



SPECIAL MEETING OF THE BOARD OF DIRECTORS MINUTES

Thursday, February 12, 2015 at 3:00 p.m.

Eskridge Conference Room, Tahoe Forest Hospital
10121 Pine Avenue, Truckee, CA

1. CALL TO ORDER

Meeting called to order at 3:00 p.m.

2. ROLL CALL

Board: Karen Sessler, M.D.; Greg Jellinek, M.D; Charles Zipkin, M.D.; John Mohun

Absent: Dale Chamblin

Staff: Virginia Razo, *Interim* CEO; Crystal Betts; Janet Van Gelder, Director of Quality; Patricia Barrett, Clerk of the Board

Other: Steve Gross, District Counsel

3. CLEAR THE AGENDA/ITEMS NOT ON THE POSTED AGENDA

Agenda approved as presented.

4. INPUT – AUDIENCE

None.

5. INPUT FROM EMPLOYEE ASSOCIATIONS

None.

6. ITEMS FOR BOARD DISCUSSION AND/OR ACTION

6.1. Resolution Authorizing The Issuance And Sale Of The District's 2015

General Obligation Refunding Bonds

Director Mohun indicated that he did not receive the materials until last evening and did not have sufficient time to review the materials and may have questions as a result. Board Clerk confirmed that materials had been uploaded as received and board notified.

The CFO introduced Gary Hicks, Gary Hicks Consulting; Chris Collier, Edward Jones; George Spillsbury, Disclosure Counsel for a presentation to the board related to the GO Bond.

Gary Hicks provided background related to the General Obligation bonds and refunding status. Mr. Hicks reported that interest rates have increased resulting in the total savings reducing from \$6.1m to \$4.5 million and savings down to \$3.126m net present value savings. This is a percentage of about 10.6%.

Discussion took place related to the terms of the Bond which will not change.

Decision will be made at that time the Bonds go to market (anticipated to be the 25th of this month) as to whether to move forward; as set now, the percentage of savings must be a minimum of 4% net present value savings (approximately \$1.2m net savings).

It was noted that on a fixed rate bond issue there is call protection which locks in the interest rate for 8 – 10 years before being able to refinance again. Cost of issuance is approximately \$400,000.

Discussion took place regarding whether the Boards should identify a rate greater than the 4% threshold. Worse case scenario would be that the District does not experience a savings if the designated rate does not authorize the refinancing.

It was noted that a 5-6% is a huge and uncommon net present savings. A 4-6% is a very strong savings in the industry.

A review of resolution exhibits was provided. The resolution was prepared by Brian Quint, Bond Counsel.

It was noted that the bond refinancing is a positive thing to do for the community.

Discussion took place related to exposure if something happens to the District. The District is required to use operating funds/reserves to pay the difference between what is collected in taxes and what is owed. Counties participate in the TEETER plan and pay the District whatever taxes are due. This document does not expose the District to any greater risk.

The Preliminary Official Statement is used to describe the information an informed investor would want to see in considering whether to invest in the bond. There is no concern that the bonds will not sell.

It was noted that as an elected board member, they cannot purchase the bonds; the implications for doing so are severe.

Discussion took place related to the value at which the Board wishes to authorize the sale. Mr. Hicks indicated he sees nothing wrong with 5% or 6 % threshold.

ACTION: Motion made by Director Zipkin, seconded by Director Jellinek, to approve the Resolution authorizing the issuance and sale of the District's 2015 General Obligation Refunding Bonds provided the present value savings to be realized by the District with respect to the 2008 Bonds as a result of the issuance of the Bonds shall not be less than 5% of the outstanding principal balance of the 2008 Bonds. Roll call vote taken. Approved unanimously by those board members present. Director Chamblin absent.

The District intends to issue general obligation refunding bonds pursuant to this Resolution to provide for the redemption of all outstanding 2008 Bonds.

7. PRESENTATIONS/STAFF REPORTS

7.1. Board Education

Quality Plan materials were reviewed and discussed as part of Board quality education.

7.1.1. Board Quality and Regulation

Director of Quality provided background related to the quality program education deferred from the January Board meeting.

Quality building blocks reviewed and include:

- Mission
- Vision
- Values
- Five Foundations of Excellence
- Strategic Plan
- Federal and State Regulations. It was noted that Home Health and Hospice have more mandatory requirements than a CAH.

Discussion took place regarding the reasons for the different regulatory requirements for Home Health and Hospice.

A review of voluntary reporting done by the District was provided. Discussion took place related to the core measures reported by the District. Data is available on the TFHD website but reflects 18 month old data.

Key quality initiatives include:

- Creating the Perfect Care Experience
- Patient and Family Centered Care
- Embracing a Just Culture model that promotes Patient Safety Awareness
- Strengthening the Quality Infrastructure
- Optimizing Technology to Integrate Medical Services

The Service Excellence program includes customer satisfaction (HCAPS/Press Ganey). Types of data collected and what is done to address patient satisfaction was reviewed.

Director Sessler reviewed the manner of governance process related to the Board's receipt of a patient complaint. Letters received by the Board should be provided to the Board Clerk to be entered into the system. Discussion took place regarding the process by which the Board should respond to communication received directly. It was noted that a simple acknowledgement and indication the matter is being forwarded to staff for follow up can be provided. Staff will provide feedback to the Board of the staff's response.

Review of sentinel events was provided. The Board would be made aware of any sentinel event as it is a regulatory requirement.

A review of options for accreditation surveys was provided. TFHD has used HVAP since 2008. HVAP follows the condition for participation under CMS whereas Joint Commission has an added layer of other regulations.

Interim CEO provided a review of the practice to alert the Chair in the event of a sentinel event. Full board communication would be directed through the Clerk of the Board.

7.1.2. **Quality Assurance/Performance Improvement (QA/PI) plan 2015**

QA/PI was approved by the Board at the January meeting. The related Policy was included with today's education to provide an opportunity for further discussion.

Open session recessed at 4:32 p.m.

8. **CLOSED SESSION:**

8.1. **Health & Safety Code Section 32155: Quality Reports**

Discussion held on a privileged matter.

9. **OPEN SESSION**

Open session reconvened at 5:13 p.m.

8. **ITEMS FOR NEXT MEETING**

Review of topics provided by Director Mohun for Board agenda consideration was provided. Press Ganey employee survey will go through Personnel committee prior to being presented to the Board.

Discussion took place regarding board education related to campaign contributions and potential for conflict of interest when considering physician contracts.

Education related to co-management agreements will be provided in February prior to consideration of the radiology contract. Director Mohun requested to see the business model related to the radiology contract to determine why the current model is not working.

9. **NEXT MEETING DATE**

Next meeting will take place at February 24, 2015.

10. **MEETING EFFECTIVENESS ASSESSMENT**

The Board will identify and discuss any occurrences during the meeting that impacted the effectiveness and value of the meeting.

11. **ADJOURN**

Meeting adjourned at 5:32 p.m.