



# AGENDA

## SPECIAL MEETING OF THE EL CAMINO HEALTHCARE DISTRICT BOARD OF DIRECTORS

**Monday, May 15, 2017 – 5:30 pm**

El Camino Hospital | Conference Rooms A, 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
<b>1. CALL TO ORDER</b>	Peter Fung, MD, Board Chair		<b>5:30 – 5:31 pm</b>
<b>2. SALUTE TO THE FLAG</b>	Peter Fung, MD, Board Chair		<b>5:31 – 5:34</b>
<b>3. ROLL CALL</b>	Peter Fung, MD, Board Chair		<b>5:34 – 5:35</b>
<b>4. POTENTIAL CONFLICT OF INTEREST DISCLOSURES</b>	Peter Fung, MD, Board Chair		<b>5:35 – 5:36</b>
<b>5. PUBLIC COMMUNICATION</b> 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		<b>information 5:36 – 5:39</b>
<b>6. CONSENT CALENDAR ITEMS:</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 (March 8, 2017)</a> b. <a href="#">Minutes of the Open Session of the District Board Meeting (March 14, 2017)</a> c. <a href="#">Resolution 2017-03</a>	Peter Fung, MD, Board Chair	<i>public comment</i>	<b>motion required 5:39 – 5:42</b>
<b>7. EL CAMINO HOSPITAL GOVERNANCE: PRESENTATION OF BOARD STRUCTURE MODELS</b> <a href="#">ATTACHMENT 7</a>	JoAnn McNutt, Nygren Consulting		<b>information 5:42 – 5:57</b>
<b>8. EL CAMINO HOSPITAL GOVERNANCE: PUBLIC COMMENT</b> <a href="#">ATTACHMENT 8</a>	Peter Fung, MD, Board Chair		<b>information 5:57 – 6:22</b>
<b>9. EL CAMINO HOSPITAL GOVERNANCE: BOARD DISCUSSION AND POSSIBLE ACTION</b>	Peter Fung, MD, Board Chair	<i>public comment</i>	<b>possible motion 6:22 – 6:47</b>

A copy of the agenda for the Special Meeting will be posted and distributed at least twenty four (24) 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
<b>10. APPOINTMENT TO INDEPENDENT SPECIAL DISTRICT SELECTION COMMITTEE OF THE SANTA CLARA COUNTY LAFCO</b> <a href="#">ATTACHMENT 10</a>	Peter Fung, MD, Board Chair	<i>public comment</i>	<b>possible motion</b> <b>6:47 – 6:52</b>
<b>11. ADJOURN TO CLOSED SESSION</b>	Peter Fung, MD, Board Chair		<b>motion required</b> <b>6:52 – 6:53</b>
<b>12. POTENTIAL CONFLICT OF INTEREST DISCLOSURES</b>	Peter Fung, MD, Board Chair		<b>6:53 – 6:54</b>
<b>13. CONSENT CALENDAR</b> <i>Any Board Member may remove an item for discussion before a motion is made.</i>  <i>Gov't Code Section 54957.2.</i> a. Minutes of the Closed Session of the District Board Meeting (March 14, 2017)	Peter Fung, MD, Board Chair		<b>motion required</b> <b>6:54 – 6:55</b>
<b>14. Report involving Gov't Code Section 54957 for discussion and report on personnel performance matters:</b> - Executive Session	Peter Fung, MD, Board Chair		<b>discussion</b> <b>6:55 – 7:00</b>
<b>15. ADJOURN TO OPEN SESSION</b>	Peter Fung, MD, Board Chair		<b>motion required</b> <b>7:00 – 7:01</b>
<b>16. RECONVENE OPEN SESSION / REPORT OUT</b> To report any required disclosures regarding permissible actions taken during Closed Session.	Peter Fung, MD, Board Chair		<b>7:01 – 7:02</b>
<b>17. PACING PLAN</b> <a href="#">ATTACHMENT 17</a>	Peter Fung, MD, Board Chair		<b>information</b> <b>7:02 – 7:07</b>
<b>18. BOARD COMMENTS</b>	Peter Fung, MD, Board Chair		<b>information</b> <b>7:07 – 7:09</b>
<b>19. ADJOURNMENT</b>	Peter Fung, MD, Board Chair		<b>motion required</b> <b>7:09 – 7:10 pm</b>

### 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  
Wednesday March 8, 2017**

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

**Board Members Present**

Dennis Chiu, Vice Chair  
Peter Fung, MD, Chair  
Julia Miller  
David Reeder  
John Zoglin

**Board Members Absent**

None

**Members Excused**

None

Agenda Item	Comments/Discussion	Approvals/Action
<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 5:33pm by Vice Chair Chiu. A silent roll call was taken. Chair Fung arrived at 5:34pm.	
<b>2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES</b>	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.	
<b>3. RESOLUTION 2017-02</b>	<p>Iftikhar Hussain, CFO introduced Chad Kenan from Citigroup who presented the 2017 General Obligation Bond refunding to reduce interest cost on the Series 2006 General Obligation Bonds. Mr. Kenan explained that estimated savings of \$9.5 million over the life of the bonds is passed on to the constituents of the District via a reduction of debt service.</p> <p>Mr. Kenan noted that current are still historically low; lower than rates have been 90% of the time. He also provided an updated cash flow benefit of refunding.</p> <p>Mr. Kenan described next steps and the accelerated timeline, including pricing in New York on Wednesday, March 15<sup>th</sup> ahead of the Federal Reserve's announcement scheduled that day.</p> <p>He explained that the current tax levy for District residents is \$12.90 per \$100,000 of assessed valuation and, with the refunding, the tax levy will be \$11.65 per \$100,000 of assessed valuation.</p> <p><b>Motion:</b> To approve <i>Resolution 2017-02</i>: Authorizing redemption of the Series 2006 General Obligation Bonds issued on December 13, 2006 in accordance with the terms of the 2006 General Obligation Bonds, the sale of not to exceed a total amount of \$115,000,000 aggregate principal amount of the 2017 General Obligation Refunding Bonds, the payment of costs of issuance and the irrevocable deposit of a portion of the proceeds of the 2017 General Obligation Refunding Bonds to an escrow fund established pursuant to an escrow agreement.</p> <p><b>Movant:</b> Chiu <b>Second:</b> Zoglin <b>Ayes:</b> Chiu, Fung, Miller, Reeder, Zoglin <b>Noes:</b> None <b>Abstentions:</b> None <b>Absent:</b> None <b>Recused:</b> None</p>	<b><i>Resolution 2017-02 approved</i></b>
<b>4. AGENDA ITEM 5: ADJOURNMENT</b>	<p><b>Motion:</b> To adjourn at 5:41 pm.</p> <p><b>Movant:</b> Miller</p>	<b><i>Meeting adjourned at</i></b>

	<b>Second:</b> Zoglin <b>Ayes:</b> Chiu, Fung, Miller, Reeder, Zoglin <b>Noes:</b> None <b>Abstentions:</b> None <b>Absent:</b> None <b>Recused:</b> None	<b>5:41 pm.</b>
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**Attest as to the approval of the foregoing minutes by the Board of Directors of El Camino Healthcare District:**

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Peter C. Fung, MD  
Chair, ECHD Board

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Julia Miller  
ECHD Board Secretary

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

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**Minutes of the Open Session of the  
El Camino Healthcare District Board of Directors**

**Tuesday, March 14, 2017**

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

**Board Members Present**

**Dennis Chiu**, Vice Chair  
**Peter Fung, MD**, Chair  
**Julia Miller**  
**David Reeder**  
**John Zoglin**

**Board Members Absent**

None

**Members Excused**

None

<b>Agenda Item</b>	<b>Comments/Discussion</b>	<b>Approvals/Action</b>
<b>1. CALL TO ORDER</b>	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.	
<b>2. SALUTE TO THE FLAG</b>	Director Fung led the Board members, staff, and members of the public present in the Pledge of Allegiance.	
<b>3. ROLL CALL</b>	A silent roll call was taken. Director Miller arrived at 5:32pm during Agenda Item Agenda Item 6: Consent Calendar. All other Board members were present.	
<b>4. POTENTIAL CONFLICT OF INTEREST DISCLOSURES</b>	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.	
<b>5. PUBLIC COMMUNICATION</b>	There were no comments from the public.	
<b>6. CONSENT CALENDAR</b>	<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><b>Motion:</b> To approve the consent calendar: Minutes of the Open Session of the District Board Meeting (January 17, 2017); Minutes of the Open Session of the District Board Meeting (January 25, 2017).</p> <p><b>Movant:</b> Reeder <b>Second:</b> Chiu <b>Ayes:</b> Chiu, Fung, Miller, Reeder, Zoglin <b>Noes:</b> None <b>Abstentions:</b> None <b>Absent:</b> None <b>Recused:</b> None</p>	<b><i>Consent calendar approved</i></b>
<b>7. RESOLUTION 2017-03: COMMUNITY BENEFIT SPOTLIGHT</b>	Barbara Avery, Director, Community Benefit, introduced Ede Yau, Director of Diversity and Inclusion at the Alzheimer’s Disease and Related Disorders Association. Ms. Yau highlighted the two specific projects funded by the District’s Community Benefit grant: the Asian Dementia Initiative and Latino Family Connections. She explained that these programs provide resources in native languages and general support to caregivers through educational classes, respite grants, and care consultations. She shared the story of program participants who have benefitted from the Association’s support and services. The presentation noted that since FY12, 5,249 community members have been served.	

	Directors Reeder and Fung thanked Ms. Lau for the Association's support of caregivers.	
<b>8. FY17 YTD FINANCIALS</b>	<p>Iftikhar Hussain, CFO, reported that, for the District's consolidated statements, the District is \$17 million ahead of plan on revenues, \$17 million ahead of plan on operating expenses, and \$16 million ahead on investment income.</p> <p>He noted that, on March 15<sup>th</sup>, of the District's \$130 million in general obligation bonds, \$95 million are callable and will be priced and refinanced for savings of approximately 7% that will be passed on to District property owners.</p> <p>Mr. Hussain explained that, on the District's standalone statements YTD, variance is due to property taxes coming in higher than expected. He also referred to a summary in the materials that described sources and uses of tax receipts.</p> <p>In response to Director Miller's question, Mr. Hussain clarified that the \$182,000 YTD in administrative support covers resources (including portions of staff salaries) that support the Community Benefit program.</p> <p><b>Motion:</b> To approve the FY17 YTD Financials.</p> <p><b>Movant:</b> Chiu  <b>Second:</b> Reeder  <b>Ayes:</b> Chiu, Fung, Miller, Reeder, Zoglin  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> None  <b>Recused:</b> None</p>	<b>FY17 YTD Financials approved</b>
<b>9. COMMUNITY BENEFIT ADVISORY COUNCIL COMPOSITION</b>	<p>Donald Sibery, Interim CEO, provided background on the Community Benefit Advisory Council (CBAC). He explained that in August 2015, the Hospital Board confirmed that the CBAC was a staff committee and the Board member appointed as liaison served as non-voting advisor to the Committee. He noted that the District has not yet given any direction on these questions.</p> <p>Mr. Sibery explained that staff recommended that the District adopt the same position as the Hospital Board regarding CBAC, so that CBAC can operate under one set of rules for all grant applications it reviews. He commented that it would be difficult to operationalize two sets of rules for a District CBAC and a Hospital CBAC and that different direction from the District creates unnecessary distinction and possibly two entirely separate committees. He also noted that it would be a burden for grantees to comply with the Brown Act during the application process, especially as the applications often include proprietary information.</p> <p>He explained that if the District confirms the CBAC as a staff committee, management would appoint members to the Committee and would welcome Board members appointed as liaisons by both the District and Hospital Boards.</p> <p>In response to Director Chiu's question, Ms. Avery clarified the requests for specific grantee employee salary information to better understand positions to be subsidized or funded by the grants. She noted that it would be burdensome for grantees to have that kind of</p>	

