



Peninsula Health Care District

**BOARD OF DIRECTORS
SPECIAL MEETING
Monday, June 8, 2009**

CALL TO ORDER: At the request of Chair Ullyot, who was attending via teleconferencing, Vice Chair Navarro called to order the Special Meeting of the Board of Directors of the Peninsula Health Care District at 17:18 hours in the Lane Room of the Burlingame Library, 480 Primrose Road, Burlingame.

ROLL CALL: On roll call there were present Rick Navarro, MD, Vice Chair, Helen Galligan, RN, Secretary, and Don Newman, MD, Past Chair. Dan Ullyot, MD, Chair was present via teleconference from 56105 Village Drive, LaQuinta, California.

Also present were: Cheryl A. Fama, CEO and Jan Matejcik, District Administrative Assistant.

APPOINTMENT TO FILL VACANCY DUE TO RESIGNATION OF SUSAN S. SMITH:

Review of Process: Director Navarro called on Ms. Fama to review the replacement process activities. Ms. Fama presented the following report. Ms. Smith's letter was received April 14, 2009. A press release went out to the following nine local news outlets on April 14: Daily News Group, Daily Post, Examiner-Peninsula Edition, Foster City Islander, SF Business Times, San Jose Mercury News, San Mateo Daily Journal, San Mateo Times, and Silicon Valley/San Jose Business Journal. On April 15 the press release was posted on our website and sent out with a cover note from Ms. Fama to 260 community and political leaders. In all communications, as well as the three media pieces that picked up the story (Daily Journal, Examiner-Peninsula Edition, and Watch Dog San Mateo), the April 23rd Regular Board meeting was identified as the public meeting at which the Board would deliberate on how it would proceed with replacement; interested parties were encouraged to attend. At that Board meeting it was decided to avoid a special election [Cost >\$500K] and a Nominating Committee was appointed with Directors Newman, chair, and Galligan. It was also decided to provide a full month for interested applicants to come forward, and the deadline for submission was set for Friday, May 22 by noon. On April 24 the application and timeline were posted on the District's website and posted in the three usual and customary locations for District notices: Peninsula Medical Center, the Burlingame Library, District office, and website. During the week of May 11-15, 46,000 District newsletters were mailed to residences; the "Message from the Board of Directors" directed any interested candidates to the District's website for further information. Three candidates applied and Nominating Committee interviews were scheduled. [The minutes from the May 28th and June 1st Nominating Committee interviews were distributed with this meeting's agenda and will be appended to and made part of these minutes.]

Public Comment: Ruth Jacobs, Burlingame reported that many people have asked her why there was nothing in the papers about the vacancy. Are we sure that the story was printed? Ms. Fama responded that the press release did go to nine different papers, three

did print something, and she has copies of the articles available. She added that she did not buy advertising. **Ms. Jacobs** suggested that we use the Chronicle and San Mateo Times as those have a better readership. **Ms. Fama** responded that it was sent to the San Mateo Times. **Ms. Jacobs** then asked if we get another opening, could she please get a personal notice. **Ms. Fama** responded that Ms. Jacobs is on the District's regular mailing list and should have received the April 23rd meeting notice and agenda by April 17th. That meeting agenda clearly noted that the Replacement Process would be determined at that meeting. **Ms. Jacobs** concluded her remarks by stating that the vacancy was not widely known.

Nominating Committee Report:

Director Newman reported that the committee met on two days and interviewed three candidates. He stated that the District just received notice from Scott Hartley, an attorney who had been interviewed on June 1st, that he removed himself from consideration due to his concern about the Form 700 requirements that could interfere with his "attorney/client privilege" of confidentiality. On May 28th the Committee interviewed Lawrence Cappel. He then invited Mr. Cappel up to address the Board and audience. **Director Newman** confirmed that he will be given 2 minutes.

Mr. Cappel stated he has been involved in healthcare for 38 years and holds a Ph.D. in Community Health Services. He currently is the CEO of Pacific Health Alliance which is a regional managed care organization that operates primarily in Monterey and Butte counties. He has been involved in a full spectrum of healthcare services from a research assistant in mental health, to healthcare professor, operator of nurse staffing companies, establishing urgent care centers, and managing physician IPA's. He has been a resident of Millbrae for 25 years. His interest is driven by his concern that the District, the hospital and appropriate health services are available for him and other residents as all are getting older. He wants to see that the District continues to appropriately steward the assets and believes the District is in an important position to collaborate on the development of dynamic new healthcare systems and he would like to be a part of that.

