



BOARD OF DIRECTORS
BOARD MEETING MINUTES

September 22, 2016

PHCD Classroom

1. **CALL TO ORDER:** Chair Cappel called the meeting to order at 17:45 hours.
2. **ROLL CALL:** Present were Chair Cappel, Vice–Chair Navarro, Secretary Galligan, Treasurer Zell, and Director Emmott. Also present were Counsel Coffey, CEO Fama, and PHCD Staff Paul Wright.

Invited Presenters: Jeffrey S. MacDonald, CFA, Director of Fixed Income Strategies for Fiduciary Trust Investment Managers and Chris Relf, Construction Manager, Nova Partners

3. **CONSENT CALENDAR.** Secretary Galligan requested that the Closed Session report be amended eliminating the actual property discussed in that session.

It was moved by Director Galligan and seconded by Vice-Chair Navarro to approve the minutes as amended. The motion passed 5-0-0

4. **ORAL COMMUNICATIONS:** No oral communication was offered.
5. **REPORT OUT FROM CLOSED SESSION- September 22, 2016:** Chair Cappel reported there was discussion on real estate and property concepts.
6. **PRESENTATION:**
 - A. **Fiduciary Trust Investment Manager Report – Jeffrey S. MacDonald, CFA, Director of Fixed Income Strategies.**

He reviewed the report previously distributed with the meeting materials. [Report on file in the District office.] He addressed general market performance and trends, the compliance of investments with the PHCD Board Investment Policy, and the limited opportunities for increased returns for fixed income strategies. He also reported on the most recent meeting with the Federal Reserve. In response to the portfolio's lower performance as compared to other PHCD managers, he responded that investments were heavy on short term to be in position to take advantage of anticipated rate increases by the Federal Reserve. It did not happen and now looks probable in December 2016.

OLD BUSINESS

- A. **Assisted Living/Memory Care Project Progress Report and Introduction to the MultiVista Documentation System- Chris Relf, Nova Partners.**

The mat slab will be poured Saturday 9/24. This is a major project milestone and involves pouring more than 2,000 yards of concrete between 4 am-6 pm. The next milestone will be

erecting the tower crane anticipated to go up on October 14th. The project is on budget and still about 6 weeks behind do to the initial off-hauling issue with the dirt. Monthly construction reports are posted regularly on the website. He then gave an online demonstration of the MultiVista photo risk management system employed to track all phases of the project from all angles. This creates a photographic history of the project and will be important for any questions that might arise after walls and floors are closed off.

CEO Fama reported interior finishes have been finalized and shared samples of carpet and presentation boards showing all the materials noting where changes had to be made due to discontinued carpeting. She thanked Director Galligan for participating in this lengthy process and related meetings.

PRESENTATION:

B. Healthcare District Physician Medical Clinics– Colin Coffey, Esq., Archer Norris

Counsel Coffey addressed this question that arose during a recent Board study session relative to the proposed professional office building - How could the District attract physicians to the Peninsula Wellness Community? Under the laws in California, community non-profit hospitals like Mills-Peninsula Medical Center cannot hire physicians; health care districts can. He described 'B' clinics and 'L' clinics cited in the law and shared successes his firm has been involved in with other healthcare districts in recruiting and retaining physicians. His presentation covered reimbursement issues, cost efficiencies, MD RVU's vs salary methodologies to compensate physicians, a sample board resolution to form a clinic and sample business plan, and requirements relative to determining market demand/need. **Director Emmott** commented on the fact that non-profit community hospitals pay no property tax and yet can charge whatever they want for lab and x-ray procedures. **Chair Cappel** emphasized just starting a clinic is not to the community's benefit unless it's filling a need. Counsel Coffey was thanked for his presentation.

7. COMMITTEE REPORTS:

A. Long Term Planning – Chair Cappel: September 7, 2016 meeting

Chair Cappel reported the agenda and discussion covered the two major PHCD projects and recent State legislature activities related to all special districts. The later will continue to be a significant issue.

B. Community Health Investment – Director Galligan: August 29, 2016

Director Galligan reported on the 2016-2017 Grant Cycle's first meeting for Community Health Investment Committee. Thirty-seven Letters of Intent will be reviewed at the October 3rd meeting.

- C. Finance – Treasurer Zell** commented on the poor performance discussed earlier by Fiduciary Trust; however, noted that Mr. MacDonald’s strategy of keeping investments in short term vehicles to allow quick response to any change in the

Federal interest rate is a reasonable approach. He recommends waiting until after December to see if interest rates go up and to consider whether to move money to another investment manager at that time.

8. BOARD CHAIR’S REPORT: None were offered.

9. DIRECTORS’ REPORTS: None were offered.

10. CEO REPORT:

- Completion of the LAFCo pre-survey information and gathering of requested documents is in process. These are due to LAFCo at the end of October.
- The next Trousdale Project Building Committee meeting is October 3rd.
- She will be on vacation September 26-30 and attending the CSDA Annual Conference in San Diego with Director Zell from October 10-13.

11. COMMUNITY OUTREACH COORDINATOR REPORT: Ms. McDevitt reported on attending the Teen Mental Health Initiative for San Mateo Union High School District meeting with the focus on how can PHCD continue to build on efforts made to address health gaps and achieve better health outcomes. The Countywide Triennial Needs Assessment will be mined for opportunities especially in areas of dental health, San Bruno clinic needs, and resident health disparities.

12. OLD BUSINESS:

A. Peninsula Wellness Community Progress Report: CEO Fama added to the written report included under Consent that some items in the PWC budget will be reviewed, especially for consultant hours and number of team meetings.

B. Proposal to Fund the Board’s Recently Approved support of San Mateo County Oral Health Coalition Strategic Plan from the Board’s Designated Fund Rather than the FY 2017 Budgeted Grant Fund: Director Galligan

Director Galligan asked for clarification on an action taken at the August Board meeting. Two years of funding totaling \$100,000 was approved to support the new Oral Health Coalition Strategic Plan. It was not specified as to where this money should be taken – grant budget or general fund. She is recommending it come out of the general fund and not the grant budget. There being no discussion,

It was moved by Director Galligan, seconded by Director Navarro and approved to take this funding commitment out of the Board’s general fund, not the grant budget line item. The motion passed 5-0-0 to accept.

13. NEW BUSINESS: None


14. MEDIA AND CORRESPONDENCE:

Chair Cappel noted that the upcoming 25th anniversary celebration for Fiddler's Green restaurant in Millbrae on Sunday, October 9th will benefit the Strides for Life Colon Cancer Foundation.


15. ADJOURNMENT The meeting was adjourned by Chair Cappel at 17:45

Written and submitted by: Paul Wright, Office Coordinator

Approved by



Helen Galligan, RN, Secretary



Lawrence Cappel, PhD, Chair

**NEXT REGULAR BOARD MEETING:
October 27, 2016 5:45 PM
PHCD Office, 1819 Trousdale Drive
Burlingame, CA 94010**