	<p>information laid out so publicly.</p> <p>Director Zoglin voiced his support of staff's recommendation. He suggested reserving more time at each Board meeting for reports from Director Miller on CBAC activities. He asked for better engagement at the strategic level and to have background information for potential appointments to the Committee.</p> <p>In response to Director Zoglin's question, Mary Rotunno, General Counsel noted that since the District has not voted to confirm that the CBAC is a staff committee it is not clear how members should be appointed. She noted that if the Board approves the staff recommendation, there would be no need for Board approval of new Committee members.</p> <p>Ms. Rotunno explained that if the Board approves the Committee's composition, that could potentially trigger the Brown Act.</p> <p>Director Reeder noted that he supports the staff recommendation, just as he supported the Hospital Board's confirmation that CBAC is a staff committee.</p> <p>Director Miller commented that she welcomed Director Zoglin's suggestion to include CBAC liaison reports to the District Board at subsequent meetings. She also commented that she would like the Board members currently appointed as liaisons to serve as full voting members of the CBAC.</p> <p>Director Fung noted that there are two distinct sources of funding that are treated differently. He commented that there may need to be a difference in the approval process for these two funding sources.</p> <p>Director Chiu noted that the District grants are funded by tax dollars, and that he did not support the staff recommendation.</p> <p>Director Reeder commented that that Board will be approving the FY18 Community Benefit Plan in the spring, so confirming the CBAC as a staff committee would not diminish approval authority or oversight.</p> <p>Ms. Rotunno clarified that there are two conditions that would trigger the Brown Act (as confirmed by outside counsel): 1) if the District Board is approving the members or 2) if one District Board member is serving on the Committee in a voting capacity. In response to Ms. Miller's question, Ms. Rotunno explained that a similar issue came up with the District Ad Hoc Committee, which prompted staff to look at the CBAC governance more closely.</p> <p><b>Motion:</b> To confirm the CBAC as a staff committee and that Board members serve as liaisons to the council.</p> <p><b>Movant:</b> Zoglin <b>Second:</b> Reeder <b>Ayes:</b> Zoglin, Reeder <b>Noes:</b> Chiu <b>Abstentions:</b> Miller, Fung <b>Absent:</b> None <b>Recused:</b> None</p> <p>The motion failed.</p> <p>The Board discussed bringing the topic up again at its May 22<sup>nd</sup></p>	
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	<p>meeting with additional information.</p> <p><b>Motion:</b> To ask staff to create a proposal that would allow the District Board to directly oversee CBAC as a committee of the District Board and to create a separate process for applications from grantees for tax monies that the District receives.</p> <p>Director Chiu clarified that this proposal should include implications of triggering the Brown Act and everything required to operationalize.</p> <p><b>Movant:</b> Chiu <b>Second:</b> Miller</p> <p>Director Chiu commented that this would be a separate body from the Hospital's CBAC and he requested that the staff proposal at an upcoming meeting include a logistical plan that fully envisions the CBAC as a Board Committee required to follow the Brown Act.</p> <p>Mr. Sibery commented that whatever the Board decides, he hopes that it would not preempt or interrupt the current grant cycle, which would be untenable for staff and the grantees. He noted that many grantees submit applications to both the Hospital and the District. He suggested delaying the conversation until after the May meeting to best use staff resources.</p> <p><b>Friendly Amendment by Director Chiu:</b> To indicate that the proposal if implemented would be for the FY19 grants.</p> <p><b>Second:</b> Miller <b>Ayes:</b> Chiu, Miller, Fung <b>Noes:</b> Reeder, Zoglin <b>Abstentions:</b> None <b>Absent:</b> None <b>Recused:</b> None</p>	
<b>10. AFFIRM PROCESS FOR JUNE BOARD OFFICER ELECTION</b>	<p>Director Fung provided an overview of the Board officer election process historically and three potential options for the process going forward.</p> <p>Directors Zoglin, Miller, and Chiu voiced their support for the option of nominations from the floor for all offices, the same process as the previous officer election. Director Reeder agreed, but also suggested the addition of presentations from the nominees to mirror how the Hospital Board selects its officers.</p> <p>Director Fung noted that the Board will use nominations from the floor for all offices at its June officer election.</p>	
<b>11. ECH BOARD MEMBER ELECTION AD HOC COMMITTEE</b>	<p>Director Reeder, ECH Board Member Election Ad Hoc Committee Chair, reported that there is an impressive list of potential candidates currently being reviewed by Jim Gauss of Witt/Kieffer. The Committee will be meeting in a few weeks to select candidates for interview and then bring finalists to the Board for consideration in May or June.</p>	
<b>12. ADJOURN TO CLOSED SESSION</b>	<p><b>Motion:</b> To adjourn to closed session at 6:28 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 (January 17, 2017) <i>Health &amp; 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</p>	<p><b>Meeting adjourned to closed session at 6:28pm.</b></p>



	<p>matters: Executive Session.</p> <p><b>Movant:</b> Chiu  <b>Second:</b> Zoglin  <b>Ayes:</b> Chiu, Fung, Miller, Reeder, Zoglin  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> None  <b>Recused:</b> None</p>	
<b>13. AGENDA ITEM 18: RECONVENE OPEN SESSION/ REPORT OUT</b>	<p>Open session was reconvened at 8:08 pm. Agenda items 13-17 were covered in closed session.</p> <p>During the closed session, the Board approved the Minutes of the Closed Session of the District Board Meeting of January 17, 2017 by a unanimous vote in favor of all Directors present (Directors Chiu, Fung, Miller, Reeder, Zoglin).</p>	
<b>14. AGENDA ITEM 19: PACING PLAN</b>	There were no comments or changes to the Pacing Plan.	
<b>15. AGENDA ITEM 20: BOARD COMMENTS</b>	Director Miller announced that ACHD is having its annual legislative convention on April 2-4, 2017 in Sacramento. She invited Director Fung and others to join her at the convention.	
<b>16. AGENDA ITEM 21: ADJOURNMENT</b>	<p><b>Motion:</b> To adjourn at 8:10 pm.</p> <p><b>Movant:</b> Miller  <b>Second:</b> Chiu  <b>Ayes:</b> Chiu, Fung, Miller, Reeder, Zoglin  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> None  <b>Recused:</b> None</p>	<i>Meeting adjourned at 8:10 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

## ECHD BOARD MEETING AGENDA ITEM COVER SHEET

<b>Item:</b>	Resolution 2017 - 03 El Camino Healthcare District Board of Directors May 15, 2017
<b>Responsible party:</b>	Cindy Murphy, Board Liaison
<b>Action requested:</b>	For Approval
<b>Background:</b> Resolution 2017-03, recognizing the Alzheimer's and Related Diseases Association, was presented at the Board's March 14, 2017, but was not agendized for a motion, so was not approved by the Board. It is now presented to the Board for approval.	
<b>Committees that reviewed the issue and recommendation, if any:</b> None.	
<b>Summary and Session Objectives:</b> To approve Resolution 2017-03.	
<b>Suggested discussion questions:</b> None. This is consent item.	
<b>Proposed Board motion(s), if any:</b> To approve Resolution 2017-03.	
<b>LIST OF ATTACHMENTS:</b> 1. Resolution 2017-03	

# 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**

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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 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

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





**NYGREN CONSULTING**  
GOVERNANCE STRATEGY LEADERSHIP

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# Governance Models

El Camino Hospital Board of Directors



**Submitted on:** May 3, 2017

**Prepared for:** El Camino Healthcare District Board of Directors

**Prepared by:** David Nygren, PhD, and JoAnn McNutt, PhD



**El Camino Hospital**  
THE HOSPITAL OF SILICON VALLEY

# The Case for Change

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- With the rapidly evolving and increasingly complex healthcare market, the District Board should consider whether expansion of the El Camino Hospital Board to include the necessary skills and competencies would better enable the Hospital to continue to provide quality, efficient and accessible care to the communities it serves.
- The organization will continue to experience declines in revenue due to decreased volume, reimbursement changes, consumer shifts to outpatient procedures and primary care services, physician attrition and insurance constraints.
- There will be a need to pursue active strategic initiatives beyond the District boundaries to engage the broader Santa Clara County population while continuing to serve their healthcare needs of the community. The hospital may need to partner with other organizations who can effectively help us provide the continuum of services including a more integrated care delivery model to best meet the needs of the District.
- Therefore, the call to action is that the Hospital Board competencies must include deep clinical, technological, partnership, and population health skills, to enable its ability to oversee development and implementation of appropriate strategic initiatives.

# What Are We Trying To Accomplish?

## Goals

### 1. Maintain Reserved Rights

- Maintain the reserved rights of the District Board and allow the District elected members to fulfill their fiduciary duties

### 2. Revise El Camino Hospital Board Structure to Create the Most Competent Hospital Board

- Improve the Hospital Board's competency composition from its present 5 elected El Camino Healthcare District members and 3 appointed members, enabling El Camino Hospital to rapidly and strategically position the hospital to a viable long-term position (e.g., partner with others that may be outside of the District)
- Potentially reduce the number of El Camino Healthcare District board members serving on the Hospital Board and paving the way for appointed Board member seats to expand to accommodate competency-based members including clinicians (see appendix)

## Desired Outcomes



- Ensure the organization's long-term sustainability
- Improve competency composition and relevant experience of the Hospital Board
- Attract and retain top talent in the executive team
- Achieve the organization's mission and vision

....while maintaining the District's rights to steward the hospital's resources

# ECH District's Sole Member Rights as per the Current Bylaws

- **Member Rights:**

- Approve the election of directors; removal of directors with or without a cause; filling of vacancies on the Board
- Approve the disposition of all or substantially all of the assets of El Camino Hospital or to approve a merger and dissolution of El Camino Hospital and the other rights set forth in the articles of incorporation and bylaws
- Require El Camino Hospital to provide to Member any financial information requested by the Member
- Approve the following actions authorized by the El Camino Hospital Board:
  - The selection of the El Camino Hospital CEO
  - Annual budget
  - Capital expenditures or more than \$25M in a single transaction
  - Any expenditures or transfers in a single transaction apparent or a series of related transactions in excess of 5% of the assets based on last annual audit
  - Overall strategy adopted by El Camino Hospital
  - Amendment of the Articles or the Bylaws

- **Ex-Officio:** El Camino Hospital CEO shall serve as an ex-officio Director with full voting rights

