



**Minutes of the Open Session of the
Meeting of the El Camino Healthcare District Board of Directors
Tuesday, June 18, 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 |
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| 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 5:17pm by Chair Fung. A silent roll call was taken. All Board members were present. Director Ting arrived at 5:18pm and Director Zoglin arrived at 5:21pm during Agenda Item 6: Community Benefit Spotlight. | |
| 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 | None. | |
| 5. 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 (May 20, 2019); Minutes of the Open Session of the District Board Meeting (May 21, 2019).</p> <p>Movant: Miller Second: Kalbach Ayes: Fung, Kalbach, Miller Noes: None Abstentions: None Absent: Ting, Zoglin Recused: None</p> | <i>Consent calendar approved</i> |
| 6. COMMUNITY BENEFIT SPOTLIGHT: CRISTO REY | <p>Motion: To approve <i>Resolution 2019-05</i>.</p> <p>Movant: Kalbach Second: Miller Ayes: Fung, Kalbach, Miller, Ting Noes: None Abstentions: None Absent: Zoglin Recused: None</p> <p>Barbara Avery, Director, Community Benefit, introduced Dr. Margaret Higgins, President of Cristo Rey San Jose Jesuit High School, and recognized the organization's three year partnership with El Camino Hospital.</p> | <i>Resolution 2019-05 approved</i> |

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| | <p>Dr. Higgins described the history of the school and its student population (100% underserved families, 99% minority population, and 94% will be the first generation to attend college). She also described the impact of the partnership with El Camino Hospital that has supported the expansion of the school's health & wellness programming.</p> <p>The Board thanked Dr. Higgins and the Cristo Rey team for their work.</p> | |
| <p>7. RESOLUTION 2019-06</p> | <p>Michael Walsh, Controller, described the methodology for calculating the tax appropriation (Gann Limit) for FY20, which uses factors from the Department of Finance of the State of California, including cost-of-living factors and population changes.</p> <p>Motion: To approve <i>Resolution 2019-06</i>: Established Tax Appropriation Limit for FY20 (Gann Limit).</p> <p>Movant: Kalbach Second: Ting Ayes: Fung, Kalbach, Miller, Ting, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p> | <p><i>Resolution 2019-06 approved</i></p> |
| <p>8. PROPOSED FY20 COMMUNITY BENEFIT PLAN</p> | <p>Barbara Avery, Director, Community Benefit, explain that there were 59 community benefit proposals received and 54 recommended for funding by the Community Benefit Advisory Council (CBAC) for a plan total of \$7.8 million.</p> <p>She reported that MayView Community Health Center ("Mayview") requested an additional \$500,000, which was not in the set of proposals presented for review at the Board's study session in May. Ms. Avery also reviewed the grant requests of \$200,000 or more.</p> <p>Kenneth D. Graham, FACHE, CEO of MayView, joined the meeting via teleconference. Mr. Graham provided an overview of MayView's services for District residents and their request for additional funding.</p> <p>In response to questions from the Board, Mr. Graham explained that:</p> <ul style="list-style-type: none"> - MayView's overall budget is approximately \$9 million: half from patient revenues and half from subsidies and grants (\$1.2 million from ECHD, \$600,000 from the PRIME program, \$2.5 million contract with the County). - Stanford's involvement with MayView includes \$250,000 for a remodel project at MayView's Palo Alto site, physician faculty service as MayView board members, and 1.4 FTE doctors on staff. - This one-time need for additional funding is due to a new sustainability plan that features a complex repositioning of finances. Mr. Graham described components of the plan to 1) obtain a Federally Qualified Health Center (FQHC) grant, 2) upgrade their Medi-Cal payment structure, 3) improve the contract with Santa Clara County, and 4) begin a private fundraising program. The funding from the District would bridge the gap until the FQHC designation is received. - The timing for the request was due to the availability of the FQHC application from the federal government. <p>Director Zoglin suggested more visible acknowledgement of the partnership between the District and MayView on MayView's website. He also suggested considering providing medical services through El Camino</p> | <p><i>FY20 Community Benefit Plan approved</i></p> |

