



Peninsula Health Care District

**THE BOARD OF DIRECTORS  
CLOSED SESSION  
February 26, 2009  
San Mateo City Hall, Conference Room A  
330 W. 20<sup>th</sup> Avenue  
San Mateo, CA 94403**

**MEETING MINUTES**

**CALL TO ORDER:** The meeting was called to order at 16:30 hours.

**ROLL CALL:** On roll call there were present: D. Ullyot, MD, Chair, R. Navarro, MD, Vice Chair and D. Newman, MD via teleconferencing from Tucson, Arizona (520) 299-2020. Director Galligan joined the meeting in progress at 17:45.

**Also present were** Cheryl Fama, CEO, Colin Coffey, Legal Counsel from Archer Norris, and Robert Mackler, Executive Vice President, Pacific Health Alliance and licensed insurance agent.

**ABSENT:** Director Susan Smith

**PUBLIC COMMENT:** There were no members of the public present to make comment.

**CLOSED SESSION:**

Chair Ullyot announced that the Board would go into Closed Session to discuss Labor Negotiations and personnel matters concerning employee health, retirement benefits, CEO compensation, and the annual performance evaluation of the CEO.

**Employer Contribution to 457 Plan**

Conference led by Chair Ullyot to discuss the requirement of implementing an employer contribution to the California Public Employee's Deferred Compensation 457 Plan. A minimum of \$1/employee/month employer contribution is a prerequisite for participation in the CalPERS Health Program. ***No reportable action was taken as this item was on the posted agenda under Old Business for ACTION at the Regular Board Meeting, immediately following this session.***

**CalPERS Health Benefits Program**

Conference led by Chair Ullyot to discuss the CalPERS health benefits program. Mr. Mackler provided detailed information and compared the proposed program to current coverage by CaliforniaChoice. Mr. Mackler and Ms. Fama reviewed the range of cost risks associated with the ability of past District employees (from the era of District operations of Peninsula Hospital) to opt into the newly available CalPERS program if now adopted by the District.

Mr. Mackler assessed the outside, worse case costs, and the Board's ability to minimize risk through opting back out of the program if necessary. ***No reportable action was taken as this item was on the posted agenda under New Business for ACTION at the Regular Board Meeting immediately following this session. The required Board Resolutions, drafts of which were reviewed in Closed Session, were a part of this agenda item.***

[Ms. Fama and Mr. Mackler were excused from the meeting at this point.]

**CEO Performance and Compensation**

Conference was led by Chair Ulliyot and covered the performance of Ms. Fama during her first employment year, 2/1/08-1/31/09, and the application of her performance goal accomplishments to a possible incentive bonus award as contemplated under her CEO contract. The Board members present concluded they would recommend a specific performance incentive award at the public session. The Board then considered under its labor negotiations closed session topic the question of what, if any, adjustment in base salary was warranted based on the CEO's performance, experience, merit and the market for executive directors. Chair Ulliyot was asked to discuss the Board's compensation consensus with the CEO and to thereupon recommend the specific base salary adjustment at the following public session.

Ms. Fama was invited to return to the meeting at 18:05 at which time the Chair reported to her the Board's recommendation. ***No reportable action was taken as this item was on the posted agenda under New Business for ACTION at the Regular Board Meeting immediately following this session***

**OPEN SESSION:**

The meeting was opened by Chair Ulliyot and there were no members of the public present.

**ADJOURNMENT:**

The meeting was adjourned by Chair Ulliyot at 18:10 hours.

Submitted by \_\_\_\_\_  
Cheryl A. Fama, CEO

Approved by: \_\_\_\_\_  
Helen C. Galligan, Board Secretary

Approved by: \_\_\_\_\_  
Daniel J. Ulliyot, MD, Board Chair