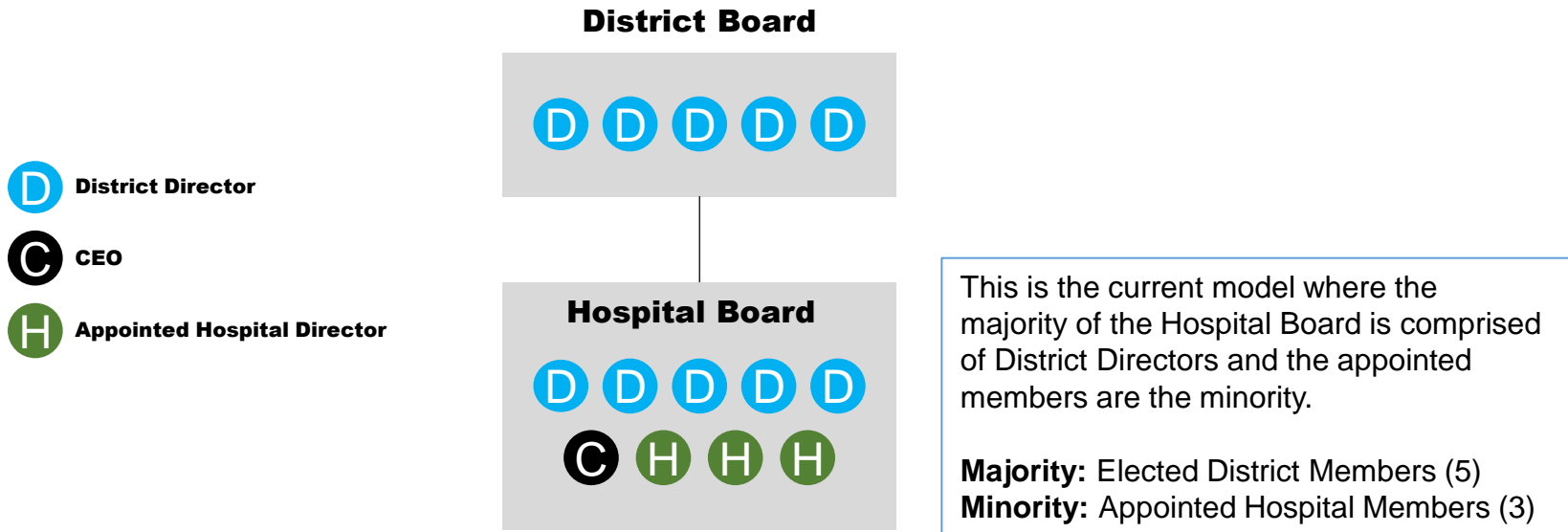
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## **Proposed Alternative Structures**



# Model A Where All 5 District Directors are on the Hospital Board

## Current 5 District Directors Model

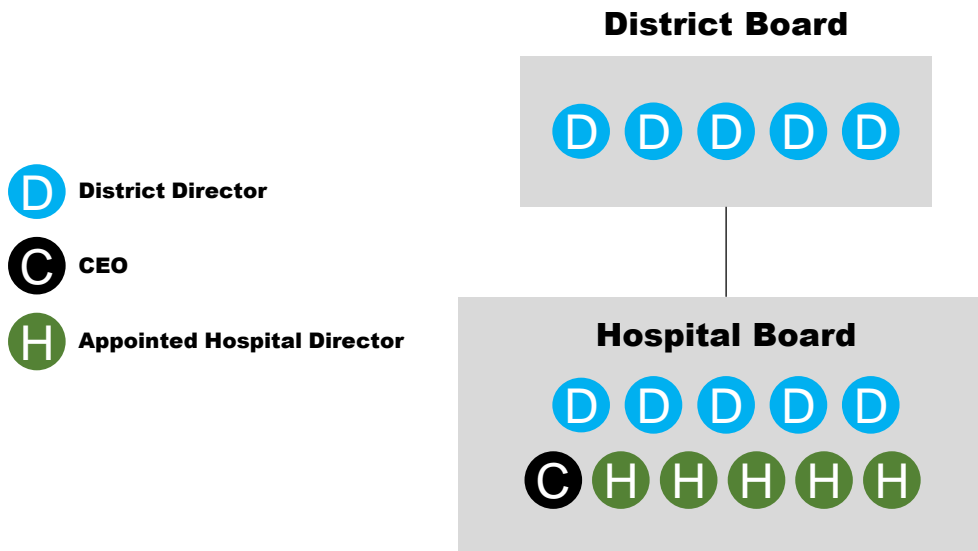


### Hospital Board Composition

- All 5 district directors, which is the status quo
- 3 appointed hospital directors
- CEO is ex-officio (voting privileges TBD)
- **Total N=9**

# Model B Where All 5 District Directors are on the Hospital Board

## Expanded 5 District Directors Model



This model proposes a Hospital Board comprised of an equal number of District Directors and appointed members.

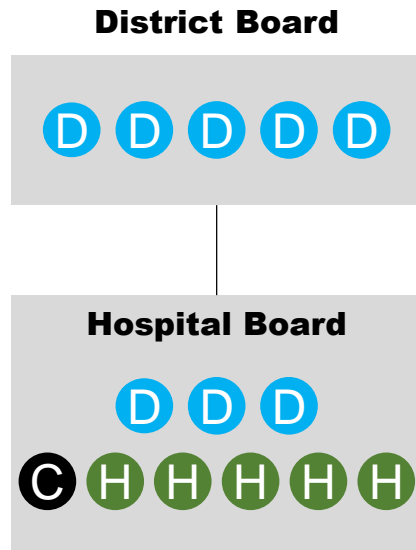
**Equal:** Elected District Members (5) and Appointed Hospital Members (5)

### Hospital Board Composition

- All 5 district directors
- 5 appointed hospital directors
- CEO is ex-officio (voting privileges TBD)
- **Total N=11**

# Model C Where 3 District Directors are on the Hospital Board

## New 3 District Directors Model



### Hospital Board Composition

- 3 district directors
- 5 appointed hospital directors
- CEO is ex-officio (voting privileges TBD)
- **Total N=9 (Hospital Board size remains the same as current model)**

This model proposes that the majority of the Hospital Board is comprised of appointed members, who would be carefully selected against a competency model and the elected District Directors are the minority.

**Majority:** Appointed Hospital Members (5)  
**Minority:** Elected District Members (3)

- The selection process of the 3 district directors would need to be carefully considered.
- Remaining 2 district directors would remain involved in the hospital's governance through board committee service.

# Overview of the Proposed Hospital Board Models

	<b>A</b>	<b>B</b>	<b>C</b>
	<b>Current 5 District Director Model</b>	<b>Expanded 5 District Director Model</b>	<b>3 District Director Model</b>
<b>Board Composition</b>	<b>5 District</b> <b>3 Appointed</b> <b>1 CEO</b>  <b>District Directors are the majority in the Hospital Board's composition</b>	<b>5 District</b> <b>5 Appointed</b> <b>1 CEO</b>  <b>District Directors and appointed members are equal in the Hospital Board's composition</b>	<b>3 District</b> <b>5 Appointed</b> <b>1 CEO</b>  <b>Appointed members are the majority in the Hospital Board's composition</b>
<b>Board Size</b>	N=9	N=11	N=9
<b>District's Reserved Rights</b>	No change	No change	No change

# Comparison of the Proposed Hospital Board Models

	Current 5 DD Model	Expanded 5 DD Model	3 DD Model
<b>District Oversight</b>	<b>No change</b> in District Board's reserved rights	<b>No change</b> in District Board's reserved rights	<b>No change</b> in District Board's reserved rights
<b>Distinction Between the District and Hospital Boards</b>	<b>Less</b> distinction between the governing bodies as the full District Board serves on the Hospital Board	<b>Some</b> distinction between the governing bodies with additional appointed members. The entire District Board still serves on the Hospital Board.	<b>Most</b> distinction between the governing bodies, as there is greater representation from the community and only 3 of 5 District directors are serving on the Hospital Board
<b>Balance of Influence and Decision Making</b>	<b>District Board Directors are the majority</b> in terms of composition, and therefore has greater influence in the decision making	District and appointed Hospital Board members <b>are equal</b> in terms of composition and influence; potentially puts the CEO in a position with a tie-breaking vote	<b>Appointed Hospital Board members are the majority</b> in terms of composition, and therefore have greater influence in the decision making
<b>Competency-based Board to run a Health System</b>	<b>Low:</b> Publicly elected 5 District Directors with 3 appointed members; competency varies across Hospital Board members	<b>Medium:</b> Publicly elected 5 District Directors with 5 appointed members; greater balance across competency-based appointments	<b>High:</b> Publicly elected 3 District Directors with 5 appointed members; competency-based appointments increase
<b>Clinician Involvement in Governance</b>	<b>Low to Medium:</b> Hospital Board requires more seats to bring on more physicians	<b>High:</b> Expanding the board from 3 to 5 appointees could allow for more clinicians to serve	<b>High:</b> Expanding the board from 3 to 5 appointees could allow for more clinicians to serve

## Appendix: Clinical Representation on Boards

- Clinical representation and expertise is required on hospital boards in a variety of areas. As hospitals and health systems continue to strive for excellence in quality and patient safety the need for a strong clinical voice on the board has become essential.
- Clinical expertise may come from a variety of professions, including physicians, nurses, pharmacists, and other clinical specialties. Despite their essential perspective, the percentage of clinical board members declined from 31 percent in 2011 to 29 percent in 2014. Overall, the percentage of physician trustees remained the same from 2011 to 2014, but the percentage of board members that were nurses or other clinicians declined.
- Of all survey\* respondents, three-quarters had at least one physician serving on their board. More than one-third (37 percent) had at least one nurse on their board, and 22 percent included at least one other clinical professional as a board member.

