

**Meeting of the
EDEN HEALTH DISTRICT
BOARD OF DIRECTORS
OPEN SESSION**

October 19, 2016

Eden Township Healthcare District - Conference Room.

5:30 p.m.

APPROVED

I. CALL TO ORDER

Chair Friedman called the meeting to order at 5:30 p.m.

Directors Present: Chair Friedman
Director Hull
Director Lewis

Directors Absent: Director Sawhney
Director Lorentzen

Staff Present: Dev Mahadevan, Chief Executive Officer
Barbara Adranly, District Clerk
Michelle Robles, District Accountant

Guests: Colin Coffey, Attorney-at-Law, Archer Norris
Rajendra Ratnesar, M.D., Board Member, Davis
Street Family Resources
Laurie Nakahira, M.D., Chief Medical Director,
Davis Street Family Resources
Bruce Udelf, Executive Director, Baywood
Court
Bill Brause, Audit Partner, Armanino LLP
Michael Cobb, Executive Director, St. Rose
Hospital Foundation
Vera Sims, Community Health Advisory
Committee Member
No members of the public

II. PLEDGE OF ALLEGIANCE

Pledge of allegiance was led by Chair Friedman.

III. APPROVAL OF THE AGENDA

MOTION: Motion made by Director Hull, seconded by Director Lewis, to approve the Agenda of the October 19, 2016 Board meeting as presented. The motion carried unanimously.

IV. APPROVAL OF MINUTES

The Open Session Minutes for the regular Board meeting of September 21, 2016 were reviewed.

MOTION: Motion made by Director Hull, seconded by Director Lewis, to approve the Open Session Minutes of the September 21, 2016 regular Board meeting, as presented. The motion carried unanimously.

V. PUBLIC COMMENT

No public comment.

VI. BAYWOOD COURT ANNUAL REPORT – BRUCE UDELF

Bruce Udelf, Executive Director, Baywood Court, presented and reported on Baywood Court report to Eden Health District Report dated October 19, 2016. He reported on Baywood Court's net income, occupancy, Fitch rating, refinancing which the District is a conduit for, Strobridge property, Health Center discharge satisfaction survey results, Human Resources and staffing, and LVN student interns. Mr. Udelf also reported that Baywood Court is working with the Castro Valley Adult School regarding their dietary education program. He also reported that Baywood Court is working with an organization that works with people with disabilities for some of their employees in the Food Services Department.

Discussion held regarding rates at Baywood Court versus rental rates in the area.

Discussion also held regarding Resident's Assistance Program at Baywood Court.

Mr. Udelf also reported on Aging By The Bay radio program and podcast which he recently participated in. He also reported that he will be at the LAFCo meeting in San Leandro on November 7, 2016 to speak in support of the District.

VII. DRAFT AUDIT REPORT – FISCAL YEAR 2016:

Bill Brause, Audit Partner, Armanino LLP, reported on draft audit report for the fiscal year ending 2016. He reported on summary of the results of the audit. Mr. Brause reported that Armanino will issue an unqualified opinion regarding the District's Fiscal Year 2016 audit report and that no material adjustments are needed. He also

reported on Management's Discussion and Analysis. He reported on consolidated financial statements of the audit report and Notes to Consolidated Financial Statements.

Dev Mahadevan reported on damages and legal fees regarding Sutter lawsuit relating to San Leandro Hospital. He reported that it will be clarified in the audit report that the majority of the approximately \$50 million expended by the District are for the losses incurred in keeping San Leandro Hospital open. He also reported that the District's allocation of overhead is 10.57% this year, which is in compliance with AB 2737.

Discussion held regarding draft audit report.

MOTION: Motion made by Director Hull, seconded by Director Lewis, to approve the draft audit report for Fiscal Year 2016. The motion carried unanimously.

VIII. DAVIS STREET FAMILY RESOURCES REPORT:

Rajendra Ratnesar, M.D., Board Member, Davis Street Family Resources, reported on the Medical Clinic and Behavior Health programs at the Davis Street Family Resource Center for the month of September, 2016. He reported there continues to be a steady increase in patients in the medical clinic. He reported that of the patients treated in September with diabetes, 21% had HbA1C higher than 9, 66% with HbA1C less than 9, and 13% unknown due to patient non-compliance. He also reported on nutritionist Davis Street has with regard to their diabetes program.

Dr. Ratnesar also reported on the Behavioral Health program. He reported that September has seen a surge of new clients in the Behavioral Health program as their new trainee year has begun, as well as due to the steady increase of patients in the medical clinic.

