

**Minutes of the Open Session  
Of the El Camino Healthcare District Board of Directors  
Tuesday, October 20, 2015  
El Camino Hospital, 2500 Grant Road, Mountain View California  
Conference Room F and G**

**Members Present**

Dennis Chiu  
Peter C. Fung, MD  
Julia Miller  
John Zoglin

**Members Absent**

David Reeder

<b>Agenda Item</b>	<b>Comments/Discussion</b>	<b>Approvals/Action</b>
<b>1. CALL TO ORDER</b>	Board Chair Peter C. Fung, MD called to order the Open Session meeting of the El Camino Healthcare District Board of Directors at 5:30 pm.	
<b>2. SALUTE TO THE FLAG</b>	Chair Fung led the Board members, staff, and members of the public present in the Pledge of Allegiance.	
<b>3. ROLL CALL</b>	Silent Roll call was taken. All Board members except Director Reeder were present.	
<b>4. PUBLIC COMMUNICATION</b>	None.	
<b>5. POTENTIAL CONFLICT OF INTEREST DISCLOSURES</b>	Chair Fung asked if any Board Member or any member of the public knew of any Board member conflict of interest with any of the items on the agenda. None were reported.	
<b>6. CONSENT CALENDAR</b>	<p>Director Zoglin requested that items 6b (FY 2015 Community Benefit Report) and 6c (Resolution 2015-08 Setting Regular Meeting Dates for CY 2016) be removed from the consent Calendar.</p> <p><b>Motion:</b> To approve the Consent Calendar (Minutes of the Meeting of the Board, June 16, 2015 and FY 2015 Year End Consolidated and Stand-Alone Financials).</p> <p><b>Movant:</b> Fung <b>Second:</b> Miller <b>Ayes:</b> Chiu, Fung, Miller, Zoglin <b>Noes:</b> None <b>Abstentions:</b> None <b>Absent:</b> Reeder <b>Recused:</b> None</p> <p>Items 6b and 6c were deferred until later in the meeting.</p>	<b><i>Consent Calendar Items a and d approved</i></b>

<p><b>7. AMERICAN HEART ASSOCIATION: HYPERTENSION INITIATIVE FOR ECHD</b></p>	<p>Chair Fung reported on the significant morbidity and mortality resulting from hypertension (high blood pressure). He explained that hypertension, while very common in the community, is quite amenable to change with modest lifestyle changes. He introduced Sang Mi Oh, of the American Heart Association (“AHA”) who described a potential collaboration between the AHA, ECHD and other community organizations to engage in a community based program “Check.Change.Control” that would involve screening and assistance with lifestyle changes.</p> <p>Directors Zoglin and Chiu requested additional information regarding what the collaboration is and what the Board is being asked to approve. Chair Fung explained that the Board is being asked to approve a collaboration and that any request for funding or other resources would be brought back to the Board at a later time for consideration.</p> <p><b>Motion:</b> To approve a proposed strategic collaboration in concept between the AHA and ECHD and other community nonprofits with more details to follow.          Director Chiu proposed deleting the words “with more details to follow” as a friendly amendment.          Director Miller accepted the amendment.  <b>Movant:</b> Miller  <b>Second:</b> Chiu  <b>Ayes:</b> Chiu, Fung, Miller, Zoglin  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> Reeder  <b>Recused:</b> None</p> <p>Chair Fung requested that Tomi Ryba, CEO, set up a series of meetings to include Ms. Ryba, Ms. Oh, Chair Fung, Ms. Currier and Ms. Avery.</p>	<p><i>Proposed Strategic Collaboration in Concept approved.</i></p>
<p><b>8. FINANCIAL REPORT (ECHD FINANCIALS FY 2016 YTD)</b></p>	<p>Iftikhar Hussain, CFO, gave a report on the YTD Financials. He reported that ECHD’s operating margin is very close to budget, being about \$.5 million behind plan. Net income is behind plan primarily due to a decline in investments in accordance with the market in general, although long term the financials are positioned well. He also explained that El Camino Hospital’s volumes are lower due to a few key surgeons being on vacation in August, but that early results for September are better.</p> <p><b>Motion:</b> To approve the ECHD Financials FY 2016 YTD through August 31, 2015.  <b>Movant:</b> Chiu  <b>Second:</b> Zoglin  <b>Ayes:</b> Chiu, Fung, Miller, Zoglin  <b>Noes:</b> None  <b>Abstentions:</b> None</p>	<p><i>FY 2016 YTD Financials Approved.</i></p>