Clinical Representation on the Board	Percentage
Physician	75%
Nurse	37%
Other Clinicians (e.g., Pharmacist)	22%

\*Source: AHA Center for Healthcare Governance, 2014 National Health Care Governance Survey Report



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## ECHD BOARD MEETING AGENDA ITEM COVER SHEET

<b>Item:</b>	El Camino Hospital Governance: Public Comment El Camino Healthcare District Board May 15, 2017
<b>Responsible party:</b>	Don Sibery, Interim CEO Cindy Murphy, Board Liaison Kelsey Martinez, Director of Marketing and Communications
<b>Action requested:</b>	For Information
<p><b>Background:</b> The District has employed a multi-tiered approach for getting information out to the public and soliciting public input on this issue. This included, but was not limited to, e-mail communications to key stakeholders (<i>e.g.</i>, all El Camino Hospital employees, volunteers, and members of the Medical Staff), press briefings with local reporters, print ads, outreach to local and regional elected officials, and direct mail. Each of these methods encouraged the public to comment via US Mail, the “Community Feedback Form” on the District’s website, and/or attend the District Board meeting to provide input. To date, the following appeared in local print media and online:</p> <ol style="list-style-type: none"> <li>1. Mountain View Voice – Full Page Ad (April 28, 2017) and Article (April 21, 2017).</li> <li>2. Los Altos Town Crier – Full Page Ad (April 26, 2017) and Article (April 25, 2017).</li> <li>3. Sunnyvale Sun – Full Page Ad (April 28, 2017)</li> <li>4. Cupertino Courier - Full Page Ad (April 28, 2017)</li> </ol> <p>Due to printer and post office delays, a mailer containing a statement requesting comments "by May 3<sup>rd</sup> if possible" did not reach some District residents. Some District residents have expressed concern that they may have missed a “deadline” to provide written comment. The District website notes that written comments would be accepted up until May 15<sup>th</sup>, and those who have expressed concern about the May 3<sup>rd</sup> date have been assured by staff either by e-mail or by phone that their comments are still most welcome and will be forwarded to the Board.</p> <p>As of May 15<sup>th</sup>, we have received 115 comments through the website and via phone. We have categorized them by opinions about the three models presented in the Nygren presentation. Staff have updated this report in the Board packet with comments received through May 15<sup>th</sup> at 3pm and will provide any additional comments received ahead of the meeting in hard copy to the Board members and the public.</p>	
<b>Committees that reviewed the issue and recommendation, if any:</b> None.	
<b>Summary and Session Objectives:</b> To provide public input to inform the District Board’s deliberations.	
<b>Suggested discussion questions:</b> None.	
<b>Proposed Board motion(s), if any:</b> None	
<b>LIST OF ATTACHMENTS:</b> 1. Public Comment Report	



## Public Comment Report

	Model A			
	First Name	Last Name	City	Your Feedback
1	Judy	Van Dyck	Los Altos	As a 56 year resident of the district, I urge you to not diminish the voice of the people who have supported the hospital since its inception, by changing the current structure of the board.
2			Los Altos	I would vote to keep current model, the elected directors should be majority in the Hospital Board.
3	Jorge	Bardina	Los Altos	I strongly opposed to change the Governance model of El Camino Hospital Board, and I expect that you will keep the "Current Model: 5 District Directors (Elected), 3 Hospital Directors (Appointed), and 1 Hospital CEO". As a resident and taxpayer, I specifically require to have a Board with the majority of the Board members as Elected Directors, who answer and are accounted in every election by the residents and taxpayers directly. I strongly oppose options B and C, which in my view do not represent the interests of the residents and taxpayers of El Camino because they lack direct accountability to the people of our cities.
4	Janet	Dobson	Los Altos	Regarding changes to the Hospital Board, my preference is: A Current Model 5 District Directors 3 Hospital Directors (Appointed) 1 Hospital CEO
5	Gordon	Burkett	Mountain View	I have yet to see any rationale for changing the Board structure. I generally think that "if it ain't broke, don't fix it". If there are issues caused by the current Board structure, is there some good reason for not allowing the public to be aware of them before the decision is made? I don't recall seeing any specifics (or links to specifics) in the mailer that came to my house, nor in the e-mail that came to my computer at work. In general, I think that public entities should be primarily controlled by the public that they serve. So on that basis I would strongly support maintaining the current structure. It would definitely be a BAD IDEA to allow the Board to be dominated by unelected appointees.
6	Serge	Bonte	Mountain View	The proposed changes seem highly undemocratic process wise. Usually, when a corporation changes its board governance structure, shareholders get to vote. The District should really put these changes to a vote by its shareholders...aka voting residents of the District. Also, why not keeping the District Board in charge and have sub-committees with required expertise? That model would not usurp democratic governance while providing necessary knowledge. Finally, if going for the proposed schema (boardroom coup?), who would decide which 2-3 District Board Members would join the Hospital Board? Where is democracy in all of that?
7	Martha	Carpenter	Mountain View	Keep the current Model A!!
8	Brian	Frenzel	Mountain View	I strongly prefer alternative A. I don't see why anyone (eg, those that would appoint directors) would go to all this trouble to change it. That sounds like a conflict of interest to me.
9			Mountain View	I VOTE FOR OPTION A - THE CURRENT MODEL. THERE SHOULD BE MORE ELECTED FOLKS THAN APPOINTED FOLKS ON THE BOARD, SO THAT IT IS RESPONSIVE TO VOTERS.
10	Deborah	Ritchey	Mountain View	I would like to give my input (choice) of the three options. I suggest staying with "A", the current model. The least amount of hospital directors the better. I feel you should have elected directors only, with no appointed directors.
11	Gordon	Hamachi	Mountain View	The health care district needs to remain in the hands of elected district directors. Please do not screw around with the governance model.
12	Valerie	Fenwick	Mountain View	Please do not change things (A), you already do not have enough over site. Shame on you for discontinuing dialysis and having outrageous wait times in your ER, all the while having extra money on the business side to buy up more and more property outside of the district, while the 'community' side runs in the red.
13	Bruce	Karney	Mountain View	I strongly favor Governance Model "A" with 5 of the nine directors elected. As a 30+ year resident of the ECH District I feel that the Board is ALREADY insufficiently accountable and transparent. Models "B" and "C" would make this situation even worse.
14	Shirley	Luna	Mountain View	I think you do need these other experts but they should be non voting members. I like model A there the directors are in the majority. You can have tech, nursing and other experts. I do not want these people I did not vote for making major decisions.
15	Lois	Kellerman	Mountain View	I want Model A the current model.
16	Linda	Heider	Sunnyvale	I would like to contribute my opinion on the proposed governance models being suggested. I would prefer that the district adopt Model A (to keep the composition of the board as it is). My belief is that, since we are a district hospital, the preponderance of board positions should be from the district (community). It is our only voice.
17	Nina	Wong-Dobkin	Sunnyvale	The Public Announcement arrived in our mail just TODAY, May 4, pass the deadline for e-mail input. I do hope this input will still be considered! I much prefer keeping the current model of a 9-member board, with 5 elected directors, 3 appointed directors, and 1 hospital CEO. Thank you!

## Public Comment Report

	Model A (continued)			
18	Manuel	Solis	Sunnyvale	I think Model A should be use due to the fact that 5 district directors are elected. 11 board size is too big.
19	Eleanor	Pett	Sunnyvale	i want to see THE CURRENT MODEL of governance preserved. It is the best model for a community based hospital and healthcare district that values community input.
20	David	Tivol	Sunnyvale	I prefer a board on which the elected directors can be a majority and be held accountable. As an aside, it's not at all clear to me what problem the proposed models are intended to solve, other than to establish a majority of those not elected and not accountable to our community. Perhaps the purpose(s) of the proposed changes could be explained or elaborated. Thank you for considering my concerns.
21	Bruce and Vivian	Euzent	Sunnyvale	We are opposed to any changes in the board structure. The proposed changes eliminate any influence voters may have on decisions being made using our tax dollars. While we respect the need for specialists to advise the board, we know many other non profits who set up committees to investigate issues and report back to the board as well as hire consultants for those special needs. We also oppose any CEO becoming a voting member as this would give the CEO undue influence on the decisions being rendered by this board. Additionally, we feel by sending the informational flyer with the "junk" mail, the intention of this board was to hide the proposed changes so they could be pushed through quickly. This would be a major change and should have been sent in an envelope to residents. We also received it the day AFTER the last day to submit e-mail comments. We would not have known they were still being accepted if we had not asked. How many other people either didn't find the flyer at all or recycled it because the date was passed? We are greatly disappointed that this appears to be a ploy to protect special interest groups at the hospital.
22	Raymond	Burkley	Sunnyvale	Definitely stay with the Current Model ("A"). The other two models smack of a take over by the CEO and certainly have the potential of limiting transparency and fairness in the management of the Hospital. Yes, stay with Model A.
23	Bill	Lock	Sunnyvale	I see no reason to change the governance structure for the ECHD. Please retain the current governing board structure.
24	Kelly	Hails	Sunnyvale	I just became aware, from a friend, about a "junk mail type flyer" that she received. Although I went through my mail and recycling carefully to look for this flyer, I did not receive it. When she gave me a copy, I immediately noticed that the date for comments passed before it was delivered to her. I became concerned. Why did only some residents receive this flyer, and what are they hiding by making it look like junk mail? And lastly, why was it delivered (to only some residents) after the comment deadline had passed? Clearly, whatever is happening cannot be a good thing! I urge you to make constituents aware of the proposed changes in an appropriate way, with adequate time to understand the issues – not act in a hurried way. Let me express my opposition to any changes in the board structure. Voter influence on decisions made using tax payer dollars would be eliminated. While I understand that specialists can have valuable input on decisions, they should have just that – input, not board positons. Lastly, I oppose the CEO having a voting position on the board.
25	John	Benoit	Sunnyvale	I don't believe the ECHD board should change the board to create a non-elected majority (option 2 and option 3). ECHD was created by voters and funded by tax-payers - improving decision making should not come at the cost of accountability and control. And if the board was expanded, but the elected portion had reserved powers to remove appointed members, then those members are, in effect, advisors. So create advisory committees, or advisory board positions without voting roles. Please keep the board voting structure the same (option A).
26	Virginia	Snyder	Sunnyvale	If my elected board thinks they are not competent, with expert advice, to make decisions about the hospital and keep it under indirect control of the electorate they should resign. I will vote against any member who votes for the hospital board having a majority of appointees. It is important to get an advisory board, but they should not be given further power.
27			Sunnyvale	I am totally against the proposed changes. No!!! Please don't change. It is very important to maintain the current percentage of elected member so that the community's voice can be heard. It will be a disgrace to try to diminish the local opinion in the community and ask us as the taxpayer to continue funding this program. Again, NO!!! Please don't change.
28			Sunnyvale	"Stay with A." If the CEO, managers and other income beneficiaries want to become more internally-governed and do what THEY want, cancel the special tax district and go 100% private. Then you can do what you want. In the meantime, B and C - which sneak more control for the management clique - are non-starters for me. Become the value-provider of effective hospital care as "Job 1," more transparency, more public control ...nothing less.
29			Sunnyvale	You have not made the case for why the current governance model should be modified. As such, I oppose any changes to it and I feel the ongoing process to try to revise the model as a waste of taxpayer dollars. The district directors should be focused on providing the highest quality care to community members at the least cost. That currently is not happening. Please keep your attention where it should be.
30			Sunnyvale	Please keep the board composition as it currently stands

