

**MINUTES OF MEETING
BOARD OF DIRECTORS
SEQUOIA HEALTHCARE DISTRICT**

December 3, 2008

Sequoia Room, Sequoia Hospital,
170 Alameda de las Pulgas
Redwood City, CA 94062

Directors Present

Director Faro
Director Hickey
Director Horsley
Director Kane

Directors Excused

Director Macnaughton

Also Present

Mr. Mahadevan, Interim
Executive Director
Mr. Hudak, Legal Counsel
Ms. Bottarini, Recorder

1. Call to Order

By: President Kane

Time: 4:35 pm

2. Public Comment/Non-Agenda Items

President Kane welcomed new board member, Kim Griffin, RN, whose term of office begins December 5, 2008. Directors Hickey and Horsley also congratulated Ms. Griffin on her appointment.

Director Hickey requested that the District's Policies and Procedures be reviewed as an agenda item for the next meeting.

3.a. - 3.c. Consent Calendar

Director Hickey requested removal of agenda items 3.b. (October 15, 2008 Special Meeting minutes).

Motion: To approve the remainder of the Consent Calendar, Items 3.a (October 8, 2008 Special Meeting minutes) and 3.c (September and October 2008 financial statements).

By: Director Faro.

Seconded by: Director Horsley.

Vote: 4-0

Motion Passed

Citing agenda item 4.a. of the October 15 minutes, Director Hickey challenged his vote as shown and requested that the tape be reviewed, stating he did not think he voted in favor of the motion. It was agreed that the minutes would be approved with a subsequent review of the the vote.

4. Executive Directors Report

Mr. Mahadevan reported that he received the Physician Strategy Document and sent it to members electronically. Members were provided an addendum report for review. Mr. Mahadevan reported that the property on Veterans Blvd. Was found to have tiles with asbestos underneath the carpet and removal will cause a potential delay of 1-2 weeks.

4.a. 2008 Sequoia Hospital Campus Redevelopment Project Annual Report

Mr. Mahadevan stated this report is presented as mandated by the Development Agreement.

5.a. Accept the District's Annual Audit for the Period Ending June 30, 2008

Mr. Mahadevan introduced Mr. Tim Krisch of Maze and Associates.

Mr. Krisch reported the District received a clean opinion, which is positive. Mr. Krisch noted the statements are more extensive with donations, and the hospital rebuilding. The District's financial position is still positive with greater than \$11 million in net assets at the end of the year after donations. The internal control report also is clean, showing no material weakness or deficiencies.

Mr. Mahadevan reported -that the District's loss on investments is less than 3% off-setting the earnings of approximately 5%, which reflects the assets increase in value.

Mr. Hickey questioned if the District has access to escrow money, and the response was they do not.

Motion: To accept the District's annual audit for the fiscal year ending June 30, 2008

By: Director Horsley.

Seconded by: Director Faro.

Vote: 4-0

Motion Passed

5.b. Consider Grant Request From Health Plan of San Mateo
"A Community in Great Need: The Case for Shapedown in Spanish"

President Kane introduced Dr. Mary Giammona. Dr. Giammona and Liliana Ramirez, MPH. gave a presentation on the high rate of overweight children in San Mateo County, noting a higher disparity for Hispanic and Pacific Islander children. She presented statistics looking at the proportion of students in grades 5, 7, 9 that are overweight in a select number of cities. Statistics based on ethnicity, and physical fitness standards by the School District were also reviewed. Sequoia's District had the highest percentage of HPSM members between 6-18 years diagnosed with obesity based on claims data by physician. Shapedown was developed by a Nutritionist at UCSF whose research has proven weight loss and improved fitness. It has been adopted by HPSM and the San Mateo County Department of Public Health. The program consists of a series of classes for the child and parent with workbooks to reinforce the material. Dr. Giammona added that 75-86% of the participants completed all of the sessions, and an average of 60% of participants improved their BMI. Dr. Giammona added that the request for services is 3:1 Spanish to English, noting that many Latino families dropped out of the program due to the language barriers.

