

**Meeting of the
EDEN HEALTH DISTRICT
BOARD OF DIRECTORS
OPEN SESSION**
April 19, 2017
Eden Health District - Conference Room.
5:30 p.m.

APPROVED

I. CALL TO ORDER

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

Directors Present:

Chair Lewis
Director Friedman
Director Gilcrest
Director Lynch

Directors Absent:

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
William Yale, Quartermaster, Castro Valley
VFW Post 9601
Cal Nakayama, VFW Post 9601
Michael Cobb, Executive Director, St. Rose
Hospital Foundation
Laurie Nakahira, M.D., Chief Medical Director,
Davis Street Family Resource Center
Rose Johnson, Executive Director, Davis Street
Family Resource Center
Gordon Galvan, Board President, Davis Street
Family Resource Center
Frank Mellon, Castro Valley Sports Foundation
Jonnie Banks, District Public Relations
Consultant
One (1) member of the public

II. PLEDGE OF ALLEGIANCE

Pledge of allegiance was led by Director Lynch.

III. APPROVAL OF THE AGENDA

MOTION: Motion made by Director Friedman, seconded by Director Gilcrest, to approve the Agenda of the April 19, 2017 Board meeting as presented. The motion carried unanimously.

IV. APPROVAL OF MINUTES

The Open Session Minutes for the regular Board meeting of March 15, 2017 were reviewed.

MOTION: Motion made by Director Friedman, seconded by Director Lynch, to approve the Open Session Minutes of the March 15, 2017 regular Board meeting, as presented. The motion carried unanimously.

V. PUBLIC COMMENT

Michael Cobb, Executive Director, St. Rose Hospital Foundation reported on recognition event regarding the District. He reported that they have agreed in principle to hold the recognition event after the St. Rose Hospital Board meeting on Wednesday, June 7, 2017 at 2:00 p.m. at St. Rose Hospital.

VI. SPONSORSHIP REQUEST:

A. Building Futures – Jazz It Up Event:

Dev Mahadevan reported that last year the District sponsored this event in the amount of \$500.00.

MOTION: Motion made by Director Friedman, seconded by Director Lynch, to approve sponsorship of the Building Futures Jazz It Up Event in the amount of \$500.00. The motion carried unanimously.

B. CV VFW/American Legion – Golf Tournament:

Cal Sakamoto, CV VFW Post 9601, thanked the board for allowing them to speak. He reported on event which will be held June 4th which will benefit local veterans. He also reported that funds raised will go directly to veterans' relief funds to take care of basic necessity for local veterans.

Dev Mahadevan reported the District sponsored this event last year in the amount of \$1,000.00.

MOTION: Motion made by Director Lynch, seconded by Director Friedman, to approve sponsorship of the CV VFW/American Legion Golf Tournament in the amount of \$1000.00. The motion carried unanimously.

C. Castro Valley Rowell Ranch Rodeo Parade:

Dev Mahadevan reported that the District sponsored this event last year in the amount of \$200.00.

Discussion held regarding how this event relates to health.

MOTION: Motion made by Director Friedman, seconded by Director Gilcrest, to approve sponsorship of the Castro Valley Rowell Ranch Rodeo Parade in the amount of \$200.00. The motion carried unanimously.

VII. DAVIS STREET FAMILY RESOURCES REPORT:

Laurie Nakahira, M.D., Chief Medical Director, Davis Street Family Resources, reported on the Medical Clinic and Behavior Health programs at the Davis Street Family Resource Center for the month of March, 2017. She reported that of the patients treated in March with diabetes, 21% had HbA1C higher than 9 and 79% with HbA1C less than 9 and of this 79%, 42% were less than 7. Dr. Nakahira also reported that all patients with or at risk for diabetes or pre-diabetes continue to be referred to their Nutritionist. She also reported on the nutrition classes being held at Davis Street. Dr. Nakahira also reported that Davis Street has increased the number of patient visits and number of providers. She also reported that the number of veterans that are seen in the clinic is approximately 14 to 15.

Discussion held regarding services Davis Street provides and employee satisfaction surveys that they do.

A. Davis Street Special Grant Request:

Rose Johnson, Executive Director, Davis Street Family Resource Center, reported on Grant Proposal dated March 9, 2017. She reported that Davis Street is looking to the District for a grant of money to use as a line of credit due to billing reimbursements and the timing of these reimbursements. Ms. Johnson also reported that the Davis Street Clinic is trending positively financially, but that there is a cash flow need due to timing of reimbursements. She also reported that any amount, even half the amount requested, would be greatly needed. Ms. Johnson reported that the funds requested would be a restricted account and will be able to demonstrate that the funds would be used to support operations. She reported that it is important that they have the funds available to them in order to not compromise the clinic operations.