## Public Comment Report

Model A (continued)				
31	Adrian	Lobo	Sunnyvale	We should continue with model A. The mailing does not adequately justify the need for a change. I would like to see a clearer and much more detailed explanation for this need. Further, such a change requires more time for the community to understand its implications. Rushing such a change is not the way to go. Stipulating a May 3, 2017 feedback deadline, for a late mailing is unacceptable.
32	Bill	Krepick	Mountain View	It is unfortunate that the Board has nothing in its mission statement about the importance of controlling costs, delivering affordable health care, and implementing performance based medical outcomes. The notion of having more experts on the Board along with more internal control only serves to increase costs and salaries - as the community has seen over the past 5 years. Option A allows the taxpayers to have a modicum of control by giving them the opportunity to vote in directors who have majority control over the hospital strategy and operations. The other two options do nothing more than reduce transparency and increase costs of healthcare delivery. It's about time the Board revamped its mission and recognized that the only way to fix our broken healthcare system is to lead by example and increase accessibility and reduce the cost of healthcare delivery. The only way that can be done is to keep the taxpayers in control of governance, start controlling bloated salaries, and end the reliance on experts and consultants who do nothing more than perpetuate the endless spiral in cost increases and executive gravy trains. THEREFORE, STAY WITH OPTION A. IT'S THE ONLY OPTION THAT ALLOWS THE TAXPAYERS HAVE TO HAVE A VOICE IN THEIR COMMUNITY HOSPITAL.
33			Sunnyvale	I work at El Camino Hospital & provide care for the citizens of the healthcare district. I also reside in Sunnyvale & my property taxes provides money to the healthcare district. The board needs to vote for choice A.
34			Mountain View	I work in ECH i provide care to the citizens of the district I ASK THE BOARD TO VOTE CHOICE A Well balance board
35	Peter	Patron	Other	I believe we should keep the board as it currently stands with model A. I believe the elected District Directors should be the majority as they are elected by the people in this community and have the best interests of the community in their decisions. Our Federal and State governments are based on Democracy and I believe our board should follow our governments' example. Simply appointing more individuals to the ECH District Board reeks of conspiracy and corruption. Let's not go down that path.
36			Mountain View	I work at El Camino Hospital and provide care for the citizens of the healthcare district. The board should vote for choice A, which leaves the current model of hospital board governance in place
37			Sunnyvale	What's wrong with the current governance model? This is taxpayer money and the elected officials represents the taxpayers. Don't outnumber them with appointees or make the board too large for decision making. I don't support you proposed changes.
38	Kary	Lynch	Other	It is my privilege to have entered my 40th year as an El Camino Hospital employee. I care deeply about this hospital. I have addressed the District Board many times. I attended the Grand Jury hearings in 2012. I have spoken to most of the board members individually and attended candidate forums in which issues facing the hospital were debated. I have traveled to Sacramento to speak to our elected representatives about healthcare issues. I work in Behavioral Health. Behavioral health units have closed all over the state because they do not generate large profits. This elected board has recognized the value of mental health to our community and supported a wide range of programs including the construction of a new Behavioral Health building. I have concerns that appointed board members will obscure the line between a community hospital and giant healthcare corporations. Additionally, I have concerns that the transparency that was at the heart of the Grand Jury investigation will become obscure. I urge the board to vote for option "A" which will continue the current model of 5 elected Directors and 3 appointed directors. Respectfully, Kary Lynch
39	Virginia	Mosney	Other	Please vote for choice A, to keep governance as it currently stands.
40	Barbara	Park	Sunnyvale	I strongly support keeping the current model (A) with 5 District Directors (Elected), 3 Hospital Directors (Appointed) and 1 Hospital CEO. I have lived in the District for most of my adult life (nearly 60 years) and worked as an R.N. for several years at El Camino Hospital. Thank you for allowing my input.
41	Alan	Moo	Sunnyvale	I strongly urge you to keep the current model (A). I want the District elected Directors to have the majority vote. I've lived in the District since 1968.
42			Other	I vote for choice A. I work at el camino hospital and provide health care for the Los Gatos / Mt view area
43	Jesus	Cortes	Mountain View	I work at El Camino Hospital and I provide care for the citizens of the healthcare district. The board should vote for choice A, which leaves the current model of the hospital in place.
44			Other	I work at El Camino Hospital and provide care for the citizens of the healthcare district. The board should vote for choice A, which leaves the current model of hospital board governance in place.
45	Triveni	Sharma	Mountain View	I work at El Camino hospital and provide care for the citizens with their health care of this district. I am requesting the board should vote for choice A to continue current structure.

## Public Comment Report

Model A (continued)				
46			Mountain View	I work at El Camino Hospital and provide care for the citizens of the healthcare district The board should vote for choice A, which leaves the current model of hospital board governance in place
47			Mountain View	All, We have now gone through two contract negotiations and ratifications which have seen an increasingly collaborative approach from Hospital management since El Camino imposed their big takeaways on health insurance and other issues earlier this decade. We see the ascendance of a new majority on the elected Board as having brought about that change. The elected Board's correct decision to terminate the contract of the CEO who chose to impose those takeaways, a CEO who also failed to work collaboratively with other Hospital administrators, is another area where we see the benefits from better leadership from the elected El Camino Boardmembers. Now they want to change all that by Bringing the elected Board into a minority on the Corporation Board, this could lead us back to the bad old days, when they hired a CEO who brought the Hospital District into direct conflict with its healthcare workers. It also disrespects the voters of the District who voted for a change in direction after the County Grand Jury report in 2012 which found fault with some of the District's decisions. We need to show in mass to the ECH board meeting this coming Monday at 5:30 PM Conference room E, F and G. To demand that the board vote to maintain current board structure "Choice A" We need 50 employees on Monday plus 300 emails. Where you can ask to vote for "choice A" which is the current structure Our future depends on it! Here is the link where you can write your comment. Here is an example you can use a guide or write your own but make sure to express that the board should vote for "choice A" I work at El Camino Hospital and provide care for the citizens of the healthcare district The board should vote for choice A, which leaves the current model of hospital board governance in place
48			Mountain View	I work at El Camino Hospital and provide care for the citizens of the healthcare district The board should vote for choice A, which leaves the current model of hospital board governance in place
49			Mountain View	Please make this comment to the board of directors who are planning to change the model in favor of the corporation " I work at El Camino Hospital and provide care for the citizens of the healthcare district The board should vote for choice A, which leaves the current model of hospital board governance in place"
50			Mountain View	Choice A
51			Sunnyvale	I work at El Camino Hospital and provide care for the citizens of the healthcare district The board should vote for choice A, which leaves the current model of hospital board governance in place
52	Dan	Ogilvie	Other	Like many of my fellow SEIU members I love my job and love working for El Camino Hospital. I work at the Los Gatos campus, and this hospital is vital for Los Gatos and the surrounding areas. I won't be able to make the Board Meeting on May 15th, however I believe that Option A is the best fit for our hospital at this time. - Thank you for this forum to comment on this issue. Regards, Dan Ogilvie CNA/AS - Orthopedic Pavilion-LG
53			Mountain View	I work at El Camino hospital and provide care for the citizens of the healthcare district The board should vote for choice A , which leaves the current model of hospital board governance in place
54			Cupertino	I work at El Camino Hospital and provide care for the citizens of the healthcare district. The board should vote for choice A, which leaves the current model of hospital board governance to be in place.
55			Mountain View	I work at El Camino Hospital and provide care for the citizens of the healthcare district. The board should vote for choice A, which leaves
56	Carl	Malberg	Sunnyvale	I don't like the idea of shifting control away from the elected Board members . There should always be a majority of elected Board members on the Hospital Board
57	A. Bruce	Burns	Sunnyvale	Board Liaison El Camino Hospital District With regard to the Governance Models proposed for your May 15 meeting, I support Model A. As you probably know, most corporations have a majority of independents on their Board of Directors. I believe this is a good model, particularly since 6 District Directors are elected, and they represent the district tax payers. The Hospital Directors provide an essential input but I don't think it should equal or exceed the District input. El Camino Hospital has served me well for 55 years. I not that it is the only local hospital to be ranked nationally by the materials that I read. Having had major surgery - and couple minor ones – at the hospital, I can truly say that the care you provide is superior. Sincerely, A. Bruce Burns

## Public Comment Report

<b>Model A (continued)</b>				
58	Lenette	Rodrigo	Sunnyvale	As a 30+year district voter and hospital employee, I strongly urge the board to maintain the current 9-member hospital board with 5 ELECTED members. I have concerns about transparency and contract fairness in regards to employees and believe these issues will be compromised if the board is weighted with appointed members. Elected members can have a broad range of experience, and since anyone can run in the election, the "purposed" appointed members can run just as well. If they offer such a great amount of experience and intellect, they will surely be elected.
59	Martin	Gorfinkel	Mountain View	<p>I am writing in response to your request for comments regarding Board Governance Models.</p> <p>Information in your mailed public announcement fails to explain who owns the El Camino Hospital buildings or why there needs to be a Hospital Board which is distinct from the District Board.</p> <p>In the absence of compelling explanations, the arrangement gives the impression of opaque governance designed to shield the elected District Board from direct responsibility for decisions.</p> <p>The argument that the Hospital Board needs to include expertise not present in the District Board is not compelling. All of our elected officials, from school board, to city council, to county board, and on up, are required to make decisions well outside of their personal areas of expertise. They rely on committees, commissions, and staff to provide guidance. Why should the El Camino District Board be any different?</p> <p>Thus, in my view, these suggestions for change in governance go in exactly the wrong direction. They tend to lessen the responsibility of the elected District Board. There does not seem to be any need for this change.</p> <p>I would prefer to see the Hospital Board dissolved; if there are legal reasons for retaining the Hospital Board, it should be a board of five members consisting of the elected members of the District Board; if that arrangement is not consistent with the laws governing the district and the hospital, then the situation should be clearly explained.</p> <p>I do not mean to attribute motives behind your suggested changes; I am reacting to the appearance those changes present.</p>
54	Art	Beatty	Los Altos	Governance model scenarios: I strongly recommend Scenario "A". Stay with the current model. This is a community hospital.
<b>Model A or B</b>				
	<b>First Name</b>	<b>Last Name</b>	<b>City</b>	<b>Your Feedback</b>
1	Michael	Kwan	Sunnyvale	I'm a big fan of tight governance and accountability for any public institution. If I understand the proposals, the model with 3 District Directors on the Hospital Board means that 2 of 5 elected District Directors don't have a seat on the Hospital Board. That looks to me like a weakening of oversight. I would like to see a model where all 5 elected Directors are also on the Hospital Board.
<b>Model A or C</b>				
	<b>First Name</b>	<b>Last Name</b>	<b>City</b>	<b>Your Feedback</b>
1			Mountain View	Please stick with the current model A, or the proposed model C. I do not wish to support Version B. Thank you for taking the public and employees opinions into consideration!
<b>Model B</b>				
	<b>First Name</b>	<b>Last Name</b>	<b>City</b>	<b>Your Feedback</b>
1	Evelyn	Ho	Mountain View	<p>Dear ECHD Board Members,</p> <p>Thank you for your continued service in representing the interest of the public in the management of the health care district and our public dollars. As a voter, long-time Mountain View resident, and health care executive (managing director - administration, compliance, quality and population management for ambulatory care), I ask that you update the Board to Model B, with equal numbers of healthcare district and hospital appointees or maintain the current Model A and identify other ways to bring content expertise to the Board. I would be strongly opposed to Model C where hospital appointees would be the majority of the Board. While I know that managing the relationship between the hospital and the health care district can be challenging at times, it is imperative that both district board members and hospital board members are on equal footing to find opportunities for shared decisions that support the long-term success of the hospital AND the interests of the tax payers.</p> <p>I would also ask if the Hospital Board is looking for additional knowledge experts, to ensure that that knowledge is being built WITHIN the executive teams and the staff more than at the Board level.</p> <p>Thank you for taking the time to consider my perspective and for your work to provide care to our local community.</p> <p>Sincerely, Evelyn Ho, MPH</p>
2	Cathy	Hutton	Mountain View	Governance model "B - Expanded Model" with 5 elected district directors, 5 appointed hospital directors, and 1 hospital CEO is the model I support.
3	Terry	Rutledge	Other	Model B allows for the use of experienced directors that can be appointed from needed areas of expertise. However, I am not sure appointed Directors should have a vote on the financial Healthcare District decisions. The elected individuals live in the District with Financial responsibility. The Hospital appointed Directors should include people not living in the district if the Board can use their expertise.

