

**Minutes of the Regular Meeting**  
**El Camino Healthcare District Board of Directors**  
**Tuesday, October 21, 2014**  
**El Camino Hospital 2500 Grant Road, Mountain View, CA 94040**  
**Conference Rooms E, F and G**

1. **Call to Order.** The Open Session meeting was called to order by Chair Patricia A. Einarson, MD at 5:31 pm.

2. **Roll Call.**

**Board Members Present:** Dennis Chiu; Patricia A. Einarson, MD; Julia Miller; David Reeder; and John Zoglin.

**Board Members Absent:** None

At the request of Chair Einarson, the guests who joined the Board on the dais for Agenda Item 6 introduced themselves: Cheryl Fama, RN, CEO, Peninsula Healthcare District; Lee Michelsen, CEO, Sequoia Healthcare District; Ted Kleiter, Board Chair, Palomar Healthcare District; and Larry Bedard, MD, Board Chair, Marin Healthcare District.

3. **Potential Conflict of Interest Disclosures.** Chair Einarson asked if any Board member or anyone in the audience believes that a Board member may have a conflict of interest on any of the items on the agenda. No conflict was reported.

4. **Community Benefit Spotlight.** Barbara Avery presented Resolution 2014-11 to Jim Millsap, Executive Director, La Selva Group, Momentum for Mental Health in honor of Momentum for Mental Health's provision of comprehensive, easily accessible, and culturally competent mental health services to underserved El Camino Healthcare District Residents. Mr. Millsap thanked the Board for the recognition and spoke briefly about the difference the District's funding makes in the lives of those that the organization serves.

**Motion:** To approve Resolution 2014-10

**Movant:** Miller

**Second:** Chiu

**Ayes:** Chiu, Einarson, Miller, Reeder and Zoglin

**Noes:** None

**Abstentions:** None

**Absent:** None

**Recused:** None

5. **Consent Calendar.** Chair Einarson asked if any Board member or member of the public wished to remove an item from the consent calendar. No items were removed.

**Motion:** To approve the consent calendar: Minutes of the Regular District Board Meeting of August 25, 2014; FY 2014 ECHD Community Benefit Plan Report; and Resolution 2014-11 Re: El Camino Hospital Bylaws Revision Section 7.6.

**Movant:** Miller  
**Second:** Chiu  
**Ayes:** Chiu, Einarson, Miller, Reeder and Zoglin  
**Noes:** None  
**Abstentions:** None  
**Absent:** None  
**Recused:** None

6. **District Accountability, Purpose and Governance Panel.** Guest panelists Cheryl Fama, RN, CEO, Peninsula Healthcare District; Lee Michelsen, CEO, Sequoia Healthcare District; Ted Kleiter, Board Chair, Palomar Healthcare District; and Larry Bedard, MD, Board Chair, Marin Healthcare District each gave approximately 10 minute presentations regarding the governance structure of their respective Districts, the governance relationship between their Districts and the community hospitals either previously or currently owned and operated by their Districts, the work of their Districts, and the challenges the Districts are facing. Following the presentations, the ECHD Board members asked follow-up questions and the guest panelists were given the opportunity to ask questions of each other and the ECHD Board members.

7. **Financial Report.** Iftikhar Hussain, Chief Financial Officer, reported that, on a consolidated basis, ECH and ECHD were \$47 million ahead of budget in FY 2014: \$35 million from investments and \$12 million from operations. On a stand-alone basis the District was \$1.2 million ahead of budget with respect to profit and loss and there was a net increase of approximately \$8 million in the investment fund balances. He also reported that for FY 2015 through August, ECH and ECHD are \$3 million ahead of budget on a consolidated basis and the District is very close to plan. Director Miller asked Mr. Hussain to provide her with information regarding the number of retirees receiving benefits through the District's Retiree Healthcare Plan and, following the meeting, to be shown the portion of the financial packet setting forth the District's tax receipts.

**Motion:** To approve the FY 2014 ECHD Stand Alone and Consolidated Financials and the FY 2015 August Financials.

**Movant:** Chiu  
**Second:** Miller  
**Ayes:** Chiu, Einarson, Miller, Reeder and Zoglin  
**Noes:** None  
**Abstentions:** None  
**Absent:** None  
**Recused:** None

8. **Financial Audit Presentation.** Brian Connor and Joelle Pulver of Moss Adams reviewed its Audit of the District's Consolidated Financial Statements for FY 2014, and answered Director Miller's questions regarding where the District's tax receipts and Community

Benefit expenditures are shown. Mr. Connor noted that note 7 in the packet gives the details of the District's Retiree Healthcare Plan that would be responsive to Director Miller's earlier question. After polling the Board members, Chair Einarson advised Mr. Connor and Ms. Pulver that it would not be necessary for them to attend the closed session.

