



BOARD OF DIRECTORS' MEETING AGENDA

THURSDAY, JANUARY 7, 2016

CLOSED SESSION 5:00 P.M.

REGULAR SESSION 6:00 P.M.

COMMUNITY MEETING ROOM

177 First Street West, Sonoma, CA

AGENDA ITEM	RECOMMENDATION	
MISSION STATEMENT <i>The mission of SVHCD is to maintain, improve, and restore the health of everyone in our community.</i>		
1. CALL TO ORDER	<i>Hirsch</i>	
2. PUBLIC COMMENT ON CLOSED SESSION	<i>Hirsch</i>	
3. CLOSED SESSION <u>Calif. Government Code § 37606 & Health and Safety Code §32106 Report</u> Involving Trade Secret regarding Business Strategy	<i>Hirsch</i>	
4. REPORT OF CLOSED SESSION	<i>Hirsch</i>	Inform/Action
5. PUBLIC COMMENT SECTION At this time, members of the public may comment on any item not appearing on the agenda. It is recommended that you keep your comments to three minutes or less. Under State Law, matters presented under this item cannot be discussed or acted upon by the Board at this time. For items appearing on the agenda, the public will be invited to make comments at the time the item comes up for Board consideration. At all times please use the microphone.	<i>Hirsch</i>	
6. CONSENT CALENDAR A. Regular Board Minutes 12.3.15 B. No FC Minutes C. No Minutes D. GC Minutes 9.22.15 E. MEC Credentialing Report	<i>Hirsch</i>	Action
7. GROWTH AND BUSINESS DEVELOPMENT OVERVIEW	<i>Donaldson</i>	Inform
8. MARKETING AND COMMUNICATIONS UPDATE	<i>Kenney</i>	Inform
9. ELECTION OF SPECIAL DISTRICT REPRESENTATIVE TO SONOMA LAFCO	<i>Hirsch</i>	Action
10. BOARD COMMITTEE ASSIGNMENTS	<i>Hirsch</i>	Action
11. CHIEF OF STAFF REPORT	<i>Dr. Chamberlin</i>	Inform
12. FINANCIAL REPORT FOR MONTH ENDING NOVEMBER 30, 2015	<i>Jensen</i>	Inform
13. ADMINISTRATIVE REPORT DECEMBER 2015	<i>Mather</i>	Inform

14. OFFICER & COMMITTEE REPORTS A. <u>Governance Committee</u> i. Policy on Governing Bidding for Facility Contracts ii. Policy on Appointment of Community Members to Board Committees B. <u>Finance Committee</u> i. New Community Member Susan Porth	<i>Board</i>	Action
15. BOARD COMMENTS A Special Closed Board meeting is planned for late January 2016 the date of which is to be determined.	<i>Board</i>	Inform
16. ADJOURN The next Regular Board meeting is February 4, 2016	<i>Hirsch</i>	

6.

CONSENT CALENDAR



SVHCD BOARD OF DIRECTORS
REGULAR MEETING MINUTES
Thursday, December 3, 2015
6:00 p.m. Regular Session
COMMUNITY MEETING ROOM
177 First Street West, Sonoma

	RECOMMENDATION	
MISSION STATEMENT <i>The mission of SVHCD is to maintain, improve and restore the health of everyone in our community.</i>		
1. CALL TO ORDER Meeting called to order at 6:00pm	<i>Nevins</i>	
2. PUBLIC COMMENT SECTION No public comment	<i>Nevins</i>	
2. CONSENT CALENDAR	<i>Nevins</i>	Action
A. Regular Board Minutes 11.5.15 B. FC Minutes 10.27.15 C. QC Minutes 10.28.15 D. AC Minutes 10.21.14, 3.5.15 E. No GC Minutes F. MEC Credentialing Report Ms. Hirsch informed that on all future Medical Executive Committee Credentialing Reports will use an identification number in place of the physician's name.		MOTION to approve Consent by Hohorst and 2 nd by Hirsch. All in favor.
3. ELECTION OF 2016 OFFICERS & REPRESENTATIVES	<i>Nevins</i>	Action
After a very successful two-year term, Ms. Nevins is stepping down as Chair of the Board. She took a moment to thank all the SVHCD Board Directors, Ms. Betta and the Hospital Administration for their contributions and support. <u>Approved nominations for the 2016 SVH Board Officers</u> <ul style="list-style-type: none"> • Jane Hirsch, Chair • Peter Hohorst, 1st Vice Chair • Joshua Rymer, 2nd Vice Chair • Sharon Nevins, Treasurer • Bill Boerum, Secretary <u>Approved appointment as JPA representatives</u> Bill Boerum and Peter Hohorst remain the appointed North California Health Care Authority (JPA) representatives.		All in favor of nominations and appointments.
5. CMO/CMIO QUARTERLY REPORT	<i>Cohen</i>	Inform
Dr. Cohen presented a summary of results from the 2015 Physician Satisfaction Survey and shared his 30-60-90 Day Plan.		

