



**BOARD OF DIRECTORS  
REGULAR MEETING**

**MINUTES**

**Tuesday, December 8, 2015 @ 7:00 pm**  
Marin General Hospital, Medical Library

**1. Call to Order**

Chair Simmonds called the Regular Meeting to order at 7:00 pm.

**2. Roll Call**

BOARD MEMBERS PRESENT: Chair Harris Simmonds, MD; Vice Chair Ann Sparkman; Secretary Jennifer Rienks; Director Larry Bedard, MD; Director Jennifer Hershon

*Staff present:* Lee Domanico, CEO; Jon Friedenberg, CAO; Linda Lang, CHRO; Jim McManus, CFO; Mark Zielazinski, CITIO; Noel Caughman, District Counsel

**3. General Public Comment**

Susan Windman commented on geriatric behavioral health care. Barb Ryan, RN, nurse representative for California Nurses Association, commented on labor relations.

There were no further comments.

**4. Approval of Agenda**

Vice Chair Sparkman moved to approve the agenda as presented. Secretary Rienks seconded. Vote: all ayes.

**5. Approval of Minutes of the Regular Meeting of November 10, 2015**

Director Hershon moved to approve the minutes as submitted. Vice Chair Sparkman seconded. A correction was requested and agreed upon: At “10. Reports. MGH CEO”: The sentence “The MGH nurses’ 5-day strike ended this morning” will be replaced with “The MGH nurses’ one-day strike – which required the hiring of nursing replacements for four additional days for a total labor action of five days – ended this morning.”

Vote: all ayes, with the correction being made.

**6. Safety Update**

CEO Domanico reported that the past year has had four serious safety events, down from an average of 12 before Operation Safety was put into place. There is a significant reduction in severity of claims, back injuries, and Workers’ Comp claims. There was no comment from Board or public.



**7. MHD Resolution No. 2015-07: Approval of New Hospital and Work Site Construction Agreement with McCarthy Building Companies**

Kevin Coss (Vertran Associates), Project Manager of MGH 2.0, introduced MHD Resolution No. 2015-07 and gave a brief overview of the construction project. The documents here that comprise the Resolution's Exhibit A (Project Description, Term Sheet, and Board Actions) have been reviewed and recommended by the MGH Finance Committee, the MHD Finance Committee, two reviews by the MGH Board, and a review by the MHD in November.

Secretary Rienks moved to approve "MHD Resolution No. 2015-07: Approval of New Hospital and Work Site Construction Agreement with McCarthy Building Companies." Director Bedard seconded. There was no further Board or public comment. Vote: all ayes.

**8. Committee Meeting Reports**

*Finance and Audit Committee (met November 24):*

**(1) Review and Approve MHD FY2016 Budget**

CEO McManus presented the FY2016 MHD Operating Budget for approval. It has been reviewed and recommended by the MHD Finance and Audit Committee. It reflects the change from Calendar Year to Fiscal Year on July 1, 2015. The FY2016 figures are based on the previous year's budget. This is a cash budget and reflects a net cash inflow of \$52,048. Secretary Rienks moved to approve the MHD FY2016 Budget as presented. Director Bedard seconded. There was no further Board discussion and no public comment. Vote: all ayes.

**(2) Review and Approve Philips Partnership Agreement**

Mark Zielazinski, CITIO, outlined this 15-year agreement with Philips to provide capital equipment and services for imaging, monitoring and tele-health technologies. The financial terms are for a model of tiered pay with accelerated payment totaling \$86-90 million over the 15-year period. This was discussed by the MHD Board in Closed Session immediately preceding this meeting. It has been reviewed and recommended by the MGH Finance Committee, the MHD Finance and Audit Committee, and by the MGH Board of Directors.

Director Bedard moved to approve the Philips Partnership Agreement as presented. Vice Chair Sparkman seconded. There was no further Board discussion and no public comment. Vote: all ayes.