Discussion held regarding providing funds in a grant versus loan scenario.

Ms. Johnson reported that with a grant the District would be investing directly to their agency instead of a loan that which would have to be paid back.

Director Gilcrest reported that there are always ramp up costs regarding clinics and that there is still a large amount of unmet need. He reported that every time they ramp up providers, rooms, and patients, there is a cash drain. Director Gilcrest asked if Davis Street is still seeing this cash drain?

Ms. Johnson answered that the trends is that there is an increase in November and December and is changing staffing incrementally. She reported that Davis Street will always have a need for cash flow due to delay in reimbursements.

Director Friedman reported that financial condition of the District is not what it has been and recommends the District provide a grant in the amount of \$75,000.

MOTION: Motion made by Director Friedman, seconded by Director Gilcrest, to approve a special one-time Grant to Davis Street Family Resource Center in the amount of \$75,000.00. The motion carried by a vote of three (3) yes (Directors Friedman, Lynch, and Gilcrest) and one (1) no (Chair Lewis).

VIII. CASTRO VALLEY SPORTS FOUNDATION/EAST BAY MUNICIPAL WATER DISTRICT RUN TO THE DAM EVENT PARTNERSHIP:

Frank Mellon, Castro Valley Sports Foundation, reported on Run to the Dam planning of the event. He reported that they are now planning on the event for October 14 or October 21, 2017. He also reported that they would like to have the District possibly partner with them to have a health fair station and to possibly take blood pressure readings before and after the event. Mr. Melon also reported that this will be a fundraising event for the Castro Valley Sports Foundation. He also reported that they have talked to the Eden Area Chamber of Commerce and that the chamber would like to participate as well.

Dev Mahadevan, Chief Executive Officer, reported that the Run to the Lake event is no longer being held. He reported that he would like to ask the Board for a budget for the district expenses to partner with the Castro Valley Sports Foundation for the Run to the Dam event.

MOTION: Motion made by Director Friedman, seconded by Director Gilcrest, to approve partnering with Castro Valley Sports Foundation/East Bay Municipal Water District Run to the Dam Event and approved a budget in the amount of \$500.00. The motion carried unanimously.

IX. PUBLIC RELATIONS REPORT:

Jonnie Banks, Public Relations Consultant, reported on March 23, 2017 meeting which she and Chair Lewis had with Richard Schneck, College & Career Specialist, Castro Valley High School to discuss the possibility of a District sponsored Internship Program and possible District scholarship at Castro Valley High School. She reported that she can develop a proposal to take to the Community Health Advisory Committee for their review and input if the Board believes this is something that is worth pursuing.

Board referred the matter to the CHAC for research and input.

Ms. Banks also reported on the upcoming April 27, 2017 Food for Life educational seminar. She also reported on upcoming San Leandro Senior Health Fair on April 21, 2017 at the San Leandro Senior Center. She also reported on upcoming medical cannabis education events. Ms. Banks also reported on rough cut draft video for the Northern California Prevention of Blindness See Well to Learn program which the District sponsors.

Dev Mahadevan and Chair Lewis reported on Cherryland Elementary Health Event on Friday, April 21, 2017.

X. DUBLIN GATEWAY – TRI-VALLEY PLASTIC SURGEON LEASE TERMINATION:

Dev Mahadevan reported on request from Tri-Valley Plastic Surgery for an early lease termination. He also reported that the District and Tri-Valley Plastic Surgery have reached an agreement on general terms and a lease termination and hold harmless agreement has been sent to the tenant. He reported that the District expects to lease the space quickly to one of the existing Dublin Gateway tenants.

MOTION: Motion made by Director Gilcrest, seconded by Director Lynch, to approve ninety days free rent, removal of certain fixtures, and early lease termination with Tri-Valley Plastic Surgery. The motion carried unanimously.

XI. COMMUNITY HEALTH ADVISORY COMMITTEE REPORT:

Director Lynch reported that the CHAC met on March 21, 2017.

A. Person of the Year Award:

Director Lynch reported that the CHAC formed a CHAC subcommittee to research and to provide input on the Person of the Year Award. She also reported the CHAC is recommending approval of the Person of the Year Nomination form and requesting Board approval to move forward with the Person of the Year award.