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| | <p>Health rather than grant funding going forward.</p> <p>In response to questions from Director Miller, Mr. Graham described the direct referrals from El Camino and program development with the County.</p> <p>Mr. Graham thanked the Board for their support and discontinued participation in the meeting.</p> <p>Motion: To approve the proposed FY20 Community Benefit Plan.</p> <p>Movant: Miller Second: Kalbach Ayes: Fung, Kalbach, Miller, Ting, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p> | |
| <p>9. FINANCIAL REPORT</p> | <p>a. ECHD FY19 Period 10 Financials</p> <p>Iftikhar Hussain, CFO, reported that:</p> <ul style="list-style-type: none"> - On the consolidated financials, cash position remains strong, expenses are below plan, and investments continue to be volatile. - On standalone revenue and expenses, there is confirmation of second IGT payment in May/June and expenses are close to budget. <p>Director Miller suggested that the wages & benefits line item be removed as the District has no employees.</p> <p>In response to Board questions, Mr. Hussain reported that the \$170,000 variance in professional fees and purchased services is due to election-related fees for the Registrar of Voters.</p> <p>b. FY20 ECH Capital and Operating Budget</p> <p>Mr. Hussain noted that the budget has been reviewed and approved by the Hospital Board.</p> <p>c. FY20 ECHD Consolidated and Standalone Budget</p> <p>Mr. Hussain provided an overview of the consolidated and standalone budget, highlighting: 1) the Gann Limit calculation for FY20, 2) operating income of \$78 million for all affiliates, and 3) projected cash spend of \$292 million in FY20. He further described the facilities capital budget breakdown across approved, planned, and future projects.</p> <p>Motion: To approve the ECHD FY19 Period 10 Financials the ECH FY20 Capital and Operating Budget, and the FY20 ECHD Consolidated and Standalone Budget.</p> <p>Movant: Kalbach Second: Ting Ayes: Fung, Kalbach, Miller, Ting, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p> <p>d. Allocation of Capital Outlay Funds</p> <p>Ken King, CASO, described the recommendation to designate the FY17 funds totaling \$6.9 million in the Capital Outlay Fund in support of the Women's Hospital expansion renovation project. He noted that the funds must be specifically designated for use within use within a two-year period</p> | <p><i>ECHD FY19 Period 10 Financials; ECH FY20 Capital and Operating Budget; and FY20 ECHD Consolidated & Standalone Budget approved</i></p> <p><i>Capital Outlay Fund</i></p> |

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| | <p>for capital land/building project or equipment that has a cost of greater than \$100,000 and a useful life of 10 years or more.</p> <p>In response to Director Zoglin's question, Mr. King explained that the cadence of fund allocation allows for prioritization of qualifying projects. He described some of the restrictions on the use of public funds and noted that capital outlay dollars are used for fees related to architectural work, permitting, inspections, etc.</p> <p>Motion: To approve the Allocation of Capital Outlay Funds.</p> <p>Movant: Kalbach Second: Ting Ayes: Fung, Kalbach, Miller, Ting, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p> | <i>allocation approved</i> |
| 10. APPOINTMENT OF LIAISON TO COMMUNITY BENEFIT ADVISORY COUNCIL (CBAC) | <p>Motion: To appoint Director Miller as the District Liaison to the CBAC.</p> <p>Movant: Fung Second: Kalbach Ayes: Fung, Kalbach, Miller, Ting, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p> | <i>CBAC Liaison appointed</i> |
| 11. BOARD OFFICER ELECTION | <p>Cindy Murphy, Director of Governance Services, reported that Director Kalbach has declared interest in serving as Chair.</p> <p>Director Fung requested nominations or declarations of interest from the floor for the position of Chair.</p> <p>Motion: To close the nominations for the position of Chair.</p> <p>Movant: Miller Second: Ting Ayes: Fung, Kalbach, Miller, Ting, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p> <p>Motion: To elect Director Kalbach as ECHD Board Chair for a two-year term of service, effective July 1, 2019.</p> <p>Movant: Miller Second: Ting Ayes: Fung, Kalbach, Miller, Ting, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p> <p>Cindy Murphy, Director of Governance Services, reported that Director Miller has declared interest in serving as Vice Chair.</p> <p>Director Fung requested nominations or declarations of interest from the floor for the position of Vice Chair. Director Zoglin suggested that the Board Chair and Vice Chair be on alternate election cycles and nominated Director Fung. Director Kalbach nominated Director Ting. Directors Fung</p> | <i>Board Officers elected</i> |

and Ting accepted their nominations.

Director Miller nominated Director Zoglin, who declined the nomination.

Motion: To close the nominations for the position of Vice Chair.

Movant: Kalbach
Second: Ting
Ayes: Fung, Kalbach, Miller, Ting, Zoglin
Noes: None
Abstentions: None
Absent: None
Recused: None

For Round 1, the Directors cast the following votes for Vice Chair by written ballot, which were immediately reported by staff, attributing each vote to each Director:

Director Fung: Fung
Director Kalbach: Ting
Director Miller: Miller
Director Ting: Ting
Director Zoglin: Fung

For Round 2, the Directors cast the following votes for Vice Chair by written ballot, which were immediately reported by staff, attributing each vote to each Director:

Director Fung: Fung
Director Kalbach: Ting
Director Miller: Fung
Director Ting: Ting
Director Zoglin: Ting

Director Ting achieved a majority of votes in Round 2.

Motion: To elect Director Ting as ECHD Board Vice Chair for a two-year term of service, effective July 1, 2019.

