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

Board Members Present
Neysa Fligor
Peter Fung, MD, Chair
Julia Miller
David Reeder
John Zoglin, Vice Chair

<table>
<thead>
<tr>
<th>Agenda Item</th>
<th>Comments/Discussion</th>
<th>Approvals/Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. CALL TO ORDER/ ROLL CALL</td>
<td>The open session meeting of the El Camino Healthcare District Board of Directors (the “Board”) was called to order at 5:29pm by Chair Fung. A silent roll call was taken. All Board members were present.</td>
<td></td>
</tr>
<tr>
<td>2. SALUTE TO THE FLAG</td>
<td>Chair Fung led the Board members, staff, and members of the public present in the Pledge of Allegiance.</td>
<td></td>
</tr>
<tr>
<td>3. POTENTIAL CONFLICT OF INTEREST DISCLOSURES</td>
<td>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.</td>
<td></td>
</tr>
<tr>
<td>4. PRESENTATION OF SDLF CERTIFICATE OF TRANSPARENCY</td>
<td>Colleen Haley, Public Affairs Field Coordinator, from the California Special Districts Association presented the El Camino Healthcare District with a Transparency Certificate of Excellence from the Special District Leadership Foundation.</td>
<td></td>
</tr>
<tr>
<td>5. PUBLIC COMMUNICATION</td>
<td>There were no comments from the public.</td>
<td></td>
</tr>
<tr>
<td>6. Consent Calendar</td>
<td>Chair Fung deferred this item to the second open session.</td>
<td></td>
</tr>
<tr>
<td>7. AGENDA ITEM 7: AFFIRMATION AND SIGNING OF DISTRICT STANDARDS OF CONDUCT</td>
<td>The Board Members signed the District Standards of Conduct, which will be posted on the District’s website.</td>
<td></td>
</tr>
</tbody>
</table>
| 8. AGENDA ITEM 8: ECHD FY18 FINANCIALS YTD | Ifikhar Hussain presented the FY18 YTD consolidated and standalone Financials for the District highlighting the following:

- For consolidated operation results, net income is $62 million ahead of plan, with most of the operating variance from the revenue side ($10 million in unusual items like IGT payments) and higher volume (which is 2.3% ahead of plan).
- The District’s standalone financials are $2.7 million ahead of plan. He explained that revenue variance is due to IGT funding, and expense variance is largely due to the timing of Community Benefit donations, which are paid primarily in August and February, but spread out evenly in the budget.

In response to Director Fung’s question, Mr. Hussain explained that the $154,000 in administrative support listed in the District’s standalone | FY18 ECHD YTD Financials approved
Staff to detail “Other Income” in future financials
financials covers resources (including portions of staff salaries) that support the District’s Community Benefit program.

In response to Director Miller’s questions, Mr. Hussain and Matt Harris, Controller, reviewed the Board-Designated Assets, which are primarily Hospital assets.

Director Fligor suggested adding a note clarifying or renaming the line item “Other Income.” Matt Harris, Controller, discussed the redevelopment taxes included in this line item.

**Motion:** To approve the ECHD FY18 Year-to-Date Financials.

**Movant:** Zoglin  
**Second:** Fligor  
**Ayes:** Fligor, Fung, Miller, Reeder, Zoglin  
**Noes:** None  
**Abstentions:** None  
**Absent:** None  
**Recused:** None

### 9. AGENDA ITEM 9: ECH BOARD MEMBER ELECTION AD HOC COMMITTEE REPORT

Director Zoglin, Chair of the Ad Hoc Committee, reported that the Ad Hoc Committee recommends filling two vacancies at this time and also proposed a voting procedure. He highlighted the advantages of a simultaneous, written, publicly-reported vote.

**Motion:** To approve the recommendations as presented by the Ad Hoc Committee: 1) to fill both vacancies on the El Camino Hospital Board of Directors and 2) to approve the Proposed Voting Procedures as further described in the packet.

**Movant:** Zoglin  
**Second:** Reeder  

The Board discussed the number of questions that Board Members can ask during the candidate interviews. In response to Director Miller’s question, Director Zoglin reviewed the competencies being used to evaluate the candidate pool. The Board discussed the process for how the written votes would be cast, collected, and reported.

Director Reeder commented that there is an excellent pool of candidates.

**Ayes:** Fligor, Fung, Miller, Reeder, Zoglin  
**Noes:** None  
**Abstentions:** None  
**Absent:** None  
**Recused:** None

### 10. AGENDA ITEM 10: EL CAMINO HOSPITAL BOARD DIRECTOR CANDIDATE INTERVIEWS

The Board interviewed four candidates: Mr. Boyd Faust, Dr. Anula Jayasuria, Mr. Gary Kalbach, and Ms. Julie Kliger for a position on the El Camino Hospital Board of Directors. Each candidate gave a presentation and answered questions from the Board about their experience and their interest in the role.