**(3) Review and Approve Agreement with PhD Urology, Inc.**

CEO Domanico outlined the agreement for 3 urologists to join a new 1206(b) clinic, "PhD Urology, Inc." The due diligence checklist shows all work is satisfied and Fair Market Value opinion obtained. Director Bedard expressed support that physicians have a choice of alliance as shown in this agreement. This was reviewed and recommended by the MHD Finance and Audit Committee. Vice Chair Sparkman moved to approve the agreement with PhD Urology, Inc. Director Bedard seconded. There was no further Board discussion and no public comment. Vote: all ayes.



*Lease and Building Committee (met November 23):*

(1) Review and Approve Agreement with MGH Regarding Ownership of New Improvements

Vice Chair Sparkman presented this agreement on which action had been deferred from the previous Board of Directors meeting in November. It was amended by District Counsel Donald Bouey to reflect the full and accurate intent of both parties (MHD and MGH), was submitted and discussed at the MHD Lease and Building Committee at their meeting November 23 and was determined to be consistent with the MHD-MGH Lease and recommended for approval. It was reviewed and approved by the MGH Board of Directors on December 6 and is hereby presented for final approval.

When the GO Bonds are issued and MHD receives funds, MHD will reimburse MGH for costs and expenses associated with the construction of the Parking Garage. Upon the reimbursement, title to and ownership of the Parking Garage will transfer to MHD. This is consistent with the MHD-MGH Lease, Section 10.8. Counsel Bouey joined the meeting via conference call.

Mr. Domanico directed attention to Tab 8, the request of MGH to MHD for reimbursement of expenditures to date totaling \$29,783,976. He explained that this is a request to reimburse while the Parking Garage is still under construction. He then presented “MHD Resolution No. 2015-08: Approval of Ownership of Improvements Agreement and Garage Costs Reimbursement Agreement.” (This Resolution document was distributed at this meeting to the Board of Directors, counsel, staff, guests, and public, and posted on the MHD web site.) This Resolution will allow for this reimbursement action and be compliant with the Lease and with the prior Resolution 2015-07 approved earlier in this meeting. Counsel Bouey agreed with Mr. Domanico’s explanation.

Secretary Rienks remarked that this agreement is important financially, as the interest expense on the Bond is lower than that on the Line of Credit, thus reducing the cost to taxpayers.

Public comment: Susanna Farber.

Secretary Rienks moved to approve “Agreement Regarding Ownership of New Improvements.” Vice Chair Sparkman seconded. There was no further Board discussion and no further public comment. Vote: all ayes.

Secretary Rienks moved to approve “Resolution 2015-08: Approval of Ownership of Improvements Agreement and Garage Costs Reimbursement Agreement.” Director Bedard seconded. There was no further Board of public comment. Vote: all ayes.



## **9. Reports**

*District CEO:* Nothing further to report.

*MGH CEO:* The hospital's operating financial performance year to date is favorable, well ahead of expectations. The MGH Foundation Capital Campaign has received \$26M in gifts and pledges. A new Medical Director for Palliative Care will be joining MGH staff in early 2016; Dr. Elia, the previous MD, has joined the UCSF staff. MGH received a very high rating for OB care by Consumer Reports and California Hospital Compare. The Joint Commission cited MGH as a Top Performer. The next regular Joint Commission survey will commence soon.

Secretary Rienks inquired as to how an inpatient or their family is able to contact their hospitalist at any time while admitted. Mr. Domanico affirmed there being a mechanism for this; he will get details from CAO Friedenbergs and reply back to her.

*Chair's Report:* Chair Simmonds had nothing to report

*Board Members' Reports:* Secretary Rienks cited the work of Marin Strong Start for early childhood education; she'll bring more information on this to next Board meeting. She added that the process of MHD achieving ACHD Certification is proceeding. There were no further reports from Board Members.

## **17. Agenda Suggestions for Future Meetings**

No suggestions were offered.

## **18. Adjournment**

Chair Simmonds adjourned the meeting at 7:45 pm.