9. **Annual El Camino Hospital Board Chair Report.** Neal Cohen, MD, El Camino Hospital Board Chair, gave a detailed report on actions taken by the El Camino Hospital Board in FY 2014 and areas that the ECH Board will focus on in FY 2015. Chair Einarson thanked Dr. Cohen for his thorough report.

10. **Annual El Camino Hospital CEO Report.** Tomi Ryba, El Camino Hospital President and CEO reported on the accomplishments of El Camino Hospital in FY 2014, including success in achieving organizational goals, its strategic efforts, market position, financial results, employee engagement and employee wellness. Ms. Ryba also reported on areas of focus in FY 2015.

11. **Silicon Valley Tobacco Securitization Joint Powers Authority Report.** Director Miller reported that she attended the first meeting of this body since 2007. She also reported that there will be one more meeting this calendar year to approve financial statements.

12. **Community Benefit.**

a. **Proposed Community Benefit Advisory Council ("CBAC") Charter Revisions.** Cecile Currier, VP, Corporate & Community Health Services & President, CONCERN, EAP, explained, and the Board discussed, the purpose of the CBAC and its role in advising both the Hospital Board and the District Board. Ms. Currier explained the proposed changes to the CBAC Charter that include attendance requirements and provision of materials to members two weeks in advance of meetings.

**Motion:** To approve the proposed revisions to the CBAC Charter

**Movant:** Reeder

**Second:** Miller

**Ayes:** Chiu, Einarson, Miller, Reeder and Zoglin

**Noes:** None

**Abstentions:** None

**Absent:** None

**Recused:** None

b. **CBAC Report.** Director Miller, who serves as a member of the CBAC, drew the Board's attention to her written report and the minutes of the last CBAC meeting in the Board materials. Director Zoglin commented that he has some concerns about the small grant program becoming political and not in alignment with the strategy that the Board set requiring grants be made strategically in a way that adds value, provides expertise and has large impact. Ms. Currier and Director Miller explained that the CBAC supported designating \$150,000 - \$200,000 for small

organizations for which \$10,000 - \$20,000 can make a large difference. Director Miller and Ms. Currier commented that the small grant program would be piloted for one year, evaluated, and information would be brought back to the Board.

c. Community Benefit Funding/Gann Limit. Ms. Currier explained to the Board how the change in District property values affects District property tax receipts, and ultimately District funds available for Community Benefit. She also explained the effect of the Gann Act. Ms. Currier answered the Board members' questions about operational expenses and Capital outlay funds. Ms. Currier also explained how the Gann Limit is calculated each year. Director Reeder thanked the staff for preparing the clear and concise chart, and asked that an updated chart be provided on a regular basis. Chair Einarson asked for this chart to be placed on the District's website and updated regularly.

13. **El Camino Hospital Board Member Election AD Hoc Committee Report.**

Chair Einarson and Director Zoglin described the proposed process for re-electing the Non-District Board Members ("NDBM") to the El Camino Hospital Board members that was presented in the Board materials and asked the Board members for feedback. Director Miller suggested that the Board might be able to use contacts within the community as a recruiting tool. Director Reeder suggested that item 2(a)(ii) be generic and not specific to Nygren Consulting. He also asked if it was the Ad hoc Committee's intent to view the videos identified in Section A(2)(a)(iv) during a Board meeting. Director Einarson stated that this was meant to be used by the Directors as reference material only.

The Directors also discussed the competency "gap" and Director evaluation forms in the Board materials. Director Einarson noted that the full Board should also interview the NDBM who is up for re-election to the Hospital Board. Staff was directed to work with Director Zoglin and Director Einarson to finalize the evaluation materials, select a third party to compile the results and provide those to the Ad Hoc Committee, and to deliver the finalized evaluation materials to the Board within the next week, for completion by the end of the month.

**Motion:** To approve the Draft Revised Re-Election and Election of Non District Board Members to the El Camino Hospital Board of Directors with the exception that the words "form developed by Nygren Consulting" be deleted from Section A(2)(a)(ii).

**Movant:** Reeder

**Second:** Zoglin

**Ayes:** Chiu, Einarson, Miller, Reeder and Zoglin

**Noes:** None

**Abstentions:** None

**Absent:** None

**Recused:** None

The Directors also discussed the Proposed NDBM Job Description, with particular attention to the pros and cons of the proposed 75% attendance requirement.

**Motion:** To approve the Draft NDBM El Camino Hospital Board member Job Description with the following modifications: (1) add the words “in person” following the word “attend” in Section 1; (2) add “to which they have been appointed” to the description of meetings; (3) define meetings as Board Meetings and Standing Board Committee Meetings; (4) delete Section 6, and (5) re-number Section 7 as Section 6.

**Movant:** Zoglin

**Second:** Einarson

**Ayes:** Chiu, Einarson, Miller, Reeder and Zoglin

**Noes:** None

**Abstentions:** None

**Absent:** None

**Recused:** None

Staff was asked to provide a full attendance record for all El Camino Hospital Board members to the District Board for information at the December meeting.

