

**EL CAMINO HOSPITAL DISTRICT
BOARD OF DIRECTORS
Regular Meeting – March 19, 2013**

MINUTES

The Regular Meeting of the Board of Directors of El Camino Hospital District (the “District”) was called to order by John Zoglin, Chairman, at 5:30 p.m. on Tuesday, March 19, 2013 in Conference Rooms E, F & G, ground floor, El Camino Hospital, 2500 Grant Road, Mountain View, California.

Roll call was taken. The Directors present were John Zoglin; Dennis Chiu; Patricia Einarson, MD; Julia Miller; and David Reeder.

CONFLICT OF INTEREST DISCLOSURES:

Director Zoglin asked if there was any Board member who has, or anyone in the audience who believes any Board member may have, a conflict of interest with respect to any of the items on the agenda. No conflict was stated.

CONSENT CALENDAR:

Director Zoglin stated that all items listed on the consent calendar are considered to be routine matters. One motion, a second and a vote may adopt all of the items listed on the Consent Calendar with no discussion unless requested by a Board Member, staff, or a member of the audience. At this time a member of the Board, staff, or the audience may request an item be added to or deleted from the Consent Calendar.

Director Zoglin asked if there were any questions or comments from the Board or the audience.

Action: Upon a motion duly made and seconded, the following item on the Consent Calendar was approved by a vote of five Directors in favor: Minutes of the Special Board Meeting (December 10, 2012).

APPLICATION OF HEALTH AND SAFETY CODE:

“Director Miller stated that during the onboarding process, she noted that stipends were permitted to be paid to District Board members under the *Health and Safety Code* but the Bylaws prohibited such payments, and these documents need to be reconciled. A report was provided by staff which demonstrated that other hospitals and special districts do provide such stipends.” Director Miller requested that a copy of the report be attached to the Minutes and for the Board and/or the public to comment.

Director Reeder commented that he felt strongly that Health Care District stipends should not be accepted and wanted to be clear and open with the community that the Board, in its Bylaws, had chosen not to accept stipends for the benefit of the community.

Director Chiu stated that he felt the amount was de minimis and would like to give the option to individuals who are either on the Board or that might choose to run for the Board to accept a stipend. He also felt that if a stipend takes away a barrier from running for public office of this health care district, he would support it.

Director Einarson stated that she agreed with Director Chiu that if it takes away a barrier from running for public office she would also support the stipend.

Director Miller stated that she felt the Bylaws could be changed as permitted by the *Health and Safety Code*, and the individual Board members could choose to accept a stipend or not.

Director Zoglin stated while most Districts do pay a stipend, but for a publicly elected entity to raise their own pay didn't seem appropriate.

Director Zoglin asked if there were any questions or comments from the Board or the audience.

Director Reeder commented that due to Measure M, there are community members who might go to the media yielding a negative impact.

Mr. Olejko commented that if the motion passes, amending the District bylaws would be required, which would permit pay to the Board members who choose this option, which is consistent with the statute.

Action: A motion was made by Director Miller, seconded by Director Chiu, and approved by three members in favor, Directors Reeder and Zoglin opposed, that current and future District Board members may choose to receive a stipend of \$100 per District Board meeting, as permitted under the *Health and Safety Code*.

APPOINTMENT OF DISTRICT BOARD OFFICERS

Director Miller asked which officers are elected first – the District Board or the Hospital Board and do the same set of officers have to represent the District Board and the Hospital Board.

Mr. Olejko answered that there is no relationship between the two elections. The Bylaws for each organization provide for the newly elected officers to take office on July 1.

Director Chiu stated that he thought there were potential conflicts of interest between serving on the District Board and serving on the Hospital Board. He stated that the District Board had a duty primarily to the voters that are residents of the District. He felt it was important to recognize the potential for a conflict of interest.

Director Miller stated she would like to see different officers for the District and the Hospital. This would support LAFCo's recommendation and give ECH greater transparency and accountability within the community we serve.

Director Zoglin asked if there were any questions or comments from the Board or the audience.

Action: A motion made by Director Reeder, seconded by Director Chiu, and approved by a vote of five Directors in favor that the Board officers be elected independently.

STAND-ALONE EL CAMINO HOSPITAL DISTRICT FINANCIALS – Period 7

Mr. Mike King reported on the District financial results packet, which includes a summary of the Hospital's financial performance, and which was available to the public on the table. Mr. King then asked if there were any questions.

Director Zoglin asked if there were any questions or comments from the Board or the audience.

LAFCO RESPONSE:

Director Zoglin stated that the LAFCo response has been a major effort over the last year with a tremendous amount of work by staff and consultants and was very appreciative of LAFCo's recommendation to make El Camino Hospital a better institution.

Ms. Ryba then invited the team who has been working on the LAFCo response to join her at the table: Mitchell Olejko, Greg Caligari, Mike King, Chris Ernst and Cecile Currier. An executive summary was provided, along with background information that was included in the packet and also available at the meeting. Discussion ensued.

Ms. Ryba then explained where the El Camino Hospital District is with respect to the LAFCo response and reminded the Board that on August 1, 2012 Santa Clara County LAFCo adopted *Resolution 2012-05* which included a request from LAFCo to El Camino Hospital District to implement certain recommended improvements. She then stated that she felt ECHD has being very responsive to LAFCo and agreed with almost all of their suggestions. She also discussed the timeline which outlined the time sensitivity and the urgency to make sure that these issues were addressed and reconciled. She also commented that an Ad Hoc Committee has been working with this team insuring that the team was directionally correct and that these suggestions were supported by the District Board.

Key policy issues (attached) related to the proposed response to LAFCo were identified. The staff's recommendations were noted after each issue.