6. FINANCIAL REPORT FOR OCTOBER 2015	<i>Jensen</i>	Inform
After accounting for all income and expenses, not including Restricted Contributions and GO bond activity, the net loss for October was (\$43,163) vs. a budgeted net income of \$21,728. The total net income for October after all activity was \$104,125 vs. a budgeted net income of \$206,265. EBIDA for the month of October was 6.1% vs. the budgeted 7.5%.		
7. CAPITAL SPENDING REPORT	<i>Jensen</i>	
Put forward to February 4, 2016 to include December 2015 Actuals.		
8. HOME HEALTH FINANCIAL PI PROJECT	<i>Donaldson</i>	
Put forward to January 7, 2016.		
9. SOUTH LOT LAND LEASE UPDATE	<i>Hohorst</i>	Inform
Over the past several years there has been considerable interest in developing the “South Lot” which is bordered by 4 th Street West, Hayes Street, West MacArthur Street and 5 th Street West. The South Lot is the largest piece of property remaining inside Sonoma city limits. Any developer would be required to <i>build out</i> Hayes and 4 th Streets. The South Lot Committee is still considering land lease options.		
10. ADMINISTRATIVE REPORT FOR NOVEMBER 2015	<i>Mather</i>	Inform
<ul style="list-style-type: none"> Mr. Pier, Director of the SVH Foundation gave a philanthropy update announcing that the Capital Campaign has exceeded the collection budget and just yesterday, received a gift of \$100K. Ms. Mather announced that the Hospital’s continued investments in Community Health have come to fruition. Community members appreciate the value SVH provides including 650 jobs and over \$100M toward education annually. The Community Perception Survey revealed that the Community views both the Emergency Services and overall Hospital services as essential. 		
11. OFFICER & COMMITTEE REPORT	<i>Board</i>	Inform/Action
12. BOARD COMMENTS	<i>Board</i>	Inform
<ul style="list-style-type: none"> Mr. Boerum attended a symposium in India to learn more about its rapid transformation into a healthcare destination for patients worldwide. State of the art treatment and facilities in India have created a very favorable atmosphere for patients. He shared with attendees SVH’s policies and procedures and the importance of quality metrics and measures. Mr. Rymer shared some very positive feedback he received from two recent patients in ER and Surgery. The patients complemented the Hospital’s outstanding nursing staff and both 		

<p>experienced exemplary patient care.</p> <ul style="list-style-type: none"> Ms. Mather thanked Ms. Nevins for her outstanding contributions and commitment over the past two years as Board Chair. Ms. Nevins' mentorship, professionalism and dedication have been a tremendous benefit to both the Hospital and Community. 		
<p>11. ADJOURN Meeting adjourned at 7:15 pm</p>	<i>Hirsch</i>	



**SONOMA VALLEY HEALTH CARE DISTRICT
GOVERNANCE COMMITTEE MEETING**

MINUTES

TUESDAY, DECEMBER 15, 2015

8:30AM

ADMINISTRATION CONFERENCE ROOM

347 ANDRIEUX STREET, SONOMA, CA 95476

AGENDA ITEM	RECOMMENDATION	
MISSION STATEMENT <i>The mission of the SVHCD is to maintain, improve, and restore the health of everyone in our community.</i>		
1. CALL TO ORDER/ANNOUNCEMENTS	<i>Hohorst</i>	
2. PUBLIC COMMENT SECTION <i>At this time, members of the public may comment on any item not appearing on the agenda. It is recommended that you keep your comments to three minutes or less. Under State Law, matters presented under this item cannot be discussed or acted upon by the Committee at this time. For items appearing on the agenda, the public will be invited to make comments at the time the item comes up for Committee consideration.</i>	<i>Hohorst</i>	
3. CONSENT CALENDAR Minutes from 9.22.15	<i>Hohorst</i>	Action MOTION to approve by Boerum. All in favor.
4. POLICY GOVERNING BIDDING FOR FACILITY CONTRACTS Bring forward to January 7, 2016 Board meeting as action item	<i>Hohorst</i>	Action MOTION to approve by Boerum. All in favor.
5. POLICY ON APPOINTMENT OF COMMUNITY MEMBERS TO BOARD COMMITTEES Bring forward to January 7, 2016 Board meeting as action item	<i>Hohorst</i>	Action MOTION to approve by Boerum. All in favor.
6. ADJOURN	<i>Hohorst</i>	

9.

