



**Minutes of the Open Session of the
Meeting of the El Camino Healthcare District Board of Directors
Tuesday, June 20, 2017
El Camino Hospital | 2500 Grant Road, Mountain View, CA 94040
Conference Rooms E,F&G (ground floor)**

Board Members Present

Dennis Chiu, Vice Chair
(via videoconference)
Peter Fung, MD, Chair
Julia Miller
David Reeder
John Zoglin

Board Members Absent

None

Members Excused

None

Agenda Item	Comments/Discussion	Approvals/Action
1. CALL TO ORDER	The open session meeting of the El Camino Healthcare District Board of Directors (the "Board") was called to order at 5:33pm by Chair Fung.	
2. SALUTE TO THE FLAG	Chair Fung led the Board members, staff, and members of the public present in the Pledge of Allegiance.	
3. ROLL CALL	A verbal roll call was taken. Director Chiu participated via videoconference. All Board members were present.	
4. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Chair Fung asked if any Board members may have a conflict of interest with any of the items on the agenda. No conflicts were noted.	
5. PUBLIC COMMUNICATION	There were no comments from the public.	
6. RESOLUTION 2017-05: COMMUNITY BENEFIT SPOTLIGHT	<p>Motion: To approve <i>Resolution 2017-05</i>.</p> <p>Movant: Reeder Second: Miller Ayes: Chiu, Fung, Miller, Reeder, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p> <p>Barbara Avery, Director, Community Benefit recognized the Mountain View Los Altos High School District for its commitment to providing mental health and emotional support services to improve educational outcomes and help students succeed in school and in life. Susan Flatmo, PhD, Clinical Services Coordinator, thanked the Board for their support of mental health programming, and provided an overview of the work in local high schools, including teacher training and onsite therapy.</p>	<i>Resolution 2015-05 approved</i>
7. CONSENT CALENDAR	<p>Chair Fung asked if any member of the Board or the public wished to remove an item from the consent calendar. Director Zoglin requested that Item F: Community Benefit Audit be removed.</p> <p>Motion: To approve the consent calendar: Minutes of the Open Session of the District Board Meeting (May 15, 2017); Minutes of the Open Session of the District Board Meeting (May 22, 2017); Minutes of the Open Session of the District Board Meeting (June</p>	<i>Consent calendar approved</i>

	<p>14, 2017); <i>Resolution 2017-06</i>: To Approve Proposed Amendments to the ECH Bylaws; <i>Resolution 2017-07</i>: To Establish Tax Appropriation Limit for FY18; and for information: ACHD Membership.</p> <p>Movant: Miller Second: Chiu Ayes: Chiu, Fung, Miller, Reeder, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p> <p>In response to Director Zoglin's questions, Melanie Espino of Actionable Insights explained that the auditors reviewed the systems for reporting and collecting data, not the validity of the data or the grant reports themselves. She reported that the clinics that were the subject of the District's audit are also regularly audited by licensing institutions including OSPHD and the Department of Public Health, and each have Compliance Officers to validate their data and quality of services.</p> <p>Director Zoglin suggested having data validation as part of the audit next year.</p>	
8. FINANCIAL REPORT	<p>a. ECHD FY17 Period 10 Financials</p> <p>Iftikhar Hussain, CFO presented the District's Period 10 Financials (through April), highlighting:</p> <ul style="list-style-type: none"> - Revenue bonds were issued in March (\$314 million in construction funds), shown on the consolidated balance sheet - Results are ahead of plan, consistent with prior results; ECHD is ahead on expenses (due to labor and favorable investment conditions) and revenues (due to delayed IGT payments) <p>In response to Dr. Fung's question, Mr. Hussain noted that IGT funding is a federal mechanism and the government has been discussing discontinuing funding. He explained that ECHD's FY18 budget does not include IGT funding.</p> <p>b. FY18 ECH Capital and Operating Budget</p> <p>There were no questions from the Board on El Camino Hospital's FY18 budget.</p> <p>c. ECHD FY18 Stand Alone and Consolidated Budget</p> <p>Mr. Hussain presented an overview of the District's FY18 Stand Alone and Consolidated Budget, including:</p> <ul style="list-style-type: none"> - Refinancing the General Obligation Bonds (net present value gross savings of \$10 million), a new item for 2017 - Distribution of \$11.8 million in net income: payments on debt service (\$3 million), capital projects (\$5.5 million); he noted that any net income over the Gann limit can only be used for capital improvements or rebated. <p>In response to the Board's questions, Matt Harris, Controller, clarified the annualized amount for FY17, which overstated the</p>	<p><i>ECHD FY17 Period 10 Financials, FY18 ECH Capital & Operating Budget, and ECHD FY18 Stand Alone and Consolidated Budget approved</i></p>