### 11. AGENDA ITEM 11: ELECTION OF EL CAMINO HOSPITAL BOARD DIRECTOR(s) AND ADOPTION OF PROPOSED DRAFT

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

**Director Fligor:** Gary Kalbach  
**Director Fung:** Julie Kliger  
**Director Miller:** Julie Kliger  
**Director Reeder:** Gary Kalbach

**Resolution** 2018-01 and 2018-02 approved, electing Mr. Gary...
<table>
<thead>
<tr>
<th>RESOLUTIONS 2018-01 AND 2018-02</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Director Zoglin:</strong> Anula Jayasuriya, MD</td>
</tr>
<tr>
<td>For Candidate 1, Round 2, the Directors cast the following votes by written vote, which were immediately reported by staff, attributing each vote to each Director:</td>
</tr>
<tr>
<td><strong>Director Fligor:</strong> Gary Kalbach</td>
</tr>
<tr>
<td><strong>Director Fung:</strong> Julie Kliger</td>
</tr>
<tr>
<td><strong>Director Miller:</strong> Julie Kliger</td>
</tr>
<tr>
<td><strong>Director Reeder:</strong> Gary Kalbach</td>
</tr>
<tr>
<td><strong>Director Zoglin:</strong> Anula Jayasuriya, MD</td>
</tr>
<tr>
<td>For Candidate 1, Round 3, the Directors cast the following votes by written vote, which were immediately reported by staff, attributing each vote to each Director:</td>
</tr>
<tr>
<td><strong>Director Fligor:</strong> Gary Kalbach</td>
</tr>
<tr>
<td><strong>Director Fung:</strong> Anula Jayasuriya, MD</td>
</tr>
<tr>
<td><strong>Director Miller:</strong> Anula Jayasuriya, MD</td>
</tr>
<tr>
<td><strong>Director Reeder:</strong> Gary Kalbach</td>
</tr>
<tr>
<td><strong>Director Zoglin:</strong> Gary Kalbach</td>
</tr>
<tr>
<td>Mr. Gary Kalbach achieved a majority of votes in Round 3.</td>
</tr>
<tr>
<td>For Candidate 2, Round 1, the Directors cast the following votes by written vote, which were immediately reported by staff, attributing each vote to each Director:</td>
</tr>
<tr>
<td><strong>Director Fligor:</strong> Julie Kliger</td>
</tr>
<tr>
<td><strong>Director Fung:</strong> Anula Jayasuriya, MD</td>
</tr>
<tr>
<td><strong>Director Miller:</strong> Julie Kliger</td>
</tr>
<tr>
<td><strong>Director Reeder:</strong> Boyd Faust</td>
</tr>
<tr>
<td><strong>Director Zoglin:</strong> Anula Jayasuriya, MD</td>
</tr>
<tr>
<td>For Candidate 2, Round 2, the Directors cast the following votes by written vote, which were immediately reported by staff, attributing each vote to each Director:</td>
</tr>
<tr>
<td><strong>Director Fligor:</strong> Julie Kliger</td>
</tr>
<tr>
<td><strong>Director Fung:</strong> Julie Kliger</td>
</tr>
<tr>
<td><strong>Director Miller:</strong> Julie Kliger</td>
</tr>
<tr>
<td><strong>Director Reeder:</strong> Boyd Faust</td>
</tr>
<tr>
<td><strong>Director Zoglin:</strong> Anula Jayasuriya, MD</td>
</tr>
<tr>
<td>Ms. Julie Kliger achieved a majority of votes in Round 2.</td>
</tr>
</tbody>
</table>

**Motion:** To approve Resolution 2018-01 electing Gary Kalbach to the El Camino Hospital Board of Directors for a term effective January 16, 2018 through June 30, 2021.

**Movant:** Reeder  
**Second:** Zoglin  
**Ayes:** Fligor, Fung, Miller, Reeder, Zoglin  
**Noes:** None  
**Abstentions:** None  
**Absent:** None  
**Recused:** None

**Motion:** To approve Resolution 2018-02 electing Julie Kliger to the El Camino Hospital Board of Directors for a term effective January 16, 2018 through June 30, 2020.

**Movant:** Miller
Second: Zoglin  
Ayes: Fligor, Fung, Miller, Reeder, Zoglin  
Noes: None  
Abstentions: None  
Absent: None  
Recused: None  

Directors Fung and Miller suggested that the newly appointed El Camino Hospital Board Directors participate in an official swearing in and take an oath of office. The Board discussed whether or not this had been done historically for other Hospital Board Directors.

Chair Fung called for a motion. Mary Rotunno, General Counsel, advised that this was not an agendized item on which action could be taken at this meeting.

12. AGENDA ITEM 12: DRAFT DISTRICT DIRECTOR VACANCY POLICY

Director Fung requested that Agenda Item 12: Draft District Director Vacancy Policy be deferred until he finishes additional research on the topic.

13. AGENDA ITEM 13: FY18 PACING PLAN

The Board discussed the pacing of the District Director Vacancy policy. Chair Fung asked the Board for a motion in support of his request to defer the Draft District Director Vacancy Policy.

Motion: To defer the agenda item to a later meeting.

Movant: Miller  
Second: Zoglin  
Ayes: Fligor, Fung, Miller, Reeder, Zoglin  
Noes: None  
Abstentions: None  
Absent: None  
Recused: None  

Motion: To approve the FY18 Pacing Plan.