ELECTION OF
SPECIAL DISTRICT
REPRESENTATIVE TO
SONOMA LAFCO

SONOMA LOCAL AGENCY FORMATION COMMISSION

575 ADMINISTRATION DRIVE, ROOM 104A, SANTA ROSA, CA 95403
(707) 565-2577 FAX (707) 565-3778
www.sonomalafco.org

Date: December 10, 2015
To: All Independent Special Districts
Subject: Election of Special District Representative Class I

The purpose of this letter is to inform you about the accompanying materials associated with an election to fill a position of Special District Representative to the Sonoma Local Agency Formation Commission (Sonoma LAFCO). This is a four-year term of office ending May 2020. As a result of an earlier notification by Sonoma LAFCO to special districts, four nominations were submitted by the November 24, 2015, deadline. Nominations for this position (Class I) were restricted to board members of fire protection, community services, and life support districts. All independent special districts have the right to vote.

The election process requires that Sonoma LAFCO send to each district copies of all nominations received by the established deadline, a ballot and certification form, and voting instructions. In addition to these documents, I have included a stamped envelope for you to use to return the certified ballot.

All ballots should be returned to the LAFCO office by February 1, 2016. Ballots received by the deadline date will be counted and the results announced within seven days.

Please note that ballots representing a majority of the districts must be received by the deadline date for the election to be considered valid. In the event a majority of districts have not cast ballots by the deadline, Sonoma LAFCO will extend the deadline date by 60 days to allow those districts that have not returned a ballot to do so.

On behalf of the Commission, I urge your district to participate in this election for special district representation to Sonoma LAFCO and to return the ballot by the February 1 deadline.

If you have any questions or need additional information, please contact me at 565-2587.

Sincerely,



Cynthia Olson
Clerk to the Commission

SONOMA LOCAL AGENCY FORMATION COMMISSION

BALLOT

Special District Representative Class I Term of Office Ending May 2020

1. Vote for only one candidate for Special District Representative.
2. The presiding officer or his/her designated alternate, acting on behalf of the district, must cast the district's vote by marking the space to the right of a candidate's name and then complete, sign, and date the certification. Ballot space has also been provided for write-in candidates.
3. Place the marked ballot sheet and certification into the envelope provided and mail to Sonoma LAFCO, 575 Administration Drive, Room 104A, Santa Rosa, CA 95403. Ballot sheet and certification may be emailed to Cynthia.Olson@sonoma-county.org, to meet deadline requirements. However, originals must be mailed to the LAFCO office as soon as possible thereafter.
5. **Submit ballot and certification by February 1, 2016**

VOTE

Al Giordano, Cloverdale Fire Protection District

Steven Klick, Windsor Protection District

Greg Karraker, Rancho Adobe Fire Protection District

Ernie Loveless, Schell-Vista Fire Protection District

Write-in Candidate

CERTIFICATION

I certify, under penalty of perjury, that I, _____
(Print Name of Presiding Officer or Alternate)

I am the Presiding Officer of _____,
(Print Name of Special District)

or his/her designated alternate, and I am authorized by my district to cast the district's vote for Special District Representative to the Local Agency Formation Commission in this election.

(Date)

(Signature)

SONOMA LOCAL AGENCY FORMATION COMMISSION

575 ADMINISTRATION DRIVE, ROOM 104A, SANTA ROSA, CA 95403

(707) 565-2577 FAX (707) 565-3778

www.sonomalafco.org

SPECIAL DISTRICT REPRESENTATIVE CLASS I APPLICATION FORM

This application has been designed to provide pertinent information about each candidate applying for the position of Class I Special District Representative to LAFCO. Please read the application carefully and type or print your responses. Feel welcome to attach additional sheets if necessary.

Note: Class I districts include fire protection, community services, and life support districts.

Date Application Submitted: 11/4/2015

Name: Albert P. Giordano

Address: 1330 Wilson Road, Cloverdale

Home Phone: (707) 894-3745

Cell: _____

Work: _____

Name of District You Represent: Cloverdale Fire Protection District

Date of Most Current Appointment or Election: 2014

Date Term Expires: 2018

Total Years with District: 18

Indicate Involvement in Other Agencies/Special Districts:

Please see Attachment _____

Total Years Associated with Government/ Community Service: 52 years

List Community Service Activities including Names of Organizations and Dates of Service:

Please see Attachment _____

Have you attended LAFCO meetings? If so, when?

