

BOARD OF DIRECTORS
BOARD MEETING MINUTES

August 25, 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 (arrived at 17:53), Secretary Galligan, Treasurer Zell, and Director Emmott. Also present were Counsel Coffey, CEO Fama, and PHCD Staff Paul Wright. **Invited Guests:** Janet Wagner, CEO, Mills-Peninsula Medical Center; Paul Single and Claire Schissler, City National Bank; Lee Michelson, Oral Health Coalition Chair and Sequoia Healthcare District CEO; Prakash Pinto, Master Planner, Pinto & Partners.
3. **CONSENT CALENDAR**
It was moved by Treasurer Zell, seconded by Secretary Galligan and approved 4-0-0 to accept the Consent Calendar as presented.
4. **ORAL COMMUNICATIONS:** No oral communication was offered.
5. **REPORT OUT FROM CLOSED SESSION- July 14, 2016:** Chair Cappel reported they discussed real estate issues
6. **PRESENTATION:**

A. Mills-Peninsula Medical Center Quarterly Report – Janet Wagner, CEO

Ms. Wagner reported on the newest members of the MPHS administrative team including Dr. Kim Erlich the new Chief of Staff, and listed the awards and recognition given to Mills-Peninsula. She mentioned in the physician offices, there are clinical workers that work with parents with teenagers, since suicides have been a concern in the area. **Director Zell** said the District's recent program with the San Mateo Unified High School District providing mental health services within the school, and it might be beneficial for MPHS to connect with the school district. She continued with news about the cardiovascular and neurovascular service lines, including absorbable stents, dual anti-platelet therapy trials, and neuro-interventional capabilities. The helipad construction has begun and is scheduled to finish before the end of the year. Sutter will have 3 helicopters and one fixed wing to serve both the Bay area and valley Sutter facilities. Sutter also launched an ambulance service with 50 vehicles for transport, not emergency services. To **Director Zell's** question about the number of helicopters per month we should be expecting, **Ms. Wagner** said she does not expect the helicopter visits to be very frequent. The financial status for both Sutter and Mills-Peninsula are strong. **Director Zell** said the biggest question he gets is about cost of health care. People see large profits, but costs are not dropping. **Ms. Wagner** responded that the costs for the most frequent procedures are coming down. Also, the federal government has mandated to bundle orthopedic services payments and amounts are impacted by outcomes; many other areas like cardiovascular are following suit. **Chair Cappel** asked how the Sutter health plan was doing.

B. City National Bank Investment Manager Report – Paul Single and Claire Schissler.

Mr. Single handed out their report, which included a portfolio review, investments strategies, and portfolio holdings list. He pointed out the two account portfolios, one portfolio represents the construction loan and the other is Board designated funds. He reviewed the performance of various investments in each portfolio. **Vice-Chair Navarro** asked what the inflation rate has been for this same period of time. **Mr. Single** responded a little less than 1%. **Director Zell** asked if there is any anticipation of any changes in the next year. **Mr. Single** responded higher interest rates if the Fed's raise rates; this is anticipated to occur as early as December this year.

7. COMMITTEE REPORTS:

A. Long Term Planning – Chair Cappel reported on the August 3, 2016 meeting. The meeting was unique in that there was no set agenda but instead focused on asking all the members to contribute to their ideas, especially regarding the District's long term plans and recent legislative activities in Sacramento. He stated he thought this was one of the best long term planning meetings in a long time.

B. Community Health Investment – Director Galligan reported that the first meeting of this grant cycle will be held on August 29, 2016.

C. Finance – Treasurer Zell reported that he is unhappy with the performance of Fiduciary Trust, and wants to draw down the assets, but not completely ending the relationship. **Chair Cappel** said that in the current economic conditions, you need to do whatever is necessary to try and get a good return. **Treasurer Zell** said City National has close to a 2% return. **CEO Fama** said that Fiduciary Trust is scheduled to present at the Board meeting in September. **Chair Cappel** said he doesn't think it's a problem with starting to draw down the money before the September Board meeting. **Vice-Chair Navarro** said it's the public's money, and it's our job to try and do the best job we can with it.