Much discussion ensued and the following motions were adopted:

Action: A motion was made by Director Miller, seconded by Director Reeder, and approved by five Board members in favor that staff recommendations (1, 2, 3, 4, 5, 8, 9) (see attachment)) be accepted.

Action: A motion was made by Director Reeder, seconded by Director Einarson, and approved by four Directors in favor, Director Chiu opposed, to accept staff recommendation 6(a)(i) (see attachment)

Action: A motion was made by Director Reeder, seconded by Director Einarson, and approved by four Directors in favor, Director Chiu opposed, to accept staff recommendation 6(b)(ii) (see attachment).

Action: A motion was made by Director Reeder, seconded by Director Miller, and approved by five Directors in favor to accept staff recommendation 7(a) (see attachment).

The Board briefly recessed between 7:30 p.m.-7:35 p.m.

Chris Ernst then discussed the proposed new El Camino Hospital District brand identity, which would create more distinction between the District and the El Camino Hospital brand. After discussion, the Board agreed on the recommended District brand, as presented at the meeting.

PUBLIC COMMUNICATION: None

APPOINTMENT OF DISTRICT BOARD MEMBER TO COMMUNITY BENEFIT ADVISORY COUNCIL:

Director Zoglin stated a District Board member has been a member of the Community Benefit Council. The term is three years and the Council meets three to four times a year. The job description and the charter were available in the Board packets as well as at the meeting.

Ms. Currier, VP, Corporate and Community Health Services stated that the advisory council evaluates the needs of the community, and represents the District as it relates to the community benefit effort. Ms. Currier stated that there are 15 members on the Council.

Director Reeder stated that he would like to see more community members involved on the council.

Action: A motion was made by Director Reeder, seconded by Director Zoglin, and approved by five Directors in favor to appoint Director Miller to the Community Advisory Council.

DISTRICT BOARD MEMBERS OUTREACH:

Brenda Taussig, Manager, Government Relations, stated that she is very enthusiastic regarding the government affairs and community engagement plans and briefly commented on the three plans -- government relations plan, advocate program, and community benefit impact plan.

ADJOURN TO CLOSED SESSION:

Upon motion made by Director Zoglin, seconded by Director Reeder, and approved by a vote of five Directors in favor; the Open Session of the meeting was adjourned to Closed Session at 7:58 p.m. pursuant to *Gov't Code Section 54957.2* to consider the Closed Session minutes of the Special Board Meeting (December 10, 2012).

CLOSED SESSION

The Board completed its business of the Closed Session at 8:10 p.m.

RECONVENE OPEN SESSION

The Board reconvened Open Session at 8:11 p.m.

Director Zoglin reported on the following actions taken in Closed Section, which are required to be disclosed in Open Session

CLOSED SESSION REPORTS:

Consent Calendar

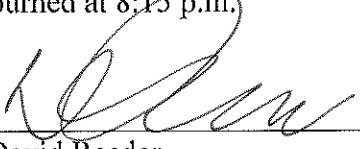
The Board reviewed and approved the Consent Calendar Closed Session item as follows: Approval of the minutes of the Special District Board Meeting (December 10, 2012),

ADJOURNMENT:

There being no further business, the meeting was adjourned at 8:15 p.m.



John Zoglin
ECHD Board Chairman



David Reeder
ECHD Board Secretary

**POLICY ISSUES FOR DISCUSSION BY
EL CAMINO HOSPITAL DISTRICT BOARD OF DIRECTORS
District Board Meeting -- March 19, 2013**

Key policy issues related to the proposed response to LAFCo are identified below. Staff's recommendation is noted after each issue.

1. Should the District establish an Operating Fund, with appropriate reserves, to fund the ongoing operating expenses of the District?

Staff recommendation: Yes.

2. Should the District establish a Capital Replacement Fund, with appropriate reserves, to ensure that the District has adequate resources to fund the repair and replacement of the capital assets it owns within the District?

Staff recommendation: Yes.

3. Should the District establish a Capital Appropriations Fund, with appropriate reserves, to ensure that the District has adequate resources to fund capital improvements in accordance with the Gann Appropriations Limit (unless and until it is determined that the Gann Appropriations Limit does not apply to the District)?

Staff recommendation: Yes.

4. Should the District establish a Community Benefit Fund, with appropriate reserves, to ensure that the District has adequate resources to fund community benefit grant expenditures?

Staff recommendation: Yes.

5. With respect to District revenues earmarked for community benefit grant expenditures, would the District prefer to: (a) hold such funds in a separately established District bank account that will continue to be controlled by the District Board, or (b) transfer such revenues to a separate Community Benefit Trust Fund, held in trust by a third-party (as has been suggested by LAFCo)?

Staff recommendation: Select alternative described in 5(a).

District Board Stipend Information

3/18/2013

Name of Board	Stipend	Comments
Sequola Healthcare District	Provides Health Benefits \$1,500 per month per Board member	Had recently gone up from \$1,200, but just began discussions on the future of this benefit
Santa Clara Valley Water District	\$286.03 per meeting (with a limit of 10 meetings per month to be compensated)	They last voted in August 2011 not to increase the \$\$ amount
Washington Township Healthcare District	\$100 per meeting per board member for up to 5 meetings per month	
LAFCo/SCC	\$100 per meeting	Confirmed by Brenda; they only meet quarterly
Bay Area Air Quality Management District	\$100 per day .55 mileage reimbursement	Regardless of number of meetings inside or outside the district
District 5/Open Space Mid-Peninsula Regional Open Space District	\$100 per meeting up to 5 meetings per month (Board, Committee, etc)	Typically go way over 5 meetings per month He mentioned using Public Resource Code 5500