Almost all meetings from 2005 to present. _____

575 ADMINISTRATION DRIVE, ROOM 104A, SANTA ROSA, CA 95403
(707) 565-2577 FAX (707) 565-3778
www.sonomalafco.org

I want to continue to serve on the Sonoma County Local Agency Formation Commission (SCLAFCO), and to assist with the normal progression of development in the county. My extensive background with LAFCO and with city and special district government, will allow me to view proposals from a broader perspective. I believe that I would continue to be an asset to the commission.

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There is no handwriting or other markings on the paper.

In my opinion, the purpose of LAFCO is to provide an orderly process for annexations, city formations and establishment of special districts. To ensure that the services necessary to support these annexations, city formations and special districts needs will be in place to provide an open forum for review of issues by all interested parties..

Other Agencies/Special District Involvement

North Sonoma County District Hospital

2003-2012

- Finance & Budget Committee

Napa County Grand Jury

1995-1996

West Contra Costa County Sanitary District

1978-1995

- Day Shift Supervisor
- Developed Operations Manual

City Of Oakland Fire Department

1958-1973

- Company Officer
- Budget Committee
- Instructor

List Community Service Activities including Names of Organizations and Dates of Service

Sonoma County Fire Districts Association

2003-Present

Past President

Sonoma County Chapter of American Red Cross

1997-2012

Volunteer Manager of Disaster Assessment

Russian River Watershed Council

2000-2010

The Italian-American Cultural Foundation (of the East Bay)

1990-Present

President (2003-Present)

Chairman of the Board (1990-2003)

RESUME

City of Oakland Fire Department

Production Manager Art Rattan Company of California

Supervisor West Contra Costa Sanitary District

Owner operator and wine maker of San Pietro Vineyard and Wine Company, Napa County

Napa County Grand Jury 1995-1996

Member of the Board of Directors of the Cloverdale Fire Protection District 1997 to present (currently the President of the Board)

Former Volunteer Disaster Assessment Function Manager with the American Red Cross of Sonoma County

Former member of the Finance and Budget Committee of the North Sonoma County Hospital District

President of the Italian-American Cultural Foundation of the East Bay

SONOMA LOCAL AGENCY FORMATION COMMISSION

575 ADMINISTRATION DRIVE, ROOM 104A, SANTA ROSA, CA 95403
(707) 565-2577 FAX (707) 565-3778
www.sonomalafco.org

SPECIAL DISTRICT REPRESENTATIVE CLASS I APPLICATION FORM

This application has been designed to provide pertinent information about each candidate applying for the position of Class I Special District Representative to LAFCO. Please read the application carefully and type or print your responses. Feel welcome to attach additional sheets if necessary.

Note: Class I districts include fire protection, community services, and life support districts.

Date Application Submitted: 11/10/2015

Name: Steven Klick

Address: 9145 Windsor Road, Windsor, CA 95492

Home Phone: 707-478-1349 Cell: 707-478-1349 Work: 707-838-3027

Name of District You Represent: Windsor Fire Protection District

Date of Most Current Appointment or Election: Dec 2014

Date Term Expires: Dec 2018 Total Years with District: 1

Indicate Involvement in Other Agencies/Special Districts:

None

Total Years Associated with Government/ Community Service: 3

List Community Service Activities including Names of Organizations and Dates of Service:

Rotary Club of Windsor, joined May 2013

Sonoma County Alliance - Joined 2015

Have you attended LAFCO meetings? If so, when?

No

SONOMA LOCAL AGENCY FORMATION COMMISSION

575 ADMINISTRATION DRIVE, ROOM 104A, SANTA ROSA, CA 95403
(707) 565-2577 FAX (707) 565-3778
www.sonomalafco.org

Please explain why you want to serve on the Sonoma Local Agency Formation Commission (LAFCO).

I want to serve the residents of Sonoma County. My scientific background and unique blend of experience could serve LAFCO well by providing an in depth analysis of each issue before LAFCO. As districts evolve with increased population I think options presented need to be looked at in great detail for longer term implications of decisions, some could be detrimental to some parties. In depth analysis and problem solving of very complex issues is something I do on a daily basis. I want to take this knowledge to provide the best possible service to the residents of Sonoma County.

From your perspective, explain the purpose of LAFCO:

LAFCO serves as a board to look at changes to boundaries that could have further reaching implications than just the proposed change. Example, An increase in a water district boundary may bring water service to a new area that could in turn encourage growth of that area, which may or may not be wanted by the affected area.