14. **Complete Review of ECHD Bylaws.** Mitchell J. Olejko of Buchalter, Nemer presented a Discussion Draft of Proposed Revised ECHD Bylaws that he prepared in collaboration with Chair Einarson, Ms. Ryba, and Cindy Murphy, Board Liaison. The major proposed revisions included a revised Article I “Purpose”; clarification of the role of the District Chair; clarification of the scope of the evaluation of the CEO; streamlining of the section that refers to the process for filling Director vacancies to simply refer to applicable law; identifying the locations for meetings in compliance with the Brown Act; providing that officer may be removed by majority rather than only unanimous vote. The word “District” was also added throughout the document to define the reference to “Board.” The Board discussed how often Bylaws should be revised and whether in Article II, Section 6 a unanimous or a majority vote should be required to remove an officer of the Board. Most of the Directors stated that they would prefer it remain unanimous. The Board also discussed the proposed revision to Article VIII, Section 2 regarding review of the CEO. Mr. Olejko suggested that language be added to reflect evaluation of the CEO or the management services contract. The Board also asked Mr. Olejko to provide clarification regarding the definition of a statutory meeting (Article VI, Section 3(a)). Mr. Olejko will bring provide a revised draft for the Board’s consideration in January.

15. **Board Process – Proposal for Annual ECHD Board Chair Report to El Camino Hospital Board.** Director Einarson described the proposal to the Board.

**Motion:** To approve the proposal for an annual report by the ECHD Board Chair to the El Camino Hospital Board

**Movant:** Miller

**Second:** Chiu

**Ayes:** Chiu, Einarson, Miller, Reeder and Zoglin

**Noes:** None

**Abstentions:** None

**Absent:** None

**Recused:** None

16. **Proposed District Board Educational Development Plan.** The Board members discussed the proposed educational plan and considered whether educational activities should be encouraged or required.

**Motion:** To encourage each Board member to annually make one on-site visit to a healthcare related Community Benefit grantee and to attend the annual meeting of the ACHD every 2<sup>nd</sup> year.

**Movant:** Miller

**Second:** Chiu

**Ayes:** Chiu, Einarson, Miller, Reeder and Zoglin

**Noes:** None

**Abstentions:** None

**Absent:** None

**Recused:** None

17. **Pacing Plan.** The Directors requested that staff ensure that the Ad Hoc Committee Report be paced for December, that the Annual Physician Recruitment report be delayed until January, and that the Bylaws revisions be brought to the Board in January and thereafter be added to the Master Calendar every two years.

18. **Public Communication.** Geoffrey Mangers spoke about the upcoming November 4, 2014 public election. He also spoke about Lithotripsy billing rates.

19. **Board Comments.** Director Miller reported that she represented the Board at a recent benefit event for the Healthier Kids Foundation. Director Reeder commented that the District Board and the Hospital Board have too many lengthy meetings and that more items should be on the consent calendar. Chair Einarson commented that the District Board should consider having a discussion about Ebola Virus Disease at a future Board meeting. Director Chiu commented that he appreciates all of the work that went into putting the meeting together and he would also like to ensure that the Board receives current information about Ebola Virus Disease.

20. **Adjourn to Closed Session.**

**Motion:** To adjourn to closed session at 9:37 pm

**Movant:** Chiu

**Second:** Reeder

**Ayes:** Chiu, Einarson, Miller, Reeder and Zoglin

**Noes:** None

**Abstentions:** None

**Absent:** None

**Recused:** None

*Agenda items 21-24 were completed in closed session.*

25. **Reconvene Open Session.** Open session was reconvened at 9:39 pm. The Minutes of the closed session of August 25, 2014 were approved during the closed session by a vote of five members in favor (Chiu, Einarson, Miller, Reeder and Zoglin).

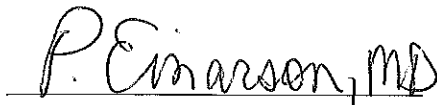
26. **Approval of ECH 2014 Financial Audit**

Motion: To approve the ECH 2014 Financial Audit.  
Movant: Chiu  
Second: Miller  
Ayes: Chiu, Einarson, Miller, Reeder and Zoglin  
Noes: None  
Abstentions: None  
Absent: None  
Recused: None

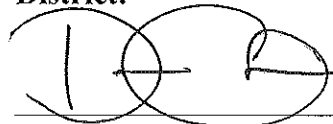
27. **Adjournment.**

Motion: To adjourn at 9:41 pm  
Movant: Einarson  
Second: Chiu  
Ayes: Chiu, Einarson, Miller, Reeder and Zoglin  
Noes: None  
Abstentions: None  
Absent: None  
Recused: None

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



Patricia A. Einarson, MD  
Chair, ECHD Board of Directors



Dennis Chiu  
ECHD Board Secretary