## Public Comment Report

	<b>Model B (continued)</b>			
4	Michelle	Pezzani	Other	I think option B is best I just wonder whether the CEO has the ability to vote, and whether there is any conflict of interest if he/she is able to vote. I don't know enough about the situation to know this answer
5	Bob	Miller	Other	I support the proposed expansion and change to the structure of the Hospital Board. - Properly comprised, it could allow the elected District Board members to focus on representing their constituencies in overseeing the community outreach of the District while still maintaining high level oversight of the District's principal asset, i.e., the Hospital. The Hospital Board, in turn could be strengthened with Directors with strong business and health care expertise. - It would provide the opportunity to enhance the range of experience and competencies on the Board. To that end, I don't think the Board needs more representation from specific health care disciplines such as pharmacy and nursing as implied in the Q&A. Those are already available to it from within the Hospital. The Board could benefit from the addition of Directors with broad business acumen. - Having a larger Hospital Board could ease the burden on Directors currently on both Boards and on multiple Committees by providing a larger group of Directors from which to staff the Advisory Committees.
6			Sunnyvale	Governance Model B seems to be more balanced between elected officials and medical experts. P.S. The feedback announcement is in my mail box on Wednesday, May 3, at 2.45 p.m. (!)
7	Ramtin	Agah		Dear El Camino Hospital Board Members, Having worked with the hospital board as Chief of the Medical Staff between 2014-2016, I fully support the idea of expanding the hospital board to include appointed experts in the field of healthcare to guide the strategic goals of the hospital; although I am not an expert in governance, I personally favor/support expanding the board to 11 members including all 5 district board members. Sincerely, Ramtin Agah, MD
8			Other	I urge the Board to consider option B, the Expanded Model, as more expertise and more voices on the Board would benefit the governance structure and the community.
	<b>Model B or C</b>			
	<b>First Name</b>	<b>Last Name</b>	<b>City</b>	<b>Your Feedback</b>
1			Other	The expanded model for hospital board governance seems to more appropriately meet the objectives of engaging the broader Silicon Valley population, as well as increasing the variety of education, experience and skills.
2			Sunnyvale	I like option B or C. If had to make a choice would go with C so less elected Board members on Hospital Board and more specialized expertise on the Board.
3	Prasad	Setty	Los Altos Hills	I'm glad to hear that the Board is considering governance proposals. ECH plays an incredibly important role in the community and we need the hospital to be set up well for the changing healthcare environment. I believe that Option B or Option C would be a benefit to the organization, especially if it included full voting rights for the CEO. We need qualified experts who can help guide the future of the hospital and we need to empower the CEO to be able to do so.
	<b>Model C</b>			
	<b>First Name</b>	<b>Last Name</b>	<b>City</b>	<b>Your Feedback</b>
1	Gary	Kalbach	Los Altos	District directors: I am very pleased that, after 6 years of discussing this with you a competency based hospital model is being considered. This makes my efforts feel worthwhile! I have said repeatedly that a politically experienced board is not necessarily competent to oversee an \$800 million business in a rapidly changing competitive environment. My personal preference is to maintain a "smaller" board - (7-9 members) because the group dynamics are better. This would mean limiting the number of elected board members on the hospital board. However, I fully understand the politics of the five elected members which will probably deny this efficient structure. The alternative is to leave all five on the board and add three new appointed positions, making six outside members. This would require extraordinary leadership going forward-both the board chair and the CEO. Do something so we can bring in the subject matter experts and compete in this changing environment. Sorry, I will not be able to attend the May 15 meeting. Gary
2	Joe	Eyre	Los Altos	I strongly support your Alternate model C, in which appointed hospital directors are the majority in the hospital board's composition. Thank you.
3			Los Altos	I think Model C will give the Hospital Board the ability to nimbly deal with the challenges the hospital faces while still maintaining more than adequate public oversight.
4	Alicia	Potolsky	Cupertino	I live in Sunnyvale and work at ECH. I would prefer Hospital Board Governance Model Scenarios 'C' = 3 elected, 5 appointed, 1 CEO.
5			Mountain View	choice "C"
6			Mountain View	I'm voting for the Alternate Model, 3 District Directors



## Public Comment Report

Model C (continued)				
7			Mountain View	I think plan C is best, with 3 elected District Directors and 5 appointed Hospital Directors.
8	Sergey	Firsov	Mountain View	vote for model C
9	Evgeniya	Kulikova	Mountain View	vote for model C
10	Margaret	Wilmer	Other	With the current complexity of healthcare delivery and financing, a competency-based Board is critical for navigating a viable future for the hospital. Implementing a Board structure that is dominated by industry experts is the most responsible district stewardship possible.
11			Other	I choose C. I think identifying the critical skills that are required to be on a hospital board is essential. We should then recruit for those skills. We should look for individuals that have the depth and complexity of professional experience to guide the organization. Clearly appointing people for this role is preferable.
12	Athena	Lendvay	Sunnyvale	I support Model C of ECH Board Governance. It does not make sense to me when elected District Directors have the majority vote when they may not have any experience in healthcare or even in a complex business such as hospitals.
13			Sunnyvale	I support the idea of modifying the Hospital Board structure to bringing in additional expertise. Model C keeps the current Board size the same while adding new appointed members. Since the District Board still has oversight, this model seems appropriate. Thank you for the opportunity to comment.
14	Cherie	Beck	Sunnyvale	My choice is option C
15			Los Altos	I support increasing the hospital board's expert members - and having them hold a majority on the hospital board
16			Santa Clara	We need specialists on the board that have hospital operations experience. Experts that understand the changing market in health care and the need to form partnerships in order to stay viable. Our current board does not have specialists that know how to run a hospital, understanding of hospital operations and the need to think strategically. This has held us back while our partners and competition continue to thrive and we continue on as a single entity health system which will hinder our success and possibly our survival. We need talent on the board that understands the market!
17			Los Altos	As a physician who has served for several years on medical staff leadership committees, it is evident to me that board is greatly strengthened by membership with individuals that have healthcare knowledge. I absolutely support having elected officials on the board and I also support there being a balance of elected and appointed individuals such that there is at least an equal split of the two. This allows the elected board members to exercise their expertise while the appointed individuals can exercise their expertise. It would allow a more balanced direction for the board of directors.
18			Los Altos	The proposed governance restructuring is a natural progression of the work the District Board began five years ago with the 2012 decision to appoint three additional Hospital Board members based on "competency" criteria and to recruit ~30 subject matter experts to serve on six board committees. Fulfilling its duty to make sure El Camino Hospital (ECH) has the strongest governance possible, the District Board is to be commended for grappling with the need for even more expertise and the possibility that Directors other than themselves may be in the best position to provide it. It is a courageous step to become a minority of the Hospital Board and fortunately, there is little risk as reserve powers enable the District to maintain its right to remove any and all appointed Hospital Directors and the Brown Act insures continued transparency. By remaining a nine person board (with five appointed Directors and full voting privileges for the CEO), ECH gains by having a higher proportion of subject matter experts (with deep clinical, technological, partnership, and population health skills) guiding the hospital without becoming more unwieldy due to an increase in size. The selection process of the three District Board members would need to be carefully considered. Rotation is one way to insure "fairness", both to Board members and the voters whom they represent. The other two Directors could stay involved through membership on Board Committees. Such a shift can be seen, not as a reduction in control but rather, an elevation of the District Board, freeing it to govern at a higher oversight level without getting bogged down in operational specifics (e.g. HCAHPS quality scores). During these turbulent times, voting for Option C to gives El Camino Hospital, now an \$800m organization, its best chance to continue to provide high quality, efficient, and accessible care, while remaining an increasingly rare entity -- a locally controlled, independent, non-profit, community hospital.
19			Los Altos	As a 25 year resident of the district, I commend the district board for proposing this change to add to the hospital board several more people highly qualified to meet the challenges of providing care in this very complex medical, technological, policy and insurance environment. It is foolish to think that five elected officials, whose elected position has no competence or experience requirements at all and who often run unopposed, can make wise decisions without board members with current and relevant expertise deliberating and working alongside them. It is truly a credit to the elected district board members that they recognize this. In these proposals, taxpayers retain oversight, meetings remain open to the public. Patients and the community have much to gain--El Camino Hospital is a healthcare jewel that must be protected. I think Option "C" makes great sense. Option "B" is ok but perhaps because of its size a little unwieldy.

## Public Comment Report

Model C (continued)				
20			Los Altos	The healthcare market conditions have changed dramatically since the founding of the district and a new model is required to better address the changing healthcare environment. Model C will give the best chance for ECH to remain competitive, financially healthy and well positioned to serve the healthcare needs of the community. Model B, while better than the current approach, dilutes a board with members who could lack competence necessary to be effective. Model A can no longer effectively serve the district under these challenging marketing conditions as elected board members without healthcare competency are able to exert undue influence over the hospital board which can lead to, and has led to, slower and inferior decision making. Model C puts the emphasis where it is needed - on competency of directors while still protecting the rights of the elected board.
21			Los Altos	El Camino hospital is competing in an increasingly difficult marketplace for healthcare services. It needs to have a competency-based governing body to insure the necessary expertise is in place to oversee hospital operations, which elected officials may not deliver. Therefore, I am strongly in favor of Option C with the CEO having full voting privileges.
22			Los Altos	Option C is the obvious choice for the hospital. Qualified board management with operational experience in the healthcare field only makes sense.
23			Mountain View	<p>This January, I spent a night at El Camino Hospital with some mysterious migraines and other symptoms. The medical staff at El Camino took great care of me, ensuring that all the necessary tests were done and collecting as much information as possible. This was the beginning of a long road to recovery, of which El Camino was an integral part.</p> <p>When you are most in need of help, you have to be able to rely on the medical team taking care of you. This is why it's important to me that El Camino's board contains experts who have experience in the field and are qualified to judge how well the hospital is being run and ensure the hospital is advancing the health of our community. That is why I am in support of Option C. More experience from appointed directors means more informed decisions on providing me the best possible care.</p>
24	Teri	Eyre	Los Altos	<p>I strongly support Option C. The continued success and long-term viability of El Camino Hospital requires a strong and competent board with capabilities and perspective that extend beyond the capabilities of any five elected officials. The elected board members of ECHD are accountable to appoint the Hospital Board (among other responsibilities). This is a critically important role. The interests of the community are best served when District Board members focus on identifying the strongest leaders (Hospital Board and CEO) to serve the Hospital, rather than the outdated practice of continuing to nominate each other without regard to expertise.</p> <p>A review of the Board composition of other relevant healthcare providers in our community (e.g., Stanford, Sutter, Kaiser) shows the breadth and depth of expertise on these boards. El Camino Hospital would also benefit from a Board with in-depth expertise in various healthcare models, systems, and policy, and a wider set of business and strategic skills to shape future strategy. The District Board should assess these needs, and implement strong board succession and development practices that improve the Hospital's ability to serve our community.</p> <p>Appointing board members with relevant expertise does not diminish the role of the District Board, nor does it necessarily change the local representation from the community. In fact, if done well, this will actually increase the impact of the District Board by refocusing them on what is most critical for the long-term viability of our community hospital.</p>
25	Fiona	Walter	Mountain View	El Camino hospital is competing in an increasingly difficult marketplace for healthcare services. It needs a "competency" based governing body to insure the necessary expertise is in place to oversee hospital operations. Elected officials may or may not have the necessary background. Therefore, I am strongly in favor of Option C with the CEO having full voting privileges. Thank you for gathering input from the community on this very important topic! Much appreciated!
26	Harry	Price	Mountain View	I support Model C. I believe that it could lead to greater expertise and focus by the hospital board, and thus allow them to do what they need to do to be a world-class health care provider, with good patient care and solid financial decisions. I appreciate the opportunity for public input.
27	Tam	Nguyern	Not Given	<p>I have reviewed the presentation of the 3 Governance Models. I strongly recommend Option C, including giving full voting privileges to the CEO. I believe this is the best option to increase the expertise needed to oversee El Camino Hospital.</p> <p>Thank you.</p>
28	Robin	Abrams	Los Altos	<p>I strongly support Option C. The long-term viability of El Camino Hospital requires a strong and competent board with capabilities and perspective that extend beyond the capabilities of any five elected officials. The elected board members of ECHD are accountable to appoint the Hospital Board (among other responsibilities). The interests of the community are best served when District Board members focus on identifying the strongest leaders (CEO and Board) to serve the Hospital, rather than the outdated practice of continuing to nominate each other without regard to expertise. Appointing board members with relevant expertise does not diminish the role of the District Board, nor does it necessarily change the local representation from the community. In fact, if done well, this will actually increase the impact of the District Board by refocusing them on what is most critical for the long-term viability of our community hospital.</p>
30			Los Altos	I strongly support option C.
31			Los Altos	I strongly support options C for the future of El Camino Hospital board.