Steven J. Klick, PG, MBA

9145 Windsor Road | Windsor, CA 95492 | (707) 478-1349 | sklick2010@gmail.com

EMPLOYMENT

Project Geologist | IT Director

July 2012 – Present

Brunsing Associates, Inc., Santa Rosa, CA

Project Geologist: Project Manager for numerous large and small scale engineering projects for both private and public agencies, provide technical expertise in environmental, hydrogeology and geological analysis. Public clients include the City of Santa Rosa, Sonoma County, Sonoma County Water Agency, The State of California, and the Golden Gate Bridge Highway and Transportation District. Provide business analysis of company financial data, budgets and contracts.

IT Director: Design, build and maintain entire IT infrastructure for the company including all workstations and servers. Design, program and implement internal database applications, network infrastructure. Analyze software solutions for business applications to improve company efficiency.

IT Director | Quality Control

July 2012 – Present

Signature Wine Lab, Santa Rosa, CA

IT Director: Implement and administrate Laboratory Information Management System (LIMS) which interprets data from analytical instruments. Built in-house database client relationship management (CRM) for marketing of the laboratory. Build and maintain company website including client login for access to results and invoices.

Quality Control: Built and maintain quality control program that includes quality control of analytical results, health and safety in a chemical laboratory, workload efficiency, streamline method development and validation, and that laboratory adheres to ISO 17025 certification.

Communications | Quality Control

September 2008 – March 2012

Vinnell, Brown and Root Spain and Agility First Support, Moron Air Base, Spain

Fire Communications Specialist: Assisted Fire Chief and Fire Inspector in maintaining quality control and training of NFPA standards for the Fire Department. Dispatched crews to both structural and aircraft emergencies. Conducted training of Computer Aided Dispatch (CAD) software for other Fire Department employees.

Quality Control: Ensure that VBR Spain met its contractual obligations to the US Air Force. Respond to any inspector complaints and design remedies for the complaints.

Owner

September 2004 – January 2008

Vinoteca Restaurant, Malaga, Spain

Owned and operated a wine and tapas bar. Aside from the business management aspects, I was a fill in Chef and the in-house Sommelier. Served as judge for internationally accredited Wine Competition, awarded the best tapa in Malaga in 2007.

Web Programmer

July 2003 – August 2004

Perfil Web Design, Malaga, Spain

Web design, programming and translation.

Grad School/Geology Lecturer

August 1999 – May 2002

California State University, Chico

Geology lab instructor for General and Physical Geology

EDUCATION

Master of Business Administration

University of Phoenix, Phoenix, AZ

2010

Bachelor of Science Geology

California State University, Chico

1998

CERTIFICATIONS

California Professional Geologist #9266

HAZWOPPER 40 hour, plus current 8-hour refresher

Numerous DOD certifications related to First Responders

LANGUAGES

Spanish, fluent in written, oral and business negotiation.

COMMUNITY SERVICE

Windsor Fire Protection District – Director since December 2015

The Rotary Club of Windsor – President Nominee 17/18 year, IT Chair

Engineers without Borders - Member

SONOMA LOCAL AGENCY FORMATION COMMISSION

575 ADMINISTRATION DRIVE, ROOM 104A, SANTA ROSA, CA 95403

(707) 565-2577 FAX (707) 565-3778

www.sonomalafco.org

SPECIAL DISTRICT REPRESENTATIVE CLASS I APPLICATION FORM

This application has been designed to provide pertinent information about each candidate applying for the position of Class I Special District Representative to LAFCO. Please read the application carefully and type or print your responses. Feel welcome to attach additional sheets if necessary.

Note: Class I districts include fire protection, community services, and life support districts.

Date Application Submitted: November 18, 2015

Name: Greg Karraker

Address: 1200 East Railroad Avenue, Cotati, CA 94931

Home Phone: 415.260.9905 Cell: 415.260.9905 Work: 415.260.9905

Name of District You Represent: Rancho Adobe Fire Protection District

Date of Most Current Appointment or Election: 11/2014

Date Term Expires: 12/2018 Total Years with District: 1

Indicate Involvement in Other Agencies/Special Districts:

SCFDA – Helped draft letter to Sonoma County on behalf of SCFDA

Total Years Associated with Government/ Community Service: 7

List Community Service Activities including Names of Organizations and Dates of Service:

Rancho Adobe Fire Protection District -- 11/2014 -- present

Penngrove Social Firemen -- 2009 -- present

Have you attended LAFCO meetings? If so, when?

No.

SONOMA LOCAL AGENCY FORMATION COMMISSION

575 ADMINISTRATION DRIVE, ROOM 104A, SANTA ROSA, CA 95403
(707) 565-2577 FAX (707) 565-3778
www.sonomalafco.org

Please explain why you want to serve on the Sonoma Local Agency Formation Commission (LAFCO).

