

BOARD OF DIRECTORS
BOARD MEETING MINUTES

June 23, 2016
PHCD Classroom

1. CALL TO ORDER: Chair Cappel called the meeting to order at 17:48 hours in the PHCD Conference Room.

2. ROLL CALL: Present were Chair Cappel, Vice-Chair Navarro, Treasurer Zell, and Director Emmott. Also present were Counsel Coffey, CEO Fama, and PHCD Staff Paul Wright. Absent was Secretary Galligan.

Invited Guests: Francine Serafin-Dickson, Executive Director, Hospital Consortium of San Mateo County; Todd Murch, CEO, Eskaton Senior Living and Services; Prakash Pinto, Planner, Pinto & Partners; and Joel Roos, Owners Representative, Pacific Urban Developer Corporation

3. CONSENT CALENDAR

It was moved by Director Emmott, seconded by Vice-Chair Navarro and approved 4/0/0 to accept the Consent Calendar as presented.

4. ORAL COMMUNICATIONS: No oral communication was offered.

5. PRESENTATION:

A. 2016 Community Health Needs Assessment – Francine Serafin-Dickson, Executive Director, Hospital Consortium of San Mateo County [Presentation is appended to and made part of these minutes.]

Ms. Serafin-Dickson shared the purpose and process for developing the 2016 countywide Community Health Needs Assessment (CHNA) and the goals and value to the community. She explained participants and methodology for prioritizing health needs - "health need" being defined as "a poor health outcome and its associated risk, or a risk that may lead to a poor health outcome". She presented the 20 prioritized health needs that were the result of the survey work and stated that each healthcare member of the Consortium will now use the findings to develop their organization-specific community benefits plan.

Chair Cappel commented that the process is wonderful, but that medical misadventures, or hospital errors, is missing, which he believes is the third leading cause of death. He said that no one in San Mateo County is doing colorectal screening, which is the one thing that can have the most impact. He said that once the report comes out, there should be a group effort among all the organizations to decide what should be done. **Ms. Serafin-Dickson** responded that it may also be helpful to find out what each organization is doing.

Vice-Chair Navarro remarked it would be nice to see some cost-benefit analysis of different interventions to address these problems.

Chair Cappel commented that it's important to look at cost-benefit analysis, and that colorectal screening has the highest cost-benefit of any screening and is the least funded.

Director Zell asked why there is no colorectal screening, is it for under-represented populations **Chair Cappel** responded that it's not a procedure that's widely done for a number of reasons.

Director Navarro remarked that he's spoken to many patients in their 70's that have never had a colonoscopy.

Director Zell asked Ms. Serafin-Dickson if the report goes beyond the prioritized health needs and talk about the categories in more detail. **Ms. Serafin-Dickson** responded the full 500 paged report is available on the Consortium's website.

B. Eskaton Senior Living and Services – Todd Murch, CEO

CEO Fama introduced **Mr. Murch** noting that PHCD's partnership with Eskaton started nearly 3 years ago when the decision was made to bring on the operating partner during the facility design phase. Their 40 years of experience in senior housing of all levels, from independent to skilled nursing, has been instrumental in building a facility that will work – for residents and staff. **Mr. Murch** distributed Eskaton's most recent annual report noting that all photos are real life Eskaton photos. He commented on a number of signature programs intended to engage the broader community with residents such as *Eskaton Kids Connection* that pairs 1100 children with 800 adults for intergenerational relationship building. He reviewed Eskaton's 2016-17 strategic plan that emphasized broader community coverage and providing people more choices. He reviewed their wide spectrum of services including home care management, independent living, support services, assisted living, telephone reassurance, transportation and more. He stated that social accountability is an important part of their programs.

Director Emmott asked who is Eskaton's competition. **Mr. Murch** responded their competition "is in pockets" since no other organization is as fully diversified. For health care, it's Plum Healthcare, for assisted living, it's Aegis, Sunrise and Oakmont, who are almost exclusively for profit. There are no competitors for affordable housing as there are not enough organizations.

Director Zell thanked Eskaton for the presentation noting that when PHCD selected Eskaton as a partner neither he or Director Emmott were on the Board. This overview of mission, values, and programs reaffirmed for him that PHCD selected a good partner.

7. COMMITTEE REPORTS:

A. Long Term Planning – **CEO Fama** reported the discussion focused on the change in MPHS' helipad flight paths, the inclusion of 1825 Trousdale in the scope of the EIR, and the opportunities both open up for additional building heights and housing units.