Public Comment:

Terry Huebner, Burlingame asked if he ever did any work for, or ever served on, any MPHS boards or committee. **Mr. Cappel** responded that he has not. He added that he has served on the District's grants committee over the past year.

Ruth Jacobs, Burlingame thanked him for running.

Director Newman noted that Mr. Cappel was interviewed May 28 and he presented his experience and interest in the position in more detail. He then noted that on June 1 the Committee interviewed **Mr. Dan Andersen**. He noted that Mr. Andersen has not completed his application because he did not file a Form 700 and so the question was before the Board to discuss this and make a determination before proceeding on with his candidacy, adding that Mr. Andersen is well known to the Board and it would seem reasonable to waive the missed deadline technicality. **Director Navarro** addressed Mr. Andersen and asked if he still intended to run, to which Mr. **Andersen** responded affirmatively. **Director Navarro** then asked how soon he could submit a completed form. **Mr. Andersen** responded that

things are changing so quickly in the investment arena right now he was not sure how best to complete the form because it would only be a snapshot from one point in time. If that is acceptable, he could have it in within two days. The Board accepted this commitment and proceeded with Mr. Andersen's candidacy. **Director Newman** then asked Mr. Andersen to address the group.

Mr. Andersen noted that the Board knows him. He has been monitoring the District Board for more than ten years as part of the Peninsula Guardians. He is interested in the seat because he wants to be a part of the solution for health issues in this area. He stated that the Board is in an extremely strong position to make a difference and to make an impact on the health of the District. He has been following the Board for 10 years and, while he may have missed a few meetings recently, he actively attended meetings over those years and has a good idea of the Board and its role and how it works.

Public Comment:

Ruth Jacobs, Burlingame: I think it would be nice to have lay people on the Board rather than so many doctors and nurses; it is good to have public representatives.

Bob Hortop, San Mateo resident and **MPHS Executive** asked Mr. Andersen if he is still a member of the Peninsula Guardians, then isn't he still involved in litigation against the District? Mr. Andersen responded affirmatively, he is still involved in the litigation.

Director Galligan commented that public boards and elected officials function in the public eye and come under close scrutiny by their community. She expressed her disappointment that this unfortunately took an excellent candidate, Mr. Hartley, out of consideration due to the disclosures required on the Form 700. She then addressed Mr. Andersen noting that with his many years of watching the work of the Board and his awareness about the scrutiny and public eye being on the Board; it was interesting he did not complete the Form 700 like the other candidates. She stated that she was concerned by this. She then stated that she was extremely impressed with the depth of knowledge and experience represented by Mr. Cappel in the areas of business, real estate, entrepreneurial endeavors, and healthcare. It is because of the strength of his candidacy that she believes the Board can go forward and make an appointment.

Director Newman stated that the candidates spoke quite well for themselves in presenting their interest and experiences.

Director Navarro stated that he has been impressed with Mr. Cappel during work on the District's Grants Committee and with his demonstrated concern for the community.

PUBLIC COMMENT: **Director Navarro** asked if there were any further comments from the public and none were offered.

ACTION:

Before proceeding, Director Galligan requested that the Nominating Committee minutes for June 1st, page 2, third sentence be revised replacing "why he was still suing the District" to

“why the group was still suing the District”. The revision was accepted. She then made the motion.

IT WAS MOVED BY DIRECTOR GALLIGAN AND SECONDED BY DIRECTOR NEWMAN TO ACCEPT THE APPLICATION AND APPOINT MR. LARRY CAPPEL, PH.D TO FILL THE VACANT SEAT OF SUSAN S. SMITH AND TO COMPLETE HER REMAINING TERM OF OFFICE THROUGH THE ELECTION OF NOVEMBER 2010.

Discussion of the Motion: Director Ulyot stated that he had reviewed all three applications thoroughly and heard the comments made by both candidates and feels that he is prepared to vote.

A roll call vote was taken by Ms. Fama:

Director Ulyot: AYE
Director Navarro: AYE
Director Galligan: AYE
Director Newman: AYE

THE MOTION PASSED UNANIMOUSLY.

ADJOURNMENT: The meeting was adjourned by Director Navarro at 17:40 hours.

Respectfully written and submitted by:

Jan Matejcik, Administrative Assistant

APPROVED:

Helen C. Galligan, Secretary

Daniel J. Ulyot, MD, Chair