Discussion held regarding Davis Street monthly report and services they provide.

IX. ST. ROSE HOSPITAL – RECOGNITION OF THE DISTRICT:

Director Hull reported on possible placement location of the recognition plaque which the District received from St. Rose Hospital.

X. DUBLIN GATEWAY CENTER PHASE II DEVELOPMENT & JOINT VENTURE:

Dev Mahadevan, Chief Executive Officer, reported on current status. Have definite agreement from term sheet and are being reviewed by counsel. He also reported on extension process for the development agreement with the City of Dublin.

XI. COMMUNITY HEALTH ADVISORY COMMITTEE REPORT:

Director Lewis reported that the Community Health Advisory Committee did not meet last month and only meets every other month.

XII. LAFCO REVIEW OF THE DISTRICT:

A. Discussion and Recommendations to LAFCo on Reorganization of the District:

Dev Mahadevan reported on current status of the LAFCo review of the District. He also reported on concept of possible reorganization of the District and asked the board to review this concept.

Discussion held regarding concept of possible reorganization of the District.

Colin Coffey, Attorney-at-Law, Archer Norris reported on summary of concept.

MOTION: Motion made by Director Hull, seconded by Director Lewis, to approve submission of Dev Mahadevan's Memorandum dated October 12, 2016, on the potential reorganization of the District into a 501(c)(3) nonprofit corporation as a concept for input from the public and from LAFCo. The motion carried by a vote of two (2) yes (Directors Hull and Lewis) and one (1) no (Chair Friedman).

XIII. PURSuing HEALTH EDUCATION & LITERACY ON PUBLIC ACCESS CHANNEL:

Dev Mahadevan reported on concept memo from Director Lorentzen dated October 7, 2016 to pursue health education and literacy on public access channel.

Discussion held regarding pursuing health education and literacy on a public access channel.

MOTION: Motion made by Director Lewis, seconded by Director Hull, to approve in concept and proceed with pursuing health education and literacy on public access channel, with a budget not to exceed \$500. The motion carried unanimously.

XIV. FINANCIAL STATEMENTS – SEPTEMBER, 2016:

Michelle Robles presented the financial statements for the period ending September 30, 2016.

On a cash basis, the District had a cash gain of \$130,669 for the month of September, 2016. For the medical office buildings the District owns, Dublin Gateway had a cash gain of \$140,806, San Leandro Medical Arts Building had a cash gain of \$16,618, and the Eden Medical Building had a cash gain of \$21,581. The District Office expenses were better than budget by \$2,918, primarily due to lower than budget interest income which was offset with lower than budget expenses.

The District had a net loss of \$69,626. The main difference between the net loss of \$69,626 and the cash gain of \$130,669 is depreciation and amortization.

MOTION: Motion made by Director Hull, seconded by Director Lewis, to accept the Financial Statements for September, 2016, as presented. The motion carried unanimously.

XV. CHIEF EXECUTIVE OFFICER MONTHLY REPORT

Dev Mahadevan reported on the current status of the Eden Medical Building, San Leandro Medical Arts Building, District operations, and the Dublin Gateway property.

Discussion held regarding vacancies and occupancy rates at San Leandro Medical Arts Building.

Dev Mahadevan also reported that due to the LAFCo process, the Board should state whether or not the District Board believes having medical office buildings provide community benefit and direct services to the community, and that the Board needs to adopt a formal position on this matter for documentation.

XIX. CHAIRMAN'S REPORT

Chair Friedman reported on site construction across the street from the Eden Medical Building.

Dev Mahadevan reported that the building will be a dialysis center.

Chair Friedman also reported on LAFCo meetings held this week in Castro Valley and Hayward.

XX. CORRESPONDENCE

No correspondence was reported on.

XXI. OTHER BUSINESS

The next meeting to be held will be Wednesday, November 16, 2016 at the Eden Health District, Conference Room.

XXII. ADJOURN TO EXECUTIVE SESSION

The meeting was adjourned to Executive Session at 7:00 p.m.

XXIII. EXECUTIVE SESSION

The Executive Session was called to order at 7:01 p.m.

XXIV. REPORT, IF ANY, FROM EXECUTIVE SESSION

No report from Executive Session.

XXV. ADJOURNMENT

There being no further business, the meeting was adjourned at 7:02 p.m.

Attest:

Lester Friedman
Chair, Board of Directors
Eden Township Healthcare District

Roxann Lewis
Secretary, Board of Directors
Eden Township Healthcare District