

**NORTH SONOMA COUNTY HEALTHCARE DISTRICT
BOARD OF DIRECTORS**

Minutes of December 17, 2020 Meeting

Please note copies of all pertinent material considered by the Board in Open Session are included in the final Board Packet.
Also, note items are sometimes taken out of order and are so indicated.

CALL TO ORDER

The Board of Directors of the North Sonoma County Healthcare District met via Zoom with the Board Clerk hosting the meeting at 190 Foss Creek Circle, Suite F, Healdsburg CA on Thursday, December 17, 2020. Chair Erin Gore called the meeting to order at 4:39 p.m.

ROLL CALL

California Governor Gavin Newsom issued Executive Order N-25-20 on March 12, 2020, relating to the convening of public meetings in light of the COVID-19 pandemic. Pursuant to the Governor's Executive Order, Board members will attend the meeting via Zoom.

Board Clerk, Susan Schmid, called the roll. The following Board members were present via Zoom constituting a quorum,

Erin Gore, Chair
EJ Neil, Vice Chair
Jim Nantell, Treasurer
David Anderson, MD, Secretary
Sue Campbell, Director
none
Jim Schuessler, CEO
Richard Baland, Interim CFO
Berta Kaemmerling, CNO
Kristina Holloway, CHRO
Tom Gillis, Revenue Cycle Director and Compliance Officer
William Arnone, District Counsel
Pam Herder, In House Counsel
Dr. Gary LeKander, Chief of Staff
Tom Schroeder, Legal Consultant
Brian Quint, Bond Counsel

Absent:

Also present via Zoom:

APPROVAL OF AGENDA

A motion was made by Director Nantell and seconded by Director Neil to approve the agenda.

Vote: Gore: Y Neil: Y Nantell: absent Anderson: Y Campbell Y. The motion was approved with quorum.

Public Comment on Closed Session None.

CLOSED SESSION

Chair Gore adjourned to Closed Session at 4:40 pm.

RECONVENE OPEN SESSION

The Board returned to Open Session at 5:00 pm.

Counsel reported out on Closed Session discussion.

ITEM 1: Hearings concerning staff privileges pursuant to Gov't Code Sec 54957 and Health & Safety Code Sec 32155; Title: Physicians and Physician Assistants and Delineation of Criteria for Allied Health Professionals.

Reportable action was taken with the motion by Director Anderson and seconded by Director Nantell to approve all Medical Staff recommendations; both privileges and credentials as presented.

Vote: Gore: Y Neil: Y Nantell: Y Anderson: Y Campbell Y This Motion was approved unanimously.

Public Comment for Open Session: none

REGULAR BUSINESS

1. Mission, Vision and Values –Mission Stories for the Month

Sue Campbell reported out from the Quality Committee on the exceptional job the Respiratory Services department is doing in SubAcute.

Sue judged the holiday wreath contest at the hospital this week. Dr. Dave Anderson is organizing free lunches for hospital workers with the financial contributions from Rotary, Board members, Jim Schuessler, Bill Arnone and members of the community. CEO Schuessler thanked Dr. Anderson for leading this effort in acknowledging the extraordinary efforts of the hospital and medical staff through the COVID-19 pandemic.

2. Motion to Approve the Consent Calendar

A Motion to approve the Consent Calendar was made by Director Campbell and seconded by Director Neil.

Vote: Gore: Y Neil: Y Nantell: Y Anderson: Y Campbell Y This motion was approved unanimously.

3. Finance and Budget Committee Update

The Committee Considered and is Prepared to Discuss Each Resolution Agendized Below.

Chair Gore reviewed the process in which questions and comments on the proposed resolutions will be addressed.

4. Consideration and Possible Approval of Resolution #15 -20 Regarding the Sale of the District Assets to NorCal HealthConnect, LLC

Partnership Counsel Tom Schroeder and CEO Jim Schuessler updated the Board on the status of negotiations with NorCal HealthConnect. The Final Asset Purchase Agreement remains to be finalized and will not be available for approval at this meeting. Tom Schroeder reviewed the issues that remain to be resolved:

1. Logistics of the cash transfers
2. Precisely who is responsible for financial reporting that will remain to be completed including CARES Act Report and how the expenses incurred to meet these obligations will be paid and by whom
3. Expenses as they relate to the 2020 Audit

The following DRAFT documents were available for review and discussion:

1. Asset Purchase Agreement – latest revision, not the finalized version
2. Schedules to Asset Purchase Agreement
3. Western HealthConnect “Guaranty”
4. Asset Purchase Agreement Side Letter
5. Grant Deed
6. NSCHD Owner's Affidavit HDH Long Form
7. GAP Indemnity Agreement
8. Final Community Board Bylaws

Tom Schroeder and CEO, Jim Schuessler recommend at this time that the Board delay approval of Resolution 15-20 until the negotiations are complete and the finalized Asset Purchase Agreement (APA) documents are available to the Board. Tom and Jim recommend the Board direct the negotiating team to continue to work to reach agreement and finalize the documents.