## Public Comment Report

Model C (continued)				
32	Uwe	Kladde	Los Altos Hills	I support Option C in the Board restructuring.
33	Vivien	D'Andrea	Los Altos	<p>Dear Members of the El Camino Hospital Board, I'm sorry I can't be here in person to share my comments.</p> <p>I want to applaud you for taking the wise step to plan the future governance of the El Camino Hospital (ECH) board. I know it has taken many hours of discussion and weighing of expert opinions to get to this point.</p> <p>I have been a member of the El Camino Hospital Medical Staff for 26 years. I am an internist with the Palo Alto Medical Foundation/Sutter Health (PAMF) and have served as the Chief of Medicine at ECH and PAMF as well as the Chief of Staff at ECH. I was one of 5 physician leaders selected to implement ECH's electronic medical record system, EPIC, at ECH in 2015 and am currently a Physician Champion for ECH's iCare (EPIC).</p> <p>With this experience, I have a good perspective of the relationship between the board, administration, and the medical staff. Many of my fellow physicians and community members are unfamiliar with the difference between the District and Hospital Board. My experience serving as Chief of Staff has given me a unique insight into the strengths and weaknesses of the current board model.</p> <p>The ECH medical staff is made up of over a thousand physicians, both from PAMF and independent practices. Adjusting to their differing needs and expectations is complex. Guiding an \$800 million hospital with its employees, contracts, quality measures, etc. is daunting. To do this in the rapidly changing healthcare market is difficult. We need board members with expertise and experience to effectively address all these issues.</p> <p>After speaking to board and board committee members over the past few years, as well as hospital administrators, physicians, and community leaders, I am convinced that option C is the best direction forward for our district and our hospital. It still allows our district residents to give input on community health and also strengthens the hospital board so that it can recruit experts in the complex field of health care.</p> <p>I am impressed with the depth of knowledge of your board committee members and commend you for having the foresight to add these committees. It is now time to strengthen the hospital board further by recruiting healthcare experts and clinicians who can help navigate the rapidly evolving healthcare landscape.</p> <p>Thank you for your many hours of thoughtful work and planning for the future of our wonderful hospital.</p> <p>Vivien D'Andrea, MD, FACP ECH iCare Physician Champion (2014 – present) Chief of Staff, ECH (2012-14) PAMF internist and Chair of Medical Education Committee</p>

## Public Comment Report

	No Model Specified			
	First Name	Last Name	City	Your Feedback
1	Judith	Hoar	Los Altos	I did not receive the Public Announcement governance document in the US Mail until the afternoon of May 05, 2017, two days AFTER the deadline for email or fax comments. This is unfair and unacceptable. Also, none of the information received indicates whether or not a vote by the members of the hospital district is required. Is it?
2			Los Altos	The public announcement mailer (which arrived 5/6 after your requested deadline for comments) is a masterful piece of gobbly-gook marketing. Reading between the lines, it seems like you want to increase the number of appointed hospital directors, but don't want to say so or explain why. The web site is a bit better, but the whole thing looks like trying to slip one by the district residents.
3			Mountain View	Please consider representatives/physicians each from the medical community and Palo Alto Medical Foundation since they represent the primary individuals administering PATIENT CARE in the hospital on a daily basis and understand the problems and needs for superior outcomes.
4	Michelle	Gabriel	Mountain View	I think it's important to increase the ability of the board to bring in subject matter experts to call upon in order to meet the responsibilities of a board. Running a health care organization is challenging, and it helps for a board to be nimble in adding members with the content knowledge when needed to support the success of the organization. It would be important to ensure that appointments truly follow a process to meet the governance need. At the end of the day, the board is here to ensure long term viability of the organization, and it needs the structure and expertise to do so.
5	Greg	Thelen	Mountain View	Today, May 4th, I received a flyer in the mail soliciting feedback for the upcoming board meeting. According to the flyer the deadline for feedback is yesterday May 3rd 5pm. This presumably excludes a portion of the community. BTW: my only feedback is to ask if the hospital could provide uniform, transparent, up-front pricing.
6			Sunnyvale	What is the salary, if any, of the District and the Hospital Board members. I would have concerns about the Boards getting too top heavy and too wieldy to manage.
7	Phone Call		Not Given	El Camino Hospital prices are too high.
8	Mike	Honey	Sunnyvale	To the Board and CEO: My first question is "how much was paid to Nygren for the several page recommendation?" please respond to my email at mhoneyv@aol.com. My second comment has to do with the information provided, what is the issue to vote on, and the openness of the board. Three structures are proposed, but the specific issues to be resolved are not elaborated on, nor specific solutions suggested, nor assignment of responsibilities clear. The several proposals only vary in the amount of control retained by the elected officials. Which is no surprise, it seems to be the major concern of any elected official. However, the people are concerned about concrete solutions to specific problems, and assignment of the process to specific individuals. And of course, the cost and trade-offs of those solutions. To be clear, what are the three major challenges to the district in the next 5 years, and what are the alternative solutions? It might be useful to do a gap analysis of how Sutter does business, its structure and strategies, versus how El Camino is doing business. To be conducted by the Hospital CEO using consultants, and coming to specific recommendations. Where does the CEO stand on these issues, what does the composition of the board have to do with those issues, other than bringing on knowledgeable supervisors. These board members will not be solving the problems. And, another question.. What are the salaries of the top 5 individuals in the Hospital, and who are they? As an aside, I am concerned about the level of expertise in preparing the FAQ and associated documents. Such comments as "consumer shift to outpatient services" in your webpage, seem to attribute changing service patterns to the consumer, and not to the strategy of the hospital" Is this true? I am but one interested person, asking what seem to be obvious questions to me, and I hope this promotes discussion toward better solutions Regards, Mike Honey
9			Other	I believe that some district board members may have run for office for personal gain. That being said, they may not have the best interest of the community or the hospital in mind at all times. I'd like to request that the district board have less oversight of the hospital and that those with a medical/clinical background be more involved with the operations of the hospital, which several of the district board members do not have.
10	Philip	Tucker	Mountain View	How do I get removed from your mailing list?

## ECHD BOARD MEETING AGENDA ITEM COVER SHEET

<b>Item:</b>	Appointment to the Independent Special District Selection Committee of the Santa Clara County LAFCo ("ISDSC")  El Camino Healthcare District Board of Directors  May 15, 2017
<b>Responsible party:</b>	Cindy Murphy, Board Liaison  Brenda Taussig, Director, Government and Community Relations
<b>Action requested:</b>	For Possible Motion
<b>Background:</b>  There are 17 Special Districts in Santa Clara County (Water, Fire, Open Space etc.). LAFCo of Santa Clara County has 7 seats, two of the seats are reserved for representatives of the Santa County Special District Association (SCCSDA). One SCCSDA seat on the LAFCo Board is held by a representative of the SCC Water District, the largest member. The other SCCSDA seat is elected by the SCCSDA members. The term for that LAFCo seat (and its alternate) expires on May 31, 2017. There is a meeting on May 16 <sup>th</sup> at 10:00 AM to elect the representative and the alternate. The presiding officer of each Special District may attend the meeting and vote in the election. Since Chair Fung is not able to attend, the ECHD Board may appoint another Board member to attend the meeting and vote in his place.  Candidates for the LAFCo Special District seat must be a member of any one of the governing bodies of the 17 Special Districts (except the Water District), and can be nominated by those members. Sequoia Hall, the current Special District Representative, is seeking another term. Mr. Hall is now the Chair of the LAFCo Board. Brenda Taussig, our Director of Government and Community Relations, who is familiar with LAFCo and has attended the quarterly meetings of SCCSDA for four years, reports that Commissioner Hall's work on SCC LAFCo is well respected. Ms. Taussig also reports the current alternate, Yoriko Kishimoto, is a former Palo Alto City Council member and a conscientious alternate.	
<b>Committees that reviewed the issue and recommendation, if any:</b> None.	
<b>Summary and Session Objectives:</b>  To appoint an ECHD Board member to attend the ISDSC meeting on May 16, 2017.	
<b>Suggested discussion questions:</b> None.	
<b>Proposed Board motion(s), if any:</b> To appoint Director _____ to the ISDSC.	
<b>LIST OF ATTACHMENTS:</b> <ol style="list-style-type: none"> <li>1. Notice of Independent Special District Selection Committee Meeting Selection of Special District Members to Serve on LAFCo.</li> <li>2. ISDSC Agenda</li> <li>3. Role of LAFCo Commissioners</li> </ol>	



**APRIL 17, 2017**

**TO: INDEPENDENT SPECIAL DISTRICT BOARD MEMBERS, MANAGERS / CLERKS**  
**FROM: NEELIMA PALACHERLA, LAFCO EXECUTIVE OFFICER**  
**RE: NOTICE OF INDEPENDENT SPECIAL DISTRICT SELECTION COMMITTEE MEETING**  
**SELECTION OF SPECIAL DISTRICT MEMBERS TO SERVE ON LAFCO**

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The Local Agency Formation Commission of Santa Clara County (LAFCO) will convene a meeting of the Independent Special District Selection Committee (ISDSC).

**ISDSC Meeting Date: Tuesday, May 16, 2017**  
**Time: 10:00 AM**  
**Location: Santa Clara Valley Water District Boardroom**  
**5700 Almaden Expressway**  
**San Jose**

The purpose of the ISDSC meeting will be to select two special district members – one regular member, and one alternate member, to serve on LAFCO. The agenda for the ISDSC meeting is attached.