8. BOARD CHAIR'S REPORT: **Chair Cappel** reported on the strategic overview presented at the Board's study session on July 30th and the importance of the Board periodically reviewing its direction and priorities and the need to stay connected with the heart of the community and its health needs. He reported that he and Director Zell met with two members of the Burlingame School District Board to keep them updated on PHCD's development plans and our board updated on BSD priorities. **Treasurer Zell** added BSD is not looking to move soon and only would do so if something came up that meets their needs and would be cost neutral.

9. DIRECTORS' REPORTS: None were offered.

10. CEO REPORT:

A. Status of SB 994 (Hill) Design Build Authority for PHCD and BCHD
Senator Hill's bill in support of giving PHCD and Beach Cities design build authority passed out of the senate side with unanimous approval; no action has been taken by the assembly. It remains possible that some ruling may occur by close of session, August 31st.

B. Legislative Focus on Special Districts: The Local Government Committee has reconvened the Little Hoover Commission and testimony was heard 8/25,16 from a number of special district representatives – our Association was one of them. The ACHD testimony provided a comprehensive overview on the history of healthcare districts and the broad range of services they provide to meet the local needs of their communities. A copy was included in the Board packet.

C. ACHD Working Group Recommendations: A working group was formed of healthcare district Directors and CEO's from around the state to develop a proactive plan for addressing concerns percolating in Sacramento. Areas under discussion by the working group include modification of legislative language to make the district mandate less open-ended and clearer on healthcare districts' accountability for knowing and addressing its community health needs; and helping make LAFCO reports more efficient and timely. **Director Zell** said he liked the idea of defining our scope, but much of the rest involving extra reporting sounds like it will just take up staff time. He hopes ACHD will not encourage reporting requirements to the state that just seem like more bureaucracy.

D. Assisted Living/ Memory Care Project: Construction on the Trousdale is moving along well. Saturday, September 24th, was selected as the day for the mat slab cement pouring. Approvals from the city have been obtained for a 4:00 am start on a Saturday to minimize disruption during normal work and school traffic days.

E. Annual Audit: Dereck Rampone and team from Moss, Levy & Hartzheim, LLP will arrive Monday, 8/29 to launch the annual audit.

F. Our Community Outreach Coordinator, Ashley McDevitt, will return from Maternity Leave on Tuesday, September 6th; she will be working a 28 hour/week schedule.

11. OLD BUSINESS:

A. Board Confirmation of Maximum Program Envelope for Peninsula Wellness Community Project EIR: Prakash Pinto, Pinto & Partners, Planning Architect

Mr. Pinto briefly reviewed the revised plan that was presented and discussed at the August 25th meeting. He is seeking formal Board approval of the plan as presented to move ahead with the EIR. He reiterated that this plan is intended to seek approval for the "maximum envelope" allowable within the current zoning and codes; however, it does not necessarily mean it will be built out to that maximum. **Chair Cappel** asked and CEO Fama clarified which parcels are included in the Master Plan and therefore, cannot be used for any service that would compete with the hospital. **Director Zell** said he likes the idea of themed buildings, and the first floor of the buildings should have services not only for the residents, but adding things like therapeutic pools and gyms for the community as well.

It was moved by Director Zell, seconded by Emmott and approved 5-0-0 to accept the updated EIR as presented.

B. Proposal to revise the FY 2016 Budget to reflect Board's prior authorization to utilize financial consultants in seeking the additional loan for The Trousdale Project.

Treasurer Zell reported that this is a technical amendment to the budget for clarity. Earlier this year, the Board approved re-engaging consultants Gary Hicks, Bill Hendrickson, and Brian Quint for the purpose of analyzing the if and for how much PHCD should seek additional debt funding to proceed with the assisted living project. This was technically a

revision to the operating budget and he is recommending that the FY 2016 budget be changed to reflect this approved additional spending under "Financial Consulting".

It was moved by Director Zell, seconded by Vice-Chair Navarro and approved 5-0-0 to accept the amended budget as presented.

12. NEW BUSINESS:

A. San Mateo Oral Health Coalition Strategic Plan and Funding Request to help support carrying out the plan to service all sectors of the dental health provider community: Lee Michelson, Coalition Chair.