Tom congratulated the Board and staff leadership for their handling of the negotiations and confirmed the team has held fast to the direction laid out by the Board in the original term sheet.

Chair Gore received confirmation from Kevin Klockenga, Chief Executive of NorCal HealthConnect, during the open session meeting that he was in agreement that the District will retain the funds needed to complete the required financial reporting obligations as defined by Interim CFO Richard Baland, which include the CARES Act report and the 2020 Audit. The negotiating team has a scheduled meeting with NorCal HealthConnect tomorrow morning. Mr. Klockenga assured the Board that the remaining issues will be addressed and final documents will be expedited to Tom Schroeder for Board approval next week.

The Board directed Tom Schroeder to inform NorCal HealthConnect that the District will withhold one million dollars for the necessary financial reports and all expenses incurred to meet the reporting requirements, including retention of Interim CFO Richard Baland and consultant Nathan Oliver.

5. Consideration and Possible Approval of Resolution # 16-20 Regarding Removal of Restrictions on Funds Designated for Insurance Plans

- a. Negotiating Team Report – Counsel Arnone reviewed the details of the Resolution
- b. Finance and Budget Committee Report – recommendation to approve
- c. Staff Comment - none
- d. Public Comment - none
- e. Board Consideration and Action on Proposed Resolution

A Motion to approve Resolution 16-20 as presented was made by Director Nantell and seconded by Director Campbell. This motion was approved unanimously. Vote: Gore: Y Neil: Y Nantell: Y Anderson: Y Campbell Y.

6. Consideration and Possible Approval of Resolution # 17-20 Regarding Removal of Restrictions on Funds Related to Refinanced Debt

- a. Negotiating Team Report- Counsel Arnone reviewed the details of the Resolution
- b. Finance and Budget Committee Report - recommendation to approve
- c. Staff Comment - none
- d. Public Comment - none
- e. Board Consideration and Action on Proposed Resolution

A Motion to approve Resolution 17-20 as presented was made by Director Nantell and seconded by Director Anderson. This motion was approved unanimously. Vote: Gore: Y Neil: Y Nantell: Y Anderson: Y Campbell Y.

7. Consideration and Possible Approval of Resolution # 18-20 Regarding Termination of Healdsburg Hospital Employee Retirement Plan

- a. Negotiating Team Report - Counsel Arnone reviewed the details of the Resolution
- b. Finance and Budget Committee Report - recommendation to approve
- c. Staff Comment - none
- d. Public Comment - none
- e. Board Consideration and Action on Proposed Resolution

A Motion to approve Resolution 18-20 as presented was made by Director Nantell and seconded by Director Neil. This motion was approved unanimously. Vote: Gore: Y Neil: Y Nantell: Y Anderson: Y Campbell Y.

8. Consideration and Possible Approval of Resolution #19-20 Authorizing Wire Transfers of Funds

- a. Negotiating Team Report- Counsel Arnone reviewed the details of the Resolution
- b. Finance and Budget Committee Report - recommendation to approve
- c. Staff Comment - none
- d. Public Comment - none
- e. Board Consideration and Action on Proposed Resolution

A Motion to approve Resolution 19-20 as presented was made by Director Gore and seconded by Director Nantell. This motion was approved unanimously. Vote: Gore: Y Neil: Y Nantell: Y Anderson: Y Campbell Y.

9. Consideration and Possible Approval of Resolution # 20-20 Authorizing the Transfer of Accounts

- a. Negotiating Team Report - Counsel Arnone reviewed the details of the Resolution
- b. Finance and Budget Committee Report - recommendation to approve
- c. Staff Comment - CEO Jim Schuessler clarified
- d. Public Comment - none
- e. Board Consideration and Action on Proposed Resolution

A Motion to approve Resolution 20-20 as presented was made by Director Anderson and seconded by Director Nantell. This motion was approved unanimously. Vote: Gore: Y Neil: Y Nantell: Y Anderson: Y Campbell Y.

10. Update on the Refinancing of the 2016 Certificates of Participation (COP)

CEO Jim Schuessler introduced Bond Counsel Brian Quint. Brian reported that the goal was to complete the transaction by the end of the year and that goal was reached. Brian reported that under the leadership of Jim Schuessler, the transaction was successfully closed ahead of schedule effective 12/17/20.