I am interested in serving in LAFCO because I believe that in Sonoma County, public safety frequently takes a back seat to other county initiatives, including the promotion of transit-oriented-development, high-density urban infill, traffic calming, and the lack of a serious commitment to road repair and appropriate funding for fire districts.

A professional communicator by trade, I have the proven ability to influence the actions of local governments, by using the power of logic, the press, and the ballot box. As a representative to LAFCO, I believe I can be a consistent, determined voice for common sense, and advocate successfully for the policies, funding, and respect that Sonoma County's independent fire districts deserve. When annexations are proposed, I want to look at their impact on emergency services, emergency service funding, and the consequences that annexations have on the tax base.

From your perspective, explain the purpose of LAFCO:

The stated purpose of LAFCO is to regulate the boundaries of cities and special districts. According to the LAFCO website, its objectives are:

1. To encourage the orderly formation of local government agencies and promote the efficient provision of public services.
2. To preserve agricultural land and open-space resources.
3. To promote orderly growth and discourage urban sprawl.

I would like to add a fourth objective: To achieve goal #1 in a fair and open way that balances the needs of all the citizens of Sonoma County, not just the ones who believe the only answer to every problem is urban infill.

Greg Karraker

Director, Rancho Adobe Fire Protection District
SVP, Chief Marketing Officer, VisiQuate, Inc,
1200 East Railroad Avenue Cotati, CA 94931
415.260.9905 greg@karraker.com

Public Safety and Civic Experience:

2014 – Present: Director, Rancho Adobe Fire Protection District. I placed my name on the ballot at the suggestion of Chief Frank Treanor and Battalion Chief Steve Davidson. Worked with SCFDA President Ernie Loveless and others to draft a request to County Administrator Veronica Ferguson to grant districts funding that would compensate all districts for the ERAF shift and the added costs of dispatch. I serve on the Negotiations Committee, the Long Range Planning Committee, and the Chief's Evaluation Committee.

2014: Stop SMART Barriers. In late 2014, SMART began installing poorly marked concrete barriers at grade crossings in Sonoma County. I contacted SMART, who was not responsive. I then contacted Channel 7 news, who did a story on the subject with Chief Treanor and me. I also posted a website on the danger. In May 2015, I helped organize a Town Hall meeting where Penngrove residents voiced their concerns to SMART officials, and Supervisor Rabbitt. Shortly thereafter, SMART removed the dangerous barriers from Main Street Penngrove. They have promised further changes.

2012: Treasurer, Cotati Citizens for Measure U: In addition to raising funds and gaining community involvement, I created the website and other campaign materials for the ballot initiative that prevented Cotati from reducing Old Redwood Highway from five lanes to two, and further restricting traffic by installing two closely-spaced roundabouts. The combination of narrower streets and roundabouts could have negatively impacted RAFPD response times,

2010: Founder, Downtown Cotati Flagpole Fund. In early spring, I noticed that the flagpole at the heart of down Cotati was empty, and learned that it had been for over two years. When I asked the city council to repair it, they did nothing for three months. I then started a drive to raise the needed funds. After the Press Democrat ran a story on the subject, the City of Cotati finally restored the flag.

Professional Experience:

2014 – Present: Senior Vice President & Chief Marketing Officer, VisiQuate, Inc. I create the marketing strategy, oversee the media and production budgets, map all customer touchpoints, and supervise and write all internal and external communications, including website, product ads, data sheets, brochures, videos, and presentations for this \$14 million business software company based in Santa Rosa.

1997- 2014: Principal, Karraker, Strand & Partners, an advertising creative service. I worked directly for a number of national clients, including Abbott Diabetes Care, Avery Business Products, Kaiser Permanente, McKesson, Pasta Pomodoro, and Wind River Systems, writing websites, print ads, and broadcast advertising. I also worked for a number of San Francisco advertising agencies, on behalf of their clients: Countrywide Home Loans, Crystal Cruises, Deloitte Consulting, Intel, Microsoft, and many others.

1995 - 1996: Partner, Creative Director, CKS Partners. I joined this integrated marketing company to bring advertising experience to their product mix. In one year, I led creative presentations that gave CKS 12

separate account/project wins for a total of \$45 million in capitalized billing. Clients included Microsoft, Fujitsu PC, and Philips Velo. Work included advertising, branding, new media, and annual reports. 1989 - 1995: Senior Partner, Group Creative Director, JWT/SF. Group head for Sun Microsystems. Also worked on Sprint, Kaiser Permanente, Mexicana Airlines, and Black Angus restaurants. In May 1992, I led the presentation for the California Lottery, and supervised this \$30 million account.