Movant: Miller  
Second: Zoglin  
Ayes: Fligor, Fung, Miller, Reeder, Zoglin  
Noes: None  
Abstentions: None  
Absent: None  
Recused: None  

14. AGENDA ITEM 14: BOARD COMMENTS

There were no additional comments from the Board.

15. ADJOURN TO CLOSED SESSION

Motion: To adjourn to closed session at 7:45pm pursuant to Gov’t Code Section 54957.2 for approval of Minutes of the Closed Session of the District Board Meeting (October 17, 2017); pursuant to Gov’t Code Section 54956.9(d)(2) – conference with legal counsel – pending or threatened litigation: Governance and Communication; pursuant to Gov’t Code Section 54957 for discussion and report on personnel performance matters: Executive Session.

Movant: Fligor  
Second: Zoglin  

Adjourned to closed session at 7:45pm
<table>
<thead>
<tr>
<th>16. AGENDA ITEM 21: RECONVENE OPEN SESSION/REPORT OUT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ayes: Fligor, Fung, Miller, Reeder, Zoglin</td>
</tr>
<tr>
<td>Noes: None</td>
</tr>
<tr>
<td>Abstentions: None</td>
</tr>
<tr>
<td>Absent: None</td>
</tr>
<tr>
<td>Recused: None</td>
</tr>
</tbody>
</table>

Open session was reconvened at 8:25 pm. Agenda items 16-20 were addressed in closed session.

During the closed session, the Board approved the Minutes of the Closed Session of the District Board Meeting (October 17, 2017) by a unanimous vote in favor of all members present (Directors Fligor, Fung, Miller, Reeder, and Zoglin).

<table>
<thead>
<tr>
<th>17. AGENDA ITEM 6: CONSENT CALENDAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>This item was taken out of order having been deferred during the first open session.</td>
</tr>
<tr>
<td>Chair Fung asked if any member of the Board or the public wished to remove an item from the consent calendar. Director Miller requested that Agenda Item 6a: Minutes of the Open Session of the District Board Meeting (October 17, 2017) be pulled for discussion.</td>
</tr>
<tr>
<td>In response to Director Miller request to amend Item 9 in the October 17, 2017 Minutes, Director Reeder suggested to separate the sentence “He explained that if ECH had waited to start demolition, site preparation, and utility work until the completion of the permitting process, all of the costs would have escalated” into a new paragraph.</td>
</tr>
<tr>
<td><strong>Motion:</strong> To amend the minutes amended as described above.</td>
</tr>
<tr>
<td><strong>Movant:</strong> Reeder</td>
</tr>
<tr>
<td><strong>Second:</strong> Fligor</td>
</tr>
<tr>
<td><strong>Ayes:</strong> Fligor, Fung, Reeder, Zoglin</td>
</tr>
<tr>
<td><strong>Noes:</strong> None</td>
</tr>
<tr>
<td><strong>Abstentions:</strong> Miller</td>
</tr>
<tr>
<td><strong>Absent:</strong> None</td>
</tr>
<tr>
<td><strong>Recused:</strong> None</td>
</tr>
</tbody>
</table>

**Consent calendar approved**

**Motion:** To remove the sentence reading “Staff clarified that this governance policy would not be approved by the Board” from Item 23 in the October 17, 2017 minutes.

**Movant:** Miller

**Second:** Fung

Director Fligor asked who made the statement. Ms. Rotunno explained that the staff comment was hers. Director Fligor suggested that the wording be changed from “clarified” to “stated.”

**Friendly Amendment** (Fligor): To revise the sentence to change “clarified” to “stated.”

**Movant:** Fligor

**Second:** Reeder

The Board discussed whether or not to include the sentence in the minutes. Director Miller did not accept the friendly amendment. Director Fligor withdrew her amendment.

**Formal Amendment** (Reeder): To revise the sentence to change “stated” to “clarified.”

**Movant:** Reeder

**Second:** Zoglin
Ayes: Fligor, Reeder, Zoglin
Noes: Fung, Miller
Abstentions: None
Absent: None
Recused: None

Director Zoglin left the meeting at 8:20pm. Director Miller requested additional information on why the Board Chair attests to the approval of Board minutes in addition to the Secretary.

Motion: To approve the Minutes of the Open Session of the District Board Meeting (October 17, 2017) as amended.

Movant: Reeder
Second: Fligor
Ayes: Fligor, Reeder, Fung, Miller
Noes: None
Abstentions: None
Absent: Zoglin
Recused: None

Director Fligor requested that a future agenda include whether or not the Board needs to approve the governance policy for the Community Benefit Advisory Council’s Guiding Principles.

18. AGENDA ITEM 22: ADJOURNMENT

Motion: To adjourn at 8:26 pm.

Movant: Miller
Second: Fligor
Ayes: Fligor, Fung, Miller, Reeder
Noes: None
Abstentions: None
Absent: Zoglin
Recused: None

Meeting adjourned at 8:26 pm.

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

Peter C. Fung, MD
Chair, ECHD Board

John Zoglin
Secretary, ECHD Board

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