District Counsel informed the Board that this removed the obligation of the Northern California Healthcare Authority (JPA) in relation to the hospital debt.

The Board extended their thanks to Brian Quint.

11. Strategic Planning Committee Update

Chair Gore reported that the Strategy Planning work for the Board will resume in 2021

12. Board Discussion Regarding NSCHD Recommendation for Appointment(s) to NorCal Health Connect Community Board and Other Hospital Committees as Defined in the Purchase Agreement

Board members reviewed the Bylaws for the NorCal HealthConnect Community Board. Discussion ensued in regard to Board nominations and recommendations to Kevin Klockenga for additional Board members. Chair Gore noted the needs for community diversity in representation. The Board will collect resumes of candidates they would like to nominate for consideration and discuss further action in January 2021.

Tom Schroeder will confirm whether the Board roster needs to be part of the closing documents in order to identify the governing body for accreditation and reporting purposes.

District Representation on the NorCal HealthConnect Boards

- Community Board - Jim Nantell nominated Sue Campbell.
- Quality Committee – Erin Gore nominated Jed Weissberg, M.D.
- Community Benefit Committee – Erin Gore nominated Dave Anderson, M.D.

Motion to approve the nominations as presented was made by Director Nantell and seconded by Director Gore. This motion was approved unanimously. Vote: Gore: Y Neil: Y Nantell: Y Anderson: Y Campbell Y.

Tom Gillis and Jim Schuessler explained in greater detail the responsibilities of the Community Benefit Committee.

All nominees accepted the positions as noted above.

Provide Feedback to NorCal HealthConnect for Community Board Members

Erin Gore recommended that Jed Weissberg, M.D. will be the number one recommendation to Kevin Klockenga for a seat on the Community Board. The Board was in agreement that Jed would be an excellent candidate.

13. Med Staff Update

Dr. LeKander indicated there was no report.

14. Policies and Procedures

Approval of Proposed Changes to Hospital Policies and Procedures and Rules and Regulations and Bylaws.

There were no policies presented this month for approval.

15. COIVD-19 Update

CEO Jim Schuessler updated the Board on Covid-19 situation. The hospital is as prepared as possible for the expected surge in cases. An increase in cases requiring hospitalization has been predicted for the next month. The vaccine has arrived and distribution to hospital for front line workers will begin Monday December 21, 2020

16. Update and Possible Actions on the NSCHD Structure Post Transition of the Hospital to NorCal HealthConnect

See Recommendation from Finance and Budget Committee in the Finance and Budget Committee December meeting packet.

Review Modified List of Activities to Facilitate the District's Ability to Function Post Transaction

Jim Nantell reviewed the list of thirty-four items that the Finance and Budget Committee brought to the Board. No action was required by the Board. Staff has been directed to complete as much as possible on the list given the time remaining.

Note: Jim Nantell needed to leave the meeting at this time for a prior commitment 7:00pm

Note: David Anderson needed to leave the meeting at this time 7:00pm

Continuing Legal Responsibilities of the District

Counsel Bill Arnone discussed the legal responsibilities of the Board going forward. He will prepare a “punch list” with a timeline and present it to the Board in January, 2021.

Discussion ensued regarding the Board's need for DNO Insurance. Mr. Arnone explained this is a risk management issue more than a legal obligation. He recommends the Board discuss this further.

Note: EJ Neil needed to leave the meeting at this time for a prior commitment 7:15pm

Report on the Responsibilities of Financial Reports Required of the Board Post Transition

See above item #4 **Considerations and Possible Approval of Resolution #15 -20**

17. District Board and Sub Committees for 2021

No discussion due to lack of quorum. This discussion will be agendized in January 2021

- a. Review and Approval of 2021 Board Officer Assignments
- b. Discussion Regarding Continuation of Board Sub Committees (Finance and Budget and Strategic Planning)

STANDING ITEMS:

1. Consideration of Materials Disseminated by Board Members and Staff

Board Members and Staff may share materials of interest.

- a. Communications Year End Summary Gina Fabiano will send a report to the board at year end.
- b. Holiday Staff Recognition
- c. January 2021 Regular Meeting – Thursday, January 30,2021

Acknowledgment of the District Board

Chair Gore acknowledged the leadership of CEO Jim Schuessler and the remarkable strides that the hospital made under his leadership since first joining Healdsburg Hospital in May, 2020.

ADJOURNMENT: 7:22pm

Chair Gore adjourned the December meeting of the North Sonoma County Healthcare District.

Contact Susan Schmid, Clerk of the Board for further information. sschmid@nschd.org

12/18//20