1987 - 1989: Greg Karkaker Creative Services, SF.

1983 - 1986: Senior Vice President, Group Creative Director, DMB&B, SF.

1981 - 1983: Vice President, Associate Creative Director, Saatchi & Saatchi, SF.

1980 - 1981: Writer, Chiat/Day, SF.

1976 - 1980: Writer, Dailey & Associates, SF.

1974 - 1976: Writer, Wilton, Coombs & Colnett, SF.

1972 - 1974: Writer, Meltzer, Aron & Lemen, SF.

1970 - 1972: Writer, Vladimir & Evans, Miami.

1967 - 1970: Writer, Griswold-Eshleman, NY.

Personal:

I've been married for 35 years, and live just outside the city limits of Cotati, where my wife and I built an Arabian horse farm from bare dirt in 2000. She is the horse person; I design the outbuildings and manage the website: www.destinyarabians.net We are both members of Penngrove Social Firemen and the NRA. I am extremely interested and involved with local politics, because I believe that is where most citizens can actually influence the outcome of important issues. I am also a student pilot who first soloed a few years ago, and plan to begin the cross-country navigation training necessary to earn a pilot's license.

Education:

B.A. English, Journalism, Penn State, 1966. M.F.A. English, San Francisco State, 1974.

References: Available on request.

SONOMA LOCAL AGENCY FORMATION COMMISSION

575 ADMINISTRATION DRIVE, ROOM 104A, SANTA ROSA, CA 95403

(707) 565-2577 FAX (707) 565-3778

www.sonomalafco.org

SPECIAL DISTRICT REPRESENTATIVE CLASS I APPLICATION FORM

This application has been designed to provide pertinent information about each candidate applying for the position of Class I Special District Representative to LAFCO. Please read the application carefully and type or print your responses. Feel welcome to attach additional sheets if necessary.

Note: Class I districts include fire protection, community services, and life support districts.

Date Application Submitted: November 4, 2015_____

Name: Ernie Loveless

Address: P.O. Box 606 Vineburg, Ca. 95487

Home Phone: 707-935-6964

Cell: 707-338-7511

Work: N/A

Name of District You Represent: Schell-Vista Fire Protection District

Date of Most Current Appointment or Election: Nov. 2015

Date Term Expires: Jan. 2019

Total Years with District: 4

Indicate Involvement in Other Agencies/Special Districts:

Sonoma County Grand Jury -2 years

CASA Volunteer – 2 years

Sonoma County Fire Districts Association - President

Sonoma County Foster Parent 15 years

Total Years Associated with Government/ Community Service: 45 years

List Community Service Activities including Names of Organizations and Dates of Service:

Sonoma County Foster Parents Association – 1997 to present

Sonoma Valley Mentoring Alliance – Sept 2010 to 2012

Have you attended LAFCO meetings? If so, when?

Napa County LAFCO – 2005 to 2010 and Sonoma County LAFCO Sept. 2015

SONOMA LOCAL AGENCY FORMATION COMMISSION

575 ADMINISTRATION DRIVE, ROOM 104A, SANTA ROSA, CA 95403
(707) 565-2577 FAX (707) 565-3778
www.sonomalafco.org

Please explain why you want to serve on the Sonoma Local Agency Formation Commission (LAFCO).

I have served as a public servant working for and with the state and local governments for over 40 years. I retired five years ago from Cal Fire as a Unit Chief and I want to give back to the community that I live in. I have always had a great interest in local government and the role it plays in our lives.

Serving on Sonoma Local Agency Formation Commission and to be a part of the process of regulating land use in Sonoma County would be a great honor for me.

My experience in local government as a retired Fire Chief, knowledge of Special Districts rules and regulations as an elected Board member and my familiarization of county government from the times I have spent on the Grand Jury and local community groups make me well qualified to hold a position on the Sonoma County LAFCO as a representative.

From your perspective, explain the purpose of LAFCO:

*To provide oversight and to regulate cities and Special Districts boundaries,

*Regulate the orderly formation and expansion of local government agencies and

*Preserve agricultural lands and open space.

Ernie Loveless

P.O. Box 606 Vineburg, Ca. 95487

Home phone (707) 935-6964

Cell Phone (707) 338-7511

Personal Statement

I am 63 years old and retired after a forty year career in the fire service working for Cal Fire. I worked in numerous positions as I promoted up through the ranks from seasonal Firefighter to retire as the Unit Chief of the Sonoma-Lake-Napa Unit. My time since my retirement has been dedicated to family. I am married with 4 grown children and 7 grandchildren. My hobbies and interest include golfing, fishing and traveling as well as volunteering in a number of local community groups as listed below.