Mr. Michelson opened by noting that dental care has become a priority concern for San Mateo County. The Oral Health Coalition took on the challenge of creating a strategic plan for dental care - the first time in San Mateo County in 16 years. The Coalition is comprised of representatives from all sectors of the health and dental community such as the county Dental Director, private practice, Ravenswood FQHC clinic, Apple Tree Dental, the healthcare districts, and others. Of note, the County does not have a department of oral health. A key recommendation coming from the planning process is the need for two highly trained, coordinating positions that will increase coordination of resources with one immediate benefit – increasing capacity and access. These positions will include a dentist with a public health background. The Oral Health Coalition is seeking funding to support \$200,000 or 55% of the cost of these two new, benefited position. Once secured, the county can draw down another \$160,000 of Federal matching funds. This will provide the total needed funding of \$360,000. Sequoia Health Care District, First Five, and The Health Plan of San Mateo have all committed \$50,000 per year for 2 years. He is requesting Peninsula Health Care District to also commit the same. Supervisor Dave Pine has been a big supporter.

Secretary Galligan asked why Apple Tree Dental isn't filling this need. **Mr. Michelson** replied that Apple Tree will be filling a number of the needs, but not all. The plan includes the following:

- to work with every pediatrician in the county to make sure that every child in the county has had a dental visit by their first birthday.
- to get more private dentists to step up and do more pro bono work
- to work with all the early childhood education programs to do public education around proper dental health for children.

Director Emmott asked and **Mr. Michelson** replied that the range of services envisioned include children, adults 65 and older, and adults and children with special physical and mental challenges. **Director Emmott** asked if they were including implants. **Mr. Michelson** replied that they were for orthodontics and other services that are not cosmetic. **CEO Fama** added this is an opportunity to get Apple Tree Dental more integrated into the dental community and out into the community.

It was moved by Director Zell and seconded by Vice-Chair Navarro to approve the request of the San Mateo Oral Health Coalition for funding support of \$100,000 to be paid at \$50,000 per year for two years to help pay for two new positions to launch the strategic objectives identified in the Coalition's strategic plan.

Discussion of the motion: **Secretary Galligan** said the county should have implemented this when they had Measure A funds to use and worked with Apple Tree. This program seems like something

that should go through the PHCD grants program as the amount and scope are within what the program is intended to cover and the review the Community Health Investment Committee provides in assessing all grant requests. **CEO Fama** explained that it was put on the agenda as a matter of timing. This broad community coalition is ready to make this happen; PHCD's normal grants process pushes out a Board decision to December 8. **Mr. Michelson** replied that it could be delayed, though they are ready to hire the staff now as they have potential candidates already, and they would like to be able to announce they have staff in place when they have their public meetings to roll out the plan.

Secretary Galligan noted there is a Community Health Investment Committee next Monday, and **Chair Cappel** added there is a publicly noticed study session scheduled for September 10. Could this decision be delayed until that September 10 meeting? **Chair Cappel** said that he would've liked to see the plan and is a strong supporter of the integrity of the grants process. 'Leap frogging' the process compromises the integrity of the committee's charge. **Director Zell** said if it's going to be approved the Board should just do it now. **Secretary Galligan** said she feels it would be better to go through the process, and the additional time allows the committee to receive the Coalition's strategic plan. The question was called.

The motion as presented passed 3-2-0.

AYES: Navarro, Zell and Emmott

Noes: Cappel and Galligan

- B. Proposal to provide funding to the City of Millbrae to support youth and senior programs traditionally run out of the Recreation Center that was destroyed by recent arson fire.** **Chair Cappel** presented the impact loss of the recreation center is having on the many valuable programs that were regularly run out of the Millbrae Center. He cited PHCD's 2-year support for the resource center for San Bruno residents after the PG&E explosion disaster; he believes this is a similar urgent need and an important role for the district – to quickly be there for our local residents. It will be years before a new recreation center gets rebuilt. These funds will be used to find interim locations and supplies for the senior and youth programs.

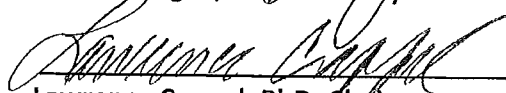
It was moved by Chair Cappel, seconded by Director Zell and approved 5-0-0 to accept the motion as presented.

14. ADJOURNMENT

Written and submitted by: Paul Wright, Office Coordinator

Approved by


Helen Galligan, RN, Secretary


Lawrence Cappel, PhD, Chair