Dr. Giammona reviewed the cost of professionally translating the six workbooks, and noted the current fundraising commitments from the Peninsula Healthcare District. The goal is to have the new program available in the Spring. Board members discussed the number of children served and efforts to fundraise from alternative organizations. The goal is to be able to expand the program to 60 children a year. Additional funds will be utilized for scholarships to local YMCA youth programs for fitness. Mr. Hudak questioned who owned the copyrights to the program. Dr. Giammona noted the agreement with the independent publisher, which is in writing. Members noted the cooperation of services with the Peninsula Healthcare District to serve the community. Director Hickey expressed concern over the recent market activity and suggested building up reserves before funding community grants.

Motion: To provide a grant in the amount of \$60,000 to the Health Plan of San Mateo for translating the Shapedown workbooks in Spanish, with an agreed upon minimum number of participants as mentioned.

By: Director Horsley.

Seconded by: Director Faro.

Vote: 3-1 with Director Hickey opposed.

Motion Passed

5.c. Consider Website Options

Mr. Josh Berkowitz, Webmaster and Don Shoecraft from MTK Communications discussed plans to update the Website to be more interactive. Board members discussed whether or not audio recordings of the Board meetings should be made to place on the District's web site. Mr. Berkowitz responded to questions posed by Director Hickey regarding the quality and cost of audio recordings. Mr. Hickey requested that documents be digital, and not in PDF format. Directors noted that the website is underutilized and should reflect the work the District does especially with the community grants program.

Director Faro asked action was required and Mr. Mahadevan said that action was only needed if the recording of meetings was to be included as a file or link on the website.

Mr. Hickey moved that the meetings be recorded for the website. The motion failed for lack of a second.

5.d. Consider Resolution 08-6 Amending the Frozen Sequoia Hospital District Employee Pension Plan to Reflect Recent Law Changes

Mr. Mahadevan reported this resolution is to adopt new law changes effective January 1, 2009 as presented in Mr. Sam Hoffman's cover letter. Director Hickey questioned if this would impact the flow of money. Mr. Hudak stated that the changes are to conform with who can be a beneficiary under State and Federal law as it pertains to same sex relationships. It does not change the benefits to employees. Ms. Vaskelis added that it does not change the cost of the plan. Director Hickey questioned if the Attorney General should be consulted to see if this is the District's responsibility. Mr. Hudak stated that the employee pension plan was studied carefully by pension plan experts during the transition of the District responsibilities. Mr. Hudak added that he is not qualified in the area of pension law.

Motion: To waive reading of Resolution 08-6.

By: Director Faro.

Seconded by: Director Horsley.

Vote: 4-0

Motion Passed

Motion: To adopt Resolution 08-6.

By: Director Horsley.

Seconded by: Director Faro.

Vote: 3-1 with Director Hickey opposed.

Motion Passed

5.e. Resolution 08-7 Affirming District Policy to Continue Operating

Motion: To waive reading of Resolution 08-7

By: Director Horsley.

Seconded by: Director Faro.

Vote: 4-0

Motion Passed

Members discussed the role of District Board and its relationship with Sequoia Hospital and the Community Grants Program. Director Hickey stated that the District should not exclude Kaiser or the Palo Alto Medical Foundation. He felt the District should not support Sequoia Hospital or the nurse's program with the tax payer's money.

Motion: To adopt Resolution 08-7.

By: Director Faro.

Seconded by: Director Horsley.

Vote: 3-1 with Director Hickey opposed.

Motion Passed

5.f. Resolution 08-8 recognizing Mr. MacNaughton's Dedicated Service to Sequoia Healthcare District

President Kane read Resolution 08-8 acknowledging Director MacNaughton's service to the District since 1997.

Motion: To adopt Resolution 08-8.

By: Director Hickey.

Seconded by: Director Faro.