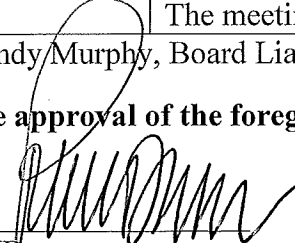
	<p><b>Absent:</b> Reeder  <b>Recused:</b> None</p>	
<p><b>9. FINANCIAL AUDIT PRESENTATION</b></p>	<p>Brian Connor and Joelle Pulver of Moss Adams gave the FY 2015 Financial Audit Report. Mr. Connor explained that ECHD’s Financial Statements are consolidated with El Camino Hospital, the El Camino Hospital Foundation and CONCERN.</p> <p>Focusing on the District finances alone, Ms. Pulver reported that the only significant change in the Balance Sheet over the last three years is a decrease in the GO bonds due to regularly scheduled payments and she explained changes to the income statement.</p> <p>With respect to the audit overall, she also stated that there were no material weaknesses and just a few best practice recommendations that management has agreed to and begun to implement.</p>	
<p><b>10. AGENDA ITEM 6b - FY 2015 COMMUNITY BENEFIT PLAN REPORT</b></p>	<p><b>Motion:</b> To approve the FY 2015 Community Benefit Plan Report  <b>Movant:</b> Miller  <b>Second:</b> Chiu  <b>Ayes:</b> Chiu, Fung, Miller, Zoglin  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> Reeder  <b>Recused:</b> None</p>	<p><i>FY 2015 Community Benefit Plan approved.</i></p>
<p><b>11. AGENDA ITEM 10 - ECH BOARD MEMBER ELECTION AD HOC COMMITTEE REPORT: CONSIDER RE-ELECTION OF EL CAMINO HOSPITAL BOARD MEMBER</b></p>	<p>Director Zoglin reported that the Ad hoc Committee, comprised of himself, Director Miller and Gary Kalbach (of the ECH Governance Committee) met to discuss the data reported in the Nygren Surveys in which all five ECHD Directors participated. He explained the findings reflect the ECHD Board’s view of the ECH Board’s competencies in various areas and how those competencies would change if ECH Director Davis was no longer on the Board.</p> <p>He noted that the Committee found Director Davis to be very re-electable and presented two options for the Board to consider: 1) Re-elect Director Davis to the ECH Board now or 2) engage in “passive” recruitment in Q2 and Q3 that would include advertisement in local newspapers and word of mouth advertising, but not the engagement of a search firm at this time.</p> <p>The Board members discussed the options presented. Director Chiu asked if the Board could re-consider the two candidates that were not selected in June 2016 and, if one of them were to be elected, would the District be required to pay the search firm a fee. Mary Rotunno, General Counsel, responded that she would have to review the search firm’s contract.</p> <p><b>Motion:</b> To engage in passive recruitment of an El Camino Hospital Board member during Q2 and Q3.  <b>Movant:</b> Miller</p>	<p><i>Passive recruitment approved.</i></p>

