

**MINUTES OF REGULAR MEETING  
BOARD OF DIRECTORS  
SEQUOIA HEALTHCARE DISTRICT  
June 5, 2013  
Conference Room, 525 Veterans Boulevard  
Redwood City, CA 94063**

<b><u>Directors Present</u></b> Director Faro Director Griffin Director Hickey Director Kane (via telephone) Director Shefren	<b><u>Directors Excused</u></b>	<b><u>Also Present</u></b> Mr. Michelson, CEO Mr. Hudak, Legal Counsel Ms. Johnson, Recorder
--	---------------------------------	---

**1. Call to Order**

By: President Shefren  
Time: 4:30pm

President Shefren announced that public comment will be heard on each agenda item.

**2. Public Comment/Non-Agenda Items**

Director Kane reported that ACHD has developed a board assessment tool and Directors will be contacted via email to take the assessment online. Additionally a CEO evaluation is being implemented that can be shared by all districts.

**3.a. - 3.c. Consent Calendar**

President Shefren asked that item 3.b be removed from the Consent Calendar.

**Motion:** To approve the remaining items 3.a (April 3, 2013 minutes) and 3.c. (March and April 2013 financial statements).

**By:** President Shefren Kane

**Seconded by:** Director Faro

**Roll Call Vote:** 5-0-0

**Motion Passed**

President Shefren asked that the date in the last paragraph of April 17, 2013 meeting minutes, be corrected from June 6 to June 5, 2013.

**Motion:** To approve, as corrected, item 3.b (April 17, 2013 minutes).

**By:** President Shefren

**Seconded by:** Director Faro

**Roll Call Vote:** 5-0-0

**Motion Passed**

**4. CEO & Staff Reports**

Mr. Michelson reported that the District has paid \$1 million toward the \$4.3 million commitment for the North Fair Oaks Clinic rebuild with an additional \$3.3 million being paid by December which will be paid from the District's reserves. Invoices are scrutinized to make sure District funds are being spent as agreed.

The HeartSafe program: There are options to either scale back the program and eliminate the program manager's position or review the direction of the program as part of the strategic planning process.

Mr. Michelson, President Shefren and Directors Kane and Faro attended the ACHD Annual Meeting and agreed to host a media training session put on by ACHD on June 26.

Healthy Schools Initiative: Ms. Kurtzman reported that final reports are due to her in June and she will compile a summary to share with the Board. Jennifer Gabet is going to be taking on the PE+ program as manager.

HeartSafe: Mr. Nielsen's report was included in the Board packet for review. Last Saturday another life was saved by a District AED located at a Foster City park.

#### 5.a. Update on Sequoia Community Care Program

A progress report is included in the packet. The formal presentation has been moved to the December board meeting. Mr. Michelson reported that Sequoia Hospital decided not to fill the position of ER case worker budgeted at \$125,000 as outlined in their grant request last year, leaving a final grant payment of \$190,083 to be invoiced in December.

#### 5.b. Update on District Strategic Planning Process

The Strategic Planning Committee, consisting of President Shefren, Director Faro and Mr. Michelson presented future steps for the review and interview phases of the planning process. Those interviewed will consist of grantees, county health system staff, school leadership and local legislators. President Shefren would like to have two strategic planning meetings with Directors prior to Board approval of a plan.

#### 5.c. Accept Findings of VTD Agreed Upon Procedures Report

Mr. Michelson noted that in their third and final review, VTD found District staff to be in compliance with its administrative policies. Mr. Michelson will ask VTD if they feel additional reviews would be beneficial and if so, a suggested frequency and report back to the Board.

**Motion:** To accept the findings of VTD's Agreed Upon Procedures report.

**By:** Director Kane

**Seconded by:** Director Shefren

**Roll Call Vote:** 5-0-0

**Motion Passed**

#### 5.d. Consider Adoption of Proposed Budget for Fiscal Year Ending June 30, 2014

Major differences between the 2013-14 and 2012-13 budgets are tax revenue is projected to increase by \$300,000; investment income is decreased \$250,000; EBIDA share decreased \$2.1 million per Sequoia Hospital; no election fees in 2013-14; HeartSafe budget decreased to \$100,000; grant expense for Sequoia Hospital's SHHP program decreased \$630,166; SMART program is being funded by the County; SMMC North Fair Oaks Clinic grant decreased to \$1 million. The District anticipates paying off the total commitment of \$4.3 million to San Mateo Medical Center for the rebuilding of North Fair Oaks Clinic by the end of the fiscal year. Payments on this pledge will come from reserves.

The Board tabled the vote on this item until after consideration of Agenda Item 5.e. After voting on Item 5.e the Board returned to vote on the motion stated below.

**Motion:** To approve the budget as presented for fiscal year ending June 30, 2014.

**By:** Director Kane

**Seconded by:** Director Faro

**Roll Call Vote:** 4-1-0 with Director Hickey opposed

**Motion Passed**

President Shefren, noting that investment fees are 50% of investment income directed Mr. Michelson to research other options available for advisory services and report back to the Board.

#### 5.e. Attorney Report on Health Care Benefits For Sitting Board Members

Mr. Hudak reported that in December the Board voted to approve increases to both employees and directors for health insurance premiums based on his legal review as there is a restriction against sitting board members voting themselves new benefits. There is very little published authority on the issue but there is an Attorney General opinion stating that benefits could be increased if they were part of a general increase for everybody, including employees. However, the District's circumstances are somewhat different in that directors and staff don't all participate in one unitary plan so although premiums are going up generally, they are not all going up at the same rate for everyone. He cannot state that the AG's opinion is 100% authority or that a different conclusion could be reached. Therefore he thought it prudent to report this back to the Board.

**Motion:** Effective July 1, 2013 reset the healthcare benefit for sitting Board members to a maximum of \$1,200 with no 10% payback. For newly elected board members the benefit will be \$1,500 maximum with a mandatory 10% payback to the District.

**By:** Director Shefren

**Seconded by:** Director Faro

**Roll Call Vote:** 5-0-0

**Motion Passed**

Directors who received additional benefits based on the increase between January-June 2013 will not be required to repay those amounts as the increase was voted on based on the best available information at the time.

At this point, the Board returned to Agenda Item 5.d. for the vote.

---

#### 5.f. Discussion of Grand Jury Report

President Shefren noted that the overall report is good with limited criticism. There is some confusion in some of the questions raised by the Grand Jury's criticism of the monitoring of Ravenswood Clinic and the nursing programs and those and other discrepancies will be addressed in the District's response which is due September 3. Staff will present a draft response for the Board's review at the August meeting.

---

#### 6. Adjourn

**Motion:** At 6:10 adjourn meeting.

**By:** Director Griffin

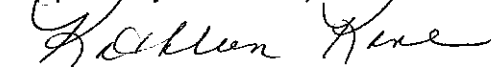
**Seconded by:** Director Faro

**Roll Call Vote:** 5-0-0

**Motion Passed**

The next regular meeting of the Board of Directors of Sequoia Healthcare District is scheduled for 4:30 PM, Wednesday, August 7, 2013, District Conference Room, 525 Veterans Blvd., Redwood City, CA.

Respectfully Submitted,



Kathleen Kane, Secretary