B. Community Health Investment – No meeting

C. Finance – **Treasurer Zell** commented that as of July 1st we will have separate checking accounts the Trousdale, Peninsula Wellness Community, Leasing, and Administration. This was recommended by the auditor and will contribute to clearer tracking of expenses.

8. BOARD CHAIR'S REPORT: Chair Cappel

- PHCD received its final check from the dissolution of the Redevelopment Agencies.
- The assessment team from the State Auditor's Office were on site for 9 days and continue to call requesting further information. Exactly how PHCD was selected to be the first healthcare district visited is unclear. Their stated reasons were amount of reserves, CEO salary, and concern about length of time since last LAFCo review. prepared and well documented. The verbal debriefing after the site visit was very positive. The final report is expected by the end of July.

9. DIRECTORS' REPORTS: Director Zell reported on PHCD's request for design-build authority from the legislature. Cities and school districts have design-build, but only some designated healthcare districts do. Legislation introduced this year to give this authority to all healthcare districts was revised to exclude any that do not own a hospital or clinic. The amendment sponsored by Senator Hill would give design build to PHCD and Beach Cities – two districts with projects in the pipeline; however, if passed, the authority would sunset in 5 years. **Director Zell** said Senator Hill has been very supportive.

10. CEO REPORT: CEO Fama

- A major area of focus for the state assessment team was how PHCD determined its community health needs. Participating in the triennial needs assessment and serving on the San Mateo Healthy Collaborative was viewed favorably.
- Excavation at the Trousdale construction site has been delayed pending selection of a new dump site that will accept the soil. The initial site refused any dirt with possible remnants of DDT. This is not considered a “hazardous material”, but recently sites are getting more restrictive due to increased environmental issues.
- The Building Oversight Committee has been re-convened; members are Chair Cappel, CEO Fama, the construction managers from Nova Partners, and our owner’s representative from Pacific Urban Developer Corporation.
- The FY 2017 communications plan will focus on building up the neighborhood email list and driving more residents to the website.
- PHCD will be a Silver sponsor for the Burlingame Family Fitness and Fun Day on July 16th in Washington Park, Burlingame.

11. OLD BUSINESS:

A. **Peninsula Wellness Community Entitlement Progress Report** – Prakash Pinto, Planner, Pinto & Partners, and J. Roos, Owners Representative, Pacific Urban Developer Corporation

- SF PUC meetings were held to discuss pot holing to determine as built location of pipes, community garden raised beds, securing pipes during shoring, and fire truck access over pipes.
- Peer review sessions have been conducted with a number of developer colleagues to help identify ways to improve the plan.
- Sedway Consulting is proceeding with the market due diligence on senior housing and POB.
- The EIR process is proceeding well; all the studies are done and the report should be in front of the Planning Commission around March, 2017.
- Mr. Pinto presented a number of opportunities for aggregating the housing on the north end of the plan and going higher with the POB in the southeast corner not that flight paths have changed.
- **Director Zell** asked and it was agreed to look into if PHCD could get sell the wood from the tree removal.
- **Vice-Chair Navarro** commented that given the changes in the size of the buildings, how would that impact phasing of the project. **Mr. Pinto** responded that the office tower and one other building will be on land that is currently vacant, so they can build those first. **Director Zell** asked which comes first, hiring a developer or deciding what the buildings will be used for. **Mr. Roos** responded to get the EIR done without complicating it with specific uses or design, as soon as there is a specific design there will be a whole new ‘realm’.
- Other areas discussed included a possible dog park, healthy food retail space, and Gatepath’s continued interest in integrating into the PWC.

Chair Cappel thanked Mr. Pinto for making the plan flexible with alternatives.

12. NEW BUSINESS:

A. **Proposal for PHCD Health Priorities for FY 2017** – **Chair Cappel** called attention to the write up and recommendation in the Board materials. **Director Zell** commented that he appreciated when a Director identifies an opportunity for PHCD to address a gap in services to address a health problem. **Chair Cappel** agreed and added that it’s a poor public health policy not to do basic screenings, and yet to do other screenings that have no medical benefit. He said if health care districts were eliminated and the county took over those services, they would not be able to keep those services

in place. **Director Zell** asked if the health priorities needed to be voted on as an action, or better if they waited until the working session. **CEO Fama** replied the grant cycle typically starts in July and the information put on the website for the grantees, but there would not be a major issue if it was changed to a month later. **Vice-Chair Navarro** felt the guidelines are fine, that health care needs don't change too radically from year to year, but that Director Zell's points were well taken as some health care needs are not being addressed.