Currently, Sequoia Hall (Board member, Santa Clara Valley Open Space Authority) serves as the regular member on LAFCO, and Yoriko Kishimoto (Board member, Midpeninsula Regional Open Space District) serves as the alternate member. Both members' terms expire on May 31, 2017. Both members have expressed an interest in serving another term.

In December 2012, LAFCO adopted Resolution No. 2012-07, expanding its membership to include two special district members and one alternate special district member. As agreed upon by the Special Districts Association of Santa Clara County, the Santa Clara Valley Water District (SCVWD) appoints one special district member to LAFCO, and the ISDSC appoints the second member and an alternate member to serve in place of the two regular special district members.

This memorandum provides formal notice of the ISDSC meeting and provides information on the selection process of special district members to serve on LAFCO.

## **ISDSC MEMBERSHIP**

The ISDSC membership is comprised of presiding officers of the following 17 independent special districts in Santa Clara County:

1. Aldercroft Heights County Water District
2. Burbank Sanitary District
3. Cupertino Sanitary District
4. El Camino Healthcare District
5. Guadalupe Coyote Resource Conservation District
6. Lake Canyon Community Services District
7. Lion's Gate Community Services District
8. Loma Prieta Resource Conservation District
9. Midpeninsula Regional Open Space District
10. Purissima Hills Water District
11. Rancho Rinconada Recreation and Park District
12. San Martin County Water District
13. Santa Clara Valley Open Space Authority
14. Santa Clara Valley Water District
15. Saratoga Cemetery District
16. Saratoga Fire Protection District
17. South Santa Clara Valley Memorial District

If the presiding officer of an independent special district is unable to attend the ISDSC meeting, the legislative body of the district may appoint one of its members to attend and vote in the presiding officer's place. District managers or other district staff members may not vote.

ISDSC members representing a majority (9) of the independent special districts shall constitute a quorum. The ISDSC shall not conduct its business without a quorum of its membership.

## **PROCESS FOR SELECTION OF SPECIAL DISTRICT MEMBERS TO SERVE ON LAFCO**

Specifically, the ISDSC will select one member to serve in each of the following two positions:

- One regular special district member
- One alternate special district member  
The alternate member will vote or serve in place of the regular member if either of the two regular special district members is absent or does not qualify to participate in a meeting.

A brief description of the roles and responsibilities of a LAFCO commissioner is attached.

At the May 16, 2017 ISDSC meeting, any member of an independent special district governing board may submit nominations for the special district member positions. The nominees must be elected or appointed special district officers residing within the county but must not be members of the legislative body of a city or county. Each

nominee will be given an opportunity to make a brief statement. A ballot will be provided to the members of the ISDSC (i.e., to each presiding officer or voting delegate of independent special districts) present at the meeting. Each member of the ISDSC is entitled to one vote. The ISDSC is encouraged to make selections that fairly represent the diversity of the independent special districts in the county, with respect to population and geography.

If only one nomination is received for a position, that nominee is selected. The nominee who receives the majority of the votes cast is selected. If no nominee receives a majority of the votes cast, a run-off election between the two nominees who receive the greatest number of votes is held. After votes are tallied, the results will be announced.

#### **TERMS OF OFFICE FOR LAFCO MEMBERS**

The term of office for a LAFCO commissioner is 4 years and until the appointment and qualification of a successor. There are no term limits.

A member's term of office on LAFCO will cease immediately if he or she ceases to be on the special district board. The statute also provides that a member may be removed at any time and without cause upon a majority vote of the ISDSC.

#### **DISQUALIFICATION ON PROPOSALS AFFECTING THE DISTRICT**

Pursuant to Government Code §56332(d), a special district member is not automatically disqualified from acting on a proposal affecting the member's special district. However, the statute allows that the ISDSC may, at the time of appointment of a member or alternate, specify that the member is disqualified from voting on proposals affecting the member's district.

#### **FOR MORE INFORMATION**

If you would like more information on LAFCO, please visit the LAFCO website at [www.santaclaralafco.org](http://www.santaclaralafco.org).

If you have any questions about this process please contact me at [neelima.palacherla@ceo.sccgov.org](mailto:neelima.palacherla@ceo.sccgov.org) or at (408)993-4713.

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#### **ATTACHMENTS**

Agenda for the May 16, 2017 ISDSC meeting

Role of LAFCO Commissioners

#### **NOTE TO INDEPENDENT SPECIAL DISTRICT MANAGERS AND / OR CLERKS:**

**Please Distribute this Notice to All Members of the District Board**

# **INDEPENDENT SPECIAL DISTRICT SELECTION COMMITTEE (ISDSC) MEETING**

**Tuesday, May 16, 2017**

**10:00 AM**

**Santa Clara Valley Water District Boardroom  
5700 Almaden Expressway, San Jose**

## **AGENDA**

1. Roll Call and Establish Quorum
2. Overview of LAFCO and Role of LAFCO Commissioners
3. Overview of Selection Process for LAFCO Members
4. Selection of One Regular Special District Member
  - a. Call for nominations
  - b. Candidate statements (5 minutes max.)
  - c. Vote for special district member position
  - d. Count ballots
  - e. Announce results
5. Selection of One Alternate Special District Member
  - a. Call for nominations
  - b. Candidate statements (5 minutes max.)
  - c. Vote for special district member position
  - d. Count ballots
  - e. Announce results
6. Determine if a member should be disqualified from voting on proposals affecting the district of which he/she is member
7. Next Steps
8. Adjourn

## **ROLE OF LAFCO COMMISSIONERS**

### **LAFCO PURPOSE**

LAFCO is an independent agency with countywide jurisdiction established by the state legislature in 1963 to encourage orderly growth and development of local agencies. The mission of Santa Clara LAFCO is to promote sustainable growth and good governance in Santa Clara County by:

- preserving agricultural lands and open space,
- curbing urban sprawl,
- encouraging efficient delivery of services,
- exploring and facilitating regional opportunities for fiscal sustainability, and
- promoting accountability and transparency of local agencies.

LAFCO will be proactive in raising awareness and building partnerships to accomplish this through its special studies, programs and actions.

LAFCO regulates annexations and other boundary changes for cities and special districts including detachments, consolidations, formations and dissolutions. The Commission also has authority over amendments to cities' Urban Service Area boundaries; and over service extensions outside jurisdictional boundaries. LAFCO is also required to conduct Service Reviews prior to reviewing and updating as necessary, the Spheres of Influence for cities and special districts.

### **LAFCO COMPOSITION**

Santa Clara LAFCO is made up of seven commissioners including two county supervisors; one council member from the City of San Jose; one council member from any of the other 14 cities; two special district members – including one Santa Clara Valley Water District board member; and one public member selected by the other six members. Five alternate commissioners, one for each category serve in place of the regular members when needed.

The alternate member may vote and serve in place of the regular member if the regular member is absent or does not qualify to participate in a meeting. If the office of the regular member becomes vacant, the alternate member may serve and vote in place of the former regular member until the vacancy is filled.

### **INDEPENDENT JUDGMENT OF LAFCO COMMISSIONERS**

Government Code Section 56325.1 requires that while serving on LAFCO, all commissioners exercise their independent judgment on behalf of the interests of the public as a whole in furthering the purposes of LAFCO, and not solely the interests of the appointing authority.



## **LAFCO MEETINGS**

LAFCO generally meets on the first Wednesday of even months at 1:15 PM at the County Government Center in San Jose. LAFCO meetings are typically 2 hours in length. LAFCO commissioners are expected to make every effort to attend all six regular meetings. Similarly, alternate LAFCO commissioners are also expected and encouraged to attend and participate in all LAFCO meetings, even if the regular members are present.

LAFCO commissioners receive a per diem of \$100 for attendance at LAFCO meetings. Commissioners are excluded from voting on proposals if proponents or agents of the project have contributed over \$250 to them during the 12 months prior to the date of the LAFCO filing.

Commissioners may also participate on LAFCO committees (e.g. Finance Committee) and technical advisory committees for special studies. Additionally, CALAFCO (the statewide association of LAFCOs) provides training on topics of relevance to LAFCOs through an annual conference and other special workshops/classes.

LAFCO staff will conduct an orientation session/training for new commissioners prior to their first LAFCO meeting.

## **MORE INFORMATION**

More information on LAFCO is available on the web site at [www.santaclaralafco.org](http://www.santaclaralafco.org).

Please contact Neelima Palacherla, LAFCO Executive Officer at (408) 993-4713 or email [neelima.palacherla@ceo.sccgov.org](mailto:neelima.palacherla@ceo.sccgov.org) with any questions on LAFCO.

April 2017

**EL CAMINO HEALTHCARE DISTRICT BOARD**  
**FY2017 PACING PLAN (Updated March 27, 2017)**

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

FY17 Q3		
JANUARY 17, 2017	FEBRUARY 2017	MARCH 14, 2017
<ul style="list-style-type: none"> <li>Recognition (As Needed)</li> <li>Community Benefit Spotlight (If Time Allows)</li> <li>FY17 YTD ECHD Financials</li> <li>Hospital Board Member Election Ad Hoc Committee Report (if necessary)</li> <li>Pacing Plan</li> <li></li> <li>El Camino Hospital Governance</li> </ul>	No Meeting	<ul style="list-style-type: none"> <li>Recognition (As Needed)</li> <li>Community Benefit Spotlight (If Time Allows)</li> <li>FY17 YTD ECHD Financials</li> <li>Hospital Board member Election Ad Hoc Committee Report (if necessary).</li> <li>Affirm Process for June Board Officer Election</li> <li>Pacing Plan</li> <li>Closed Session Minutes Requirements</li> <li>ECH Governance</li> <li>CBAC: Staff or Board Committee</li> </ul> <p>Added March 8 Meeting Re GO Bond Refinancing)</p>
FY17 Q4		
APRIL 2017	MAY 22, 2017	JUNE 20, 2017
No Meeting	<p>May 15, 2017</p> <ul style="list-style-type: none"> <li>Consent: Approval: 3/8 and 3/14 Minutes; Resolution 2017-03</li> <li>ECH Board Governance</li> </ul> <p>May 22, 2017</p> <ul style="list-style-type: none"> <li>Candidate Interviews and Appointment of ECH Board Member</li> <li>Study Session – CB Grantee Application Review</li> <li>ACHD Report and Membership Review</li> <li>Community Benefit Mid -Year Metrics and Audit</li> </ul>	<ul style="list-style-type: none"> <li>Recognition (As Needed)</li> <li>Community Benefit Spotlight (If Time Allows)</li> <li>FY17 YTD ECHD Financials</li> <li>Tax Appropriation for FY18</li> <li>District Capital Outlay Fund</li> <li>Review and Approve FY18 Pacing Plan</li> <li>Approval of FY18 Community Benefit Plan</li> <li>Approve ECH FY18 Budget</li> <li>Approve ECHD FY18 Budget</li> <li>Appoint Hospital Board Member/ Election Ad Hoc Committee Report</li> <li>Biennial Board Officer Election</li> <li>ECH Physician Development Plan?</li> <li>Biennial Bylaws Review</li> <li>Biennial Review of Reserve Powers</li> <li>Approval of 5/15 and 5/22 Minutes</li> <li>CBAC Structure</li> </ul>