MOTION: Motion made by Director Lynch, seconded by Chair Lewis, to approve the Person of the Year Nomination form and approved moving forward with the Person of the Year Award. The motion carried unanimously.

XII. LAFCO REVIEW OF THE DISTRICT:

Dev Mahadevan reported on April 11, 2017 LAFCo special meeting and that LAFCo accepted the final draft report of the independent consultant regarding the District. He reported that LAFCo voted 3 to 2 not to dissolve the district but that they would look at the District's Sphere of Influence and possibly make some recommendations to amend the District's Sphere of Influence. He also reported on recommendations outlined in the independent consultant's report. Mr. Mahadevan reported that he is suggesting that the District move forward with the recommendations outlined in independent consultant's report. He reported that LAFCo will possibly review the District's Sphere of Influence in July.

XIII. ENGAGEMENT OF AUDITORS:

Dev Mahadevan reported that District has utilized the services of Armanino for the past five years for the District's annual financial audit reports. He reported that the District should go out to competitive bid approximately every five years. He reported that Jerrel Tucker from JWT & Associates, LLP is in attendance and introduced Mr. Tucker.

Jerrel Tucker, JWT & Associates, LLP, introduced himself. Mr. Tucker reported that JWT & Associates, LLC is a health care only accounting firm. He reported that JWT & Associates, LLC has 28 healthcare Districts as clients, 7 of which are similar to the District. He reported that his firm knows the issues surrounding healthcare districts.

MOTION: Motion made by Director Friedman, seconded by Director Lynch, to approve proposal dated April 4, 2017 from JWT & Associates, LLC and to engage JWT & Associates, LLC as the District's auditors for the fiscal year ending June 30, 2017, for a fee of \$20,000 plus out of pocket expenses not to exceed 10% of the bid amount. The motion carried unanimously.

XIV. FISCAL YEAR 2018 BUDGET:

Dev Mahadevan reported that the draft 2018 budget is in the board packet.

Discussion held regarding draft fiscal year 2018 budget.

Dev Mahadevan reported that this budget is really a continuation of a relatively stable operation with the first full year of operating after the sale of the 4050 Dublin Boulevard building in Dublin. He reported that the District can expect steady improvement over the coming years as rents increase annually.

Dev Mahadevan reported that the Capital Budget is relatively modest in the newer buildings with further progress in modernizing the San Leandro Medical Arts Building, which represents the greatest portion of the capital expenditures.

Dev Mahadevan also presented the Board with an updated cash flow based on the budget.

MOTION: Motion made by Director Lynch, seconded by Director Friedman, to accept the Fiscal Year 2018 budget, as presented. The motion carried unanimously.

XV. FINANCIAL STATEMENTS – MARCH, 2017:

Michelle Robles presented the financial statements for the period ending March 31, 2017.

On a cash basis, the District had a cash gain of \$107,501 for the month of March, 2017. For the medical office buildings the District owns, Dublin Gateway had a cash gain of \$136,765, San Leandro Medical Arts Building had a cash gain of \$5,726, and the Eden Medical Building had a cash gain of \$16,880. Community Services expenses were \$51,871. The District Office expenses were better than budget by \$17,388, primarily due to higher than budgeted interest income, along with lower than budgeted contingency consulting expense and legal fees.

The District had a net loss of \$100,838. The main difference between the net loss of \$100,838 and the cash gain of \$107,501 is depreciation and amortization.

MOTION: Motion made by Director Friedman, seconded by Director Lynch, to accept the Financial Statements for March, 2017, as presented. The motion carried unanimously.

XVI. CHIEF EXECUTIVE OFFICER RETIREMENT & RECRUITMENT OF REPLACEMENT:

Dev Mahadevan reported that the District has received seven resumes to date. He also reported that the CEO Recruitment Ad Hoc Committee have completed their initial review of resumes.

XVII. 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. He reported that city of Dublin has approved the extension of the Development Agreement for the Dublin Gateway property.

XVII. CHAIRMAN'S REPORT

Chair Lewis reported that she believes it is important that Board members come to the community events.

XVIII. CORRESPONDENCE

Dev Mahadevan reported on correspondence from Beta Healthcare Group dated April 18 2017.

XIX. OTHER BUSINESS

The next meeting to be held will be Wednesday, May 17, 2017 at the Eden Health District, Conference Room.

XX. ADJOURNMENT

There being no further business, the meeting was adjourned at 7:15 p.m.

Attest:

Roxann Lewis
Chair, Board of Directors
Eden Health District

Charles Gilcrest
Secretary, Board of Directors
Eden Health District