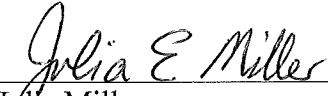
	<p><b>Second:</b> Chiu  <b>Ayes:</b> Chiu, Miller  <b>Noes:</b> Zoglin  <b>Abstentions:</b> Fung  <b>Absent:</b> Reeder  <b>Recused:</b> None</p> <p style="text-align: center;"><i>Motion Failed</i></p> <p><b>Motion:</b> To approve the passive recruitment process in including researching the prior candidates.  <b>Movant:</b> Chiu  <b>Second:</b> Miller  <b>Ayes:</b> Chiu, Fung, Miller  <b>Noes:</b> Zoglin  <b>Abstentions:</b> None  <b>Absent:</b> Reeder  <b>Recused:</b> None</p> <p>Chair Fung requested that Ms. Rotunno report to the Ad Hoc Committee regarding the applicability of the contract with the previous search consultant.</p>	
<p><b>12. AGENDA ITEM 6c – RESOLUTION 2015 - 08 SETTING REGULAR MEETING DATES FOR CY 2016</b></p>	<p><b>Motion:</b> To approve Draft Resolution 2015-08 with the addition of a meeting on May 17, 2016  <b>Movant:</b> Zoglin  <b>Second:</b> Chiu  <b>Ayes:</b> Chiu, Fung, Miller, Zoglin  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> Reeder  <b>Recused:</b> None</p>	<p><i>Resolution 2015-08 approved as revised.</i></p>
<p><b>13. AGENDA ITEM 11- ASSOCIATION OF CALIFORNIA HEALTHCARE DISTRICTS REPORT</b></p>	<p>Director Miller reported she attended a two day retreat of ACHD’s Board of Directors of which she is a member. She described the information presented at the retreat including the work of Districts across the state, and the distribution of physicians throughout the State. She reported that a report was given regarding an excess of hospital beds in California. She also described the services ACHD provides to member Districts.</p>	
<p><b>14. AGENDA ITEM 12 – FY16 PACING PLAN</b></p>	<p>Chair Fung commented that, based on earlier discussion, a May 17 2016 meeting would need to be added to the Pacing Plan. He expects this would be an abbreviated meeting, solely for the purpose of electing a member of the ECH Board, and approval of the Minutes of the prior meeting.  <b>Motion:</b> To approve the FY16 Pacing Plan with the addition of a meeting on May 17, 2016.  <b>Movant:</b> Miller  <b>Second:</b> Fung  <b>Ayes:</b> Chiu, Fung, Miller, Zoglin  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> Reeder</p>	<p><i>FY16 Pacing Plan approved.</i></p>

	<b>Recused:</b> None	
<b>15. BOARD COMMENTS</b>	<p>Director Miller noted that she and Director Chiu recently attended the Diwali event in Cupertino and thanked Ms. Ryba for the Hospital's support of the event. She also commented that she attended the tour of the RotaCare clinic with the Sunnyvale Rotary and is hopeful for continued RotaCare funding. She also requested the District's Ethics Policy be presented to the Board annually.</p> <p>Director Chiu echoed Director Miller's comments about the Diwali event and thanked Chair Fung for bringing the AHA Initiative to the attention of the Board.</p>	
<b>16. ADJOURN TO CLOSED SESSION</b>	<p><b>Motion:</b> To adjourn to closed session at 6:50 pm  <b>Movant:</b> Miller  <b>Second:</b> Zoglin  <b>Ayes:</b> Chiu, Fung, Miller, Zoglin  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> Reeder  <b>Recused:</b> None</p>	
<b>17. AGENDA ITEM 21 – RECONVENE OPEN SESSION</b>	<p>Open Session was reconvened at 8:15 pm. Chair Fung reported that the minutes of the closed session of June 16, 2015 were approved by a vote of three Directors in favor (Chiu, Fung, Zoglin) one Director (Miller) abstaining.</p>	
<b>18. AGENDA ITEM 22 - APPROVAL OF FY 2015 ECHD AUDIT</b>	<p><b>Motion:</b> To approve the FY 2015 Audit  <b>Movant:</b> Chiu  <b>Second:</b> Miller  <b>Ayes:</b> Chiu, Fung, Miller, Zoglin  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> Reeder  <b>Recused:</b> None</p>	<i>FY15 Financial Audit approved.</i>
<b>19. AGENDA ITEM 22- ADJOURNMENT</b>	<p><b>Motion:</b> To adjourn the meeting at 8:16 pm.  <b>Movant:</b> Miller  <b>Second:</b> Chiu  <b>Ayes:</b> Chiu, Fung, Miller, Zoglin  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> Reeder  <b>Recused:</b> None</p> <p>The meeting was adjourned at 8:05 pm.</p>	<i>Meeting adjourned at 8:16pm.</i>

Prepared by Cindy Murphy, Board Liaison

Attest as to the approval of the foregoing minutes by the Board of Directors of El Camino Healthcare District:

  
 Peter Fung, MD  
 Chair, ECHD Board of Directors

  
 Julia Miller  
 Secretary, ECHD Board of Directors