	<p>amount of Community Benefit funding.</p> <p>Mr. Hussain explained the difference between budgeted commitments and budgeted spend on Capital projects, noting that Board approval is needed at the start of a project and some projects (e.g., OSHPD projects) can have a lengthy approval process. He explained that major capital projects are brought to the District Board for approval if over \$25 million in a single transaction.</p> <p>Motion: To approve the Financial Report: the FY17 Period 10 Financials, the FY18 El Camino Hospital Capital and Operating Budget, and the ECHD FY18 Standalone and Consolidated Budget.</p> <p>Movant: Zoglin Second: Chiu Ayes: Chiu, Fung, Miller, Reeder, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p>	
<p>9. FY18 COMMUNITY BENEFIT PLAN</p>	<p>Barbara Avery, Director, Community Benefit, thanked Director Chiu for his service.</p> <p>Ms. Avery noted that for FY18 there are 60 proposals received (an 11% increase) for a total of \$7,707,300 in requested funding. The total proposed plan provides for \$7,049,930, including \$6,749,931 in recommended grant funding.</p> <p>She outlined the grant review and proposal process including: application documentation requirements, the framework for assessing grant proposals, CBAC's review meeting and recommendations, and the total plan proposal. She described the distribution of grants and proposed funding across the three health priority areas: Healthy Mind, Healthy Body, and Healthy Community.</p> <p>She described strategies for providing dental care, youth and adult mental health services, and support for domestic violence victims in the FY18 plan.</p> <p>She summarized the FY18 proposals: \$7 million in funding servicing 70,000 community members, 31 schools with multiple programs, 4 ECHD cities, 57 grants, and 30+ sponsorships.</p> <p>Chair Fung commented that there is always more to be done for Community Benefit and would like to see more emphasis on the priority area of Healthy Mind. He also commended Anne Rabkin, Sr. Community Benefit Specialist, for her work on the Hypertension Initiative.</p> <p>The Board thanked staff for their work on the Plan.</p> <p>Motion: To approve the FY18 Community Benefit Plan.</p> <p>Movant: Miller Second: Reeder Ayes: Chiu, Fung, Miller, Reeder, Zoglin Noes: None Abstentions: None</p>	<p><i>FY18 Community Benefit Plan approved</i></p>

	<p>Absent: None Recused: None</p>	
10. RESOLUTION 2017-08	<p>Mary Rotunno, General Counsel, reported that Director Chiu's resignation from the Board, effective close of business June 30, 2017, will leave a vacancy on the Board, which can be filled two ways: 1) by appointment, or 2) by calling an election. She outlined the timelines, and noted that if the Board takes no action by August 29, 2017, the vacancy may be filled by the Santa Clara County Board of Supervisors.</p> <p>The Santa Clara County Registrar of Voters estimates that the cost to the District to fill a vacancy with an election will be approximately between \$934,000 and \$1,343,000.</p> <p>The Board discussed the two options for filling the vacancy, expressed concerns about the cost of calling an election, and noted that there are processes for appointment that have been used successfully in the past.</p> <p>Motion: To approve Resolution 2017-08, filling the vacancy by appointment.</p> <p>Movant: Zoglin Second: Miller</p> <p>Director Miller commented that public outreach component of the appointment process should begin as soon as possible.</p> <p>Ayes: Fung, Miller, Reeder, Zoglin Noes: None Abstentions: None Absent: None Recused: Chiu</p> <p>Chair Fung thanked Director Chiu for his service.</p>	<p><i>Resolution 2017-08 approved</i></p>
11. SELECTION OF ADDITIONAL EL CAMINO HOSPITAL BOARD MEMBERS	<p>Chair Fung provided an overview of the expansion of the Hospital Board to include two new appointed members and the recent appointment of Mr. Robert Rebitzer to fill the seat left by Neal Cohen, MD's planned departure at the end of FY17.</p> <p>The Board discussed the implementation and communication plan timeline including:</p> <ul style="list-style-type: none"> - Difficulty of on-boarding of several new people at the same time, including an incoming permanent CEO. - The options of appointing a vetted candidate or starting the process anew. - Competency gaps to be filled when Director Chiu departs. - Retention of the same search firm from the prior Ad Hoc Committee's search. 	
12. APPOINTMENT OF ECH BOARD MEMBER ELECTION AD HOC COMMITTEE CHAIR	<p>Chair Fung appointed Director Zoglin as the ECH Board Member Ad Hoc Committee Chair for FY18. He also selected El Camino Hospital Governance Committee Member Ms. Christina Lai to serve as an advisor to the Ad Hoc Committee.</p>	
13. RESOLUTION 2017-09	<p>Chair Fung requested nominations or declarations of interest from the floor for the position. Director Reeder nominated Director Fung, and Director Fung declined. Director Chiu nominated Director Miller. There was no second.</p>	

