSED SESSION	<p>Motion: To adjourn to closed session at 7:04pm pursuant to <i>Gov't Code Section 54957.2</i> for approval of Minutes of the Closed Session of the District Board Meeting (June 19, 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: Zoglin Second: Reeder Ayes: Fligor, Fung, Miller, Reeder, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p>	<i>Adjourned to closed session at 7:04pm</i>
13. AGENDA ITEM 20: RECONVENE OPEN SESSION/REPORT OUT	<p>Open session was reconvened at 7:35pm. Agenda items 13-19 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 (June 19, 2018) by a unanimous vote in favor of all members present (Directors Fligor, Fung, Miller, Reeder, and Zoglin).</p>	
14. AGENDA ITEM 21: FY18 FINANCIAL AUDIT APPROVAL	<p>Motion: To approve the FY18 Financial Audit.</p> <p>Movant: Reeder Second: Zoglin Ayes: Fligor, Fung, Miller, Reeder, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p>	<i>FY18 Financial Audit approved</i>
15. AGENDA ITEM 22: FY19 PACING PLAN	<p>The Board requested that a review of the Process for Election and Re-Election of Non-District Board Members be paced for the Board's January meeting.</p> <p>Director Reeder requested that the Hospital Board Member Election Ad Hoc Committee topic be placed on the agenda for the December 5th meeting before the Administration of the Oath of Office to swear in new members.</p> <p>The Board discussed the request and directed staff to include the Ad Hoc Committee Report on the draft December agenda for a possible motion.</p>	<i>Re-Election Process review to be paced for January</i>
16. AGENDA ITEM 23: ADJOURNMENT	<p>Motion: To adjourn at 7:50pm.</p> <p>Movant: Fligor Second: Zoglin Ayes: Fligor, Fung, Miller, Reeder, Zoglin Noes: None Abstentions: None</p>	<i>Meeting adjourned at 7:50pm.</i>

	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