Movant: Fung
Second: Miller
Ayes: Fung, Kalbach, Miller, Ting, Zoglin
Noes: None
Abstentions: None
Absent: None
Recused: None

Ms. Murphy reported that there were no declarations of interest for the Secretary/Treasurer position.

Director Fung requested nominations or declarations of interest from the floor for the position of Secretary/Treasurer. Director Fung nominated Director Miller.

Motion: To close the nominations for the position of Secretary/Treasurer.

Movant: Ting
Second: Kalbach
Ayes: Fung, Kalbach, Miller, Ting, Zoglin
Noes: None
Abstentions: None
Absent: None
Recused: None

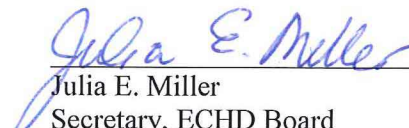
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| | <p>Motion: To elect Director Miller as ECHD Board Secretary/Treasurer for a two-year term of service, effective July 1, 2019.</p> <p>Movant: Fung Second: Kalbach Ayes: Fung, Kalbach, Miller, Ting, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p> | |
| <p>12. RESOLUTION 2019-07</p> | <p>Motion: To appoint Director Miller as Chair of the El Camino Hospital Board Member Election Ad Hoc Committee.</p> <p>Movant: Fung Second: Kalbach Ayes: Fung, Kalbach, Miller, Ting Noes: None Abstentions: None Absent: Zoglin Recused: None</p> <p>Director Fung nominated Director Kalbach as the second member of the Ad Hoc Committee.</p> <p>Movant: Fung Second: Miller</p> <p>Director Zoglin suggested that the incoming Chair nominate the Ad Hoc Committee. The Board discussed the timing and the process of Ad Hoc Committee selection and Director Miller suggested that the new Board Chair consider a new process going forward.</p> <p>Director Kalbach declined the nomination and there was no vote on the motion. Director Fung nominated Director Zoglin, who declined the nomination. Director Miller nominated Director Ting, who accepted the nomination.</p> <p>Motion: To appoint Director Ting as the second member of the Ad Hoc Committee.</p> <p>Movant: Miller Second: Kalbach Ayes: Fung, Kalbach, Miller, Ting, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p> <p>Motion: To approve <i>Resolution 2019-07</i> appointing Director Miller as the Chair of the Ad Hoc Committee, Director Ting as a member, and Hospital Board Chair Lanhee Chen and Governance Committee Member Christina Lai as advisors to the Committee.</p> <p>Movant: Fung Second: Kalbach Ayes: Fung, Kalbach, Miller, Ting, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p> | <p><i>Resolution 2019-07 approved</i></p> |

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| 13. RESOLUTION 2019-08 | <p>Cindy Murphy, Director of Governance, explained that the Resolution will set the meeting dates for the next fiscal year.</p> <p>Motion: To approve <i>Resolution 2019-08</i>: Setting Meeting Dates for Fiscal Year 2020.</p> <p>Movant: Miller Second: Kalbach Ayes: Fung, Kalbach, Miller, Ting, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p> | <p><i>Resolution 2019-08 approved</i></p> |
| 14. PROPOSED FY20 PACING PLAN | <p>Motion: To approve the Proposed FY20 Pacing Plan.</p> <p>Movant: Kalbach Second: Zoglin Ayes: Fung, Kalbach, Miller, Ting, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p> | <p><i>FY20 Pacing Plan approved</i></p> |
| 15. ADJOURN TO CLOSED SESSION | <p>Motion: To adjourn to closed session at 6:22pm pursuant to <i>Gov't Code Section 54957.2</i> for approval of Minutes of the Closed Session of the District Board Meeting (May 21, 2019); 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: Miller Ayes: Fung, Kalbach, Miller, Ting, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p> | <p><i>Adjourned to closed session at 6:22pm</i></p> |
| 16. AGENDA ITEM 20: RECONVENE OPEN SESSION/REPORT OUT | <p>Open session was reconvened at 6:44pm. Agenda items 16-19 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 (May 21, 2019) by a unanimous vote in favor of all members present (Directors Fung, Miller, Kalbach, Ting, and Zoglin).</p> | |
| 17. AGENDA ITEM 21: BOARD COMMENTS | <p>Director Miller announced that the Hospital is sponsoring the Jazz on the Plazz concert series and encouraged the public to attend.</p> <p>Director Kalbach thanked the Board for his selection as Board Chair.</p> <p>Director Fung thanked the Board for his time as Chair.</p> | |
| 18. AGENDA ITEM 22: ADJOURNMENT | <p>Motion: To adjourn at 6:46pm.</p> <p>Movant: Miller Second: Ting Ayes: Fung, Kalbach, Miller, Ting, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p> | <p><i>Meeting adjourned at 6:46pm.</i></p> |

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



Gary Kalbach
Chair, ECHD Board



Julia E. Miller
Secretary, ECHD Board

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