	<p>Director Zoglin suggested continuing rotating membership on the Ad Hoc Committee and suggested that Director Reeder join him on the Committee.</p> <p>Chair Fung nominated Director Reeder and Director Zoglin seconded the nomination.</p> <p>Motion: To approve <i>Resolution 2017-09</i> appointing Director Zoglin as Chairperson, David Reeder as the second member, and Christina Lai as an advisor to the El Camino Hospital Board Member Election Ad Hoc Committee for FY18.</p> <p>Movant: Fung Second: Zoglin Ayes: Fung, Reeder, Zoglin Noes: None Abstentions: Chiu, Miller Absent: None Recused: None</p>	
14. BIENNIAL BOARD OFFICER ELECTION	<p>Chair Fung requested nominations or declarations of interest from the floor for the position of Board Chair. Director Reeder nominated Director Zoglin to serve as Board Chair. There was no second. Director Miller nominated Director Fung and Director Zoglin seconded the nomination.</p> <p>Motion: To select Peter Fung, MD as District Board Chair for a two (2) year term of service, effective July 1, 2017.</p> <p>Movant: Miller Second: Zoglin Ayes: Chiu, Miller, Reeder, Zoglin Noes: None Abstentions: Fung Absent: None Recused: None</p> <p>Chair Fung requested nominations or declarations of interest from the floor for the position of Vice Chair. Director Chiu nominated Director Miller and Chair Fung seconded the nomination.</p> <p>Motion: To select Julia Miller as District Board Vice Chair for a two (2) year term of service, effective July 1, 2017.</p> <p>Movant: Chiu Second: Fung Ayes: Chiu, Fung, Miller, Reeder, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p> <p>Chair Fung requested nominations or declarations of interest from the floor for the position of Secretary/Treasurer. Director Chiu nominated Director Zoglin and Director Miller seconded the nomination.</p> <p>Motion: To select John Zoglin as District Board Secretary/Treasurer for a two (2) year term of service, effective July 1, 2017.</p> <p>Movant: Chiu</p>	<p><i>Peter Fung selected as Board Chair; Julia Miller selected as Vice Chair; and John Zoglin selected as Secretary/Treasurer for terms effective July 1, 2017 – June 30, 2019</i></p>

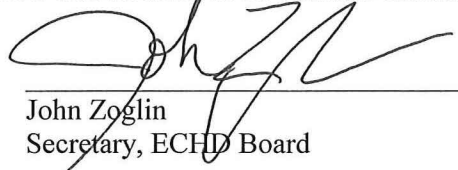
	<p>Second: Miller Ayes: Chiu, Fung, Miller, Reeder, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p>	
15. ADJOURN TO CLOSED SESSION	<p>Motion: To adjourn to closed session at 6:58 pm pursuant to <i>Gov't Code Section 54957.2</i> for approval of the Minutes of the Closed Session of the District Board Meeting (May 15, 2017); Minutes of the Closed Session of the District Board Meeting (May 22, 2017) pursuant to <i>Gov't Code Section 54957</i> for discussion and report on personnel performance matters: Executive Session.</p> <p>Movant: Zoglin Second: Chiu Ayes: Chiu, Fung, Miller, Reeder, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p>	<i>Meeting adjourned to closed session at 6:58pm.</i>
16. AGENDA ITEM 20: RECONVENE OPEN SESSION/ REPORT OUT	<p>Open session was reconvened at 7:13 pm. Agenda items 16-19 were covered in closed session. During the closed session, the Board approved the Minutes of the Closed Session of the District Board Meeting (May 15, 2017) and the Minutes of the Closed Session of the District Board Meeting (May 22, 2017) by a unanimous vote in favor of all members present (Directors Chiu, Fung, Miller, Reeder and Zoglin).</p>	
17. AGENDA ITEM 21: FY18 PACING PLAN	<p>The Board discussed the scheduling of an additional special meeting in August to appoint a new District Board member to fill Director Chiu's vacancy. Cindy Murphy, Board Liaison, noted that the proposed dates are all ahead of the deadline of August 29, 2017. The Board also discussed the public outreach regarding the vacancy and the process for reviewing applications.</p> <p>Motion: To approve the pacing plan, amended to schedule an additional meeting on August 16, 2017.</p> <p>Movant: Zoglin Second: Chiu Ayes: Fung, Miller, Reeder, Zoglin Noes: None Abstentions: Chiu Absent: None Recused: None</p>	
18. AGENDA ITEM 22: BOARD COMMENTS	<p>The Board thanked Director Chiu for his service.</p> <p>The Board discussed the process for interviewing candidates to fill the upcoming vacancy on the District Board, including public outreach and voting at the meeting. Director Reeder commented that in the past, the District Board has interviewed all of the applicants.</p>	
19. AGENDA ITEM 23: ADJOURNMENT	<p>Motion: To adjourn at 7:28 pm.</p> <p>Movant: Miller Second: Reeder Ayes: Chiu, Fung, Miller, Reeder, Zoglin</p>	<i>Meeting adjourned at 7:28 pm.</i>

	Noes: None Abstentions: None Absent: None Recused: None	
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Attest as to the approval of the foregoing minutes by the Board of Directors of El Camino Healthcare District:



Peter C. Fung, MD
Chair, ECHD Board



John Zoglin
Secretary, ECHD Board

Prepared by: Cindy Murphy, Director of Governance Services
Sarah Rosenberg, Contracts & Board Services Coordinator