It was moved by Director Zell, seconded by Vice-Chair Navarro and approved 4/0/0 to accept the PHCD Health Priorities for FY 2017 as presented.

B. Consideration of Apple Tree Dental's Request for Additional Financial Support of \$500,000: **Chair Cappel** pointed out the information presented in the packet and said he thinks Apple Tree is a wonderful service; however, he is concerned that they are asking for another grant. He proposes that the Board consider a low interest loan. **Director Emmott** said he had concerns about how they calculate the value of free dental care provided; he needs to see more information on what they are charging vs. receiving before he would consider more funding. In response to the question from Director Zell, **CEO Fama** responded that the visit volumes, mix of insured to uninsured, and net revenues are on track with ATD's original business plan projections based on 8 months of full operations. The cash flow difficulties they are experiencing are due to the 6 months of very limited operations from May through mid-October due to the licensing challenges. When one looks at where they projected to be after 8 months of full operations, that is where they are today. **Director Zell** commented that if they're going to request money it may be a good approach to link funding directly to serving uninsured to ensure that any cost-cutting efforts are not achieved by focusing only on insured clients. **Director Zell** asked the status of the remaining grant funds from Sequoia Health District. **CEO Fama** replied they have been released. **Director Zell** asked CEO Fama if she believes they need the entire amount, and if so how soon. **CEO Fama** replied the cash flow need is critical to wrapping up their 2016 calendar fiscal year with stability. **Director Zell** said he does not want to program to fail, but feels uncomfortable giving them a pure grant. **Vice-Chair Navarro** recommended that if given as a loan, give them a grace period then pay back in possible 2 years when they are up and running and able to pay the loan back. **Chair Cappel** agreed that a loan would be the best course of action, but give them half initially. **Director Zell** asked if these reports were more accurate than the initial ones received earlier. **CEO Fama** replied that the recent financial reports were acceptable to our accountant. To the question, why have they not been successful in getting other grant funding. **CEO Fama** responded to a number of grant opportunities, but given they were not fully operation, they could not be successful. **Director Emmott** said CEO Fama has allayed many of his earlier fears, however, he does not want to just give them money and say we will not let them fail. Give them some money but emphasize that we are concerned. **Director Emmott** said the fees for general dentistry are generally low, but prosthodontics and endodontics are more profitable. **CEO Fama** replied their model is one of prevention and basic dentistry. They are recruiting an oral surgeon, but do not intend to get into prosthodontics. **CEO Fama** reported that the current tenant improvement loan with Apple Tree Dental is at prime minus 1% and payments are deferred until 1/1/18. **Vice-Chair Navarro** suggested giving them the same terms and deferment, split into two \$250,000 loans. **Chair Cappel** added if they meet certain performance and population metrics. All Board members directed CEO Fama to emphasize to Apple Tree that they are very concerned that the original PHCD funding grant to start operations were used up when the clinic was not fully open and operational. **Chair Cappel** added he thinks it's important that they should know they can't just keep requesting money. **CEO Fama** reported they are required to supply reports quarterly. **Vice-Chair Navarro** suggested we may not want to underfund them at this critical time as

it may be riskier. **Director Zell** said they can also ask Sequoia Health Care District to match PHCD's loan. After further discussion about the proposed loan terms,

It was moved by Director Zell and seconded by Chair Cappel to provide Apple Tree Dental a loan of \$250,000 at prime minus 1% interest rate with payments deferred for five year making the first payment due January 1, 2022. The motion passed 4/0/0.

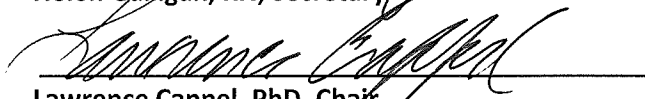
13. ADJOURNMENT: There being no further business, the meeting was adjourned by Chair Cappel 20:45 hours.

Written and submitted by: Paul Wright, Office Coordinator

Approved by



Helen Galligan, RN, Secretary



Lawrence Cappel, PhD, Chair

**NEXT REGULAR BOARD MEETING:
Thursday, July 28, 2016 5:45 PM
PHCD Office, 1819 Trousdale Drive, Burlingame, CA 94010**