Vote: 4-0

Motion Passed

5.g. Accept November 4, 2008 election Results From San Mateo County Registrar's Office and Recognize Ms. Kane and Ms. Griffin as Newly Elected Directors for the Term 12/5/2008 to 12/7/2012

Motion: To Accept November 4, 2008 Election Results and Recognize Ms. Kane and Ms. Griffin as Newly Elected Directors for the Term 12/5/2008 to 12/7/2012

By: Director Faro.

Seconded by: Director Horsley.

Vote: 4-0.

Motion Passed

5.h. Consider 2009 Board Meeting Dates

Mr. Mahadevan indicated several board members would like to increase the number meetings throughout the year. After a brief discussion members decided to have a special meeting on January 14th and May 13th, 2009.

Motion: To add two special meetings to the 2009 schedule.

By: Director Faro.

Seconded by: Director Horsley.

Vote: 3-0-1 with Director Hickey abstaining.

Motion Passed

6.a. Consider Matching Grant to Sequoia Hospital Foundation in the Amount of \$2 Million

Ms. JoAnn Kemist gave a presentation on how donations are made to the Foundation. She clarified that the Sequoia Hospital Foundation is an independent 501(c)(3) and is not owned by Sequoia Hospital or Catholic Healthcare West. Donations can be unrestricted, semi-restricted or fully restricted. She gave examples of each type of donation. She added that the Foundation will not accept a donation with restriction if it does not meet the hospital's Strategic Plan. Ms. Kemist informed members how funding for the da Vinci Surgical Robotics system has attracted new members to the staff, including surgeons from the Palo Alto Medical Foundation. Funds have also been used to enhance the Radiation Oncology services at Sequoia, which is a provider for Kaiser patients. Ms. Kemist clarified that the scholarships for nurses supports the community, as graduates are hired throughout the community. Members discussed providing matching funds in quarterly increments.

President Kane disclosed that both she and Director Faro serve on the Sequoia Hospital Community Board. Director Hickey questioned if it was a conflict of interest for members who serve on both Boards of Directors to vote on this item. Mr. Hudak stated that if the member has no financial interest, stock or personal interest, then there probably is no conflict of interest.

Motion: To approve matching funds in quarterly increments pending confirmation from legal counsel that the Board members do not have a conflict of interest.

By: Director Faro.

Seconded by: Director Horsley.

Vote: 3-1

Motion: Motion Passed

6.b. Update From Board Subcommittee on 525 Veterans Blvd.

Mr. Mahadevan reported that the contract with JAB Construction was signed November 18, 2009 and the work has begun with an estimated 60 days to completion. It was noted that there is some dry rot on the exterior of the building. Mr. Mahadevan mentioned that the leasing agent has reported possible interest from two or three businesses in leasing space in the building.

6.c. Update From Board Subcommittee on District Community Grants Review Committee and Approve New Grant Priorities for 2008-2009

Director Horsley reported that the Grants Review Committee is suggesting a modification to the current focus of the program with a special focus this year to include economic disaster.

President Kane suggested that organizations that reach the final stages give a 10 minute presentation to the Board on the purpose of their request, to help justify the funds.

Motion: To approve program priorities "Healthy, Active and Engaged Youth; Healthy, Active and Engaged Older Adults; Staying Healthy in Tough Economic Times; Design for Federally Qualified Health Clinic; Countywide Youth Fitness Walk" and remove "Staying Healthy in Time of Disaster."

By: Director Faro.

Seconded by: Director Horsley.

Vote: 3-1 with Director Hickey opposed.

Motion Passed

7. Adjourn

Motion: At 6:25 p.m., adjourn meeting.

By: Director Hickey.

Seconded by: Director Faro,

Vote: 4-0

Motion Passed

A special meeting of Sequoia Healthcare District's Board of Directors is scheduled on Wednesday, January 14, 2009, 4:30pm, Sequoia Hospital.

Respectfully Submitted,

Don Horsley, Secretary