Work Experience

California Dept. of Forestry and Fire Protection – Cal Fire June 15, 1970 to June 14, 2010
1199 Big Tree Rd. St. Helena, Ca. 94574

(707) 967-1400

Fire Fighter- San Luis Obispo County, Fireman-San Mateo County, Fire Apparatus Engineer-Shasta County, Fire Captain- Tehama County, Battalion Chief Napa County, Division Chief-Solano County, Staff Chief, Northern Region and finally to Unit Chief for the Sonoma-Lake-Napa Unit for the last five years. Retiring on June 14, 2010.

Volunteer Work

Schell-Vista Fire Protection District Board Chair July 2012 – Present

Sonoma County Grand Jury, July 2011-July 2012

Sonoma County Grand Jury Foreperson, July 2012- July 2013

Sonoma Valley Mentoring Alliance, Sept. 2010 – June 2011

Sonoma County CASA Volunteer, Sept. 2013 – Present

Redwood Empire Foster Parents Association, January 2011 - Present

Education

Coleville High School – Graduated June 1970

Shasta Junior College – AA degree in Administration of Justice, June 1983

CDF P.O.S. T. Academy May 1981

References:

Ray Mulas (707) 695-8931

Brian Elliott (707) 480-1239

Gary Matto (707) 287-5482

Norm Cram (707) 939-1425

11.

CHIEF OF STAFF REPORT



To: SVHCD Board of Directors
Date: January 7, 2016
From: Keith Chamberlin, M.D., MBA
RE: Report of Chief of Staff

The Medical Staff has been very active these last 6 months, credentialing many new physicians that are passing through our doors, mostly in the ER, but also in pain medicine, vascular surgery and now nephrology to work at the new outpatient dialysis center in the remodeled old ER.

Last October, I spoke to you about quality and value and this continues to be a major agenda item for me and the medical staff. We have moved forward with a process we are calling *Executive Peer Review*. This does not replace peer review done at the department level, where most of the effective and specialty specific process review takes place.

Rather, this *Executive Peer Review* is designed to be multi-disciplinary and have an open referral pattern to review issues that rise to an overall hospital level concern. It is designed to help physicians improve their practice by having diverse sets of physician eyes review case information.

Case referral comes in 3 types: case specific (procedures and diagnoses), individual specific (same physician with multiple referrals over a defined time period), and professional behavior specific (again, the same physician with multiple referrals over a defined time period.)

We have set the criteria as 2 referrals over a 6-month period of time. Cases will be sent to the department based on department criteria and national benchmarks and will rise to the *Executive Peer Review* level from there. In addition, any M.D. can refer any case, pattern, or other MD for review to the committee.

The first meeting of the *Executive Peer Review* will be January 21, 2016 following the open session of the M.E.C meeting.

It is important to the medical staff that we demonstrate “value” to our community. And as I said in my October 2015 report, that will involve quality – which while a moving target, is really all about outcomes over time – outcomes that matter to patients. And their view of a good outcome can be different than payors’ views, hospital views and even physician views.

If we are going to remain competitive and relevant in our medical market, we must compete on value. Harvard's Porter and Teisberg, in their landmark book "Redefining Health Care," talk about creating *value based competition on results*. Our system now focuses on revenue, cost shifting and service restrictions (narrow networks).

It is this concept of results based value where I believe the medical staff can help SVH to become more competitive in our market. We need to demonstrate real value by collecting real outcomes and letting the community know exactly how good we are. The more value we demonstrate, the more patients will preferentially choose us and the more payors will direct patients to us (much as EDHC has started to do).

I believe we have outcomes equivalent to or better than those around us and at a much lower cost structure, so that the true "value" (quality/cost) we offer is quite high. Kaplan's time driven activity based costing (TDABC) concept can help us identify the true cost of our processes. (Harvard Business Review, September 2011, *How to Solve Cost Crisis in Health Care*, Porter and Kaplan) Collecting accurate, publishable data we already do. We are not the Cleveland Clinic, but we should not settle for inferior outcomes for what do.

I understand this is: a different view of the concept of value in healthcare; this a longer view approach for healthcare organizations trying to stay competitive over the next 5-10 years; everyone is pretty busy trying to just stay open for the next 5 -10 months; but this should be the underlying concept and goal for us: winning value based competition using our results.

12.

FINANCE REPORT
FOR MONTH ENDING
NOVEMBER, 30, 2015



Healing Here at Home

To: SVH Finance Committee
From: Ken Jensen, CFO
Date: December 17, 2015
Subject: Financial Report for the Month Ending November 30, 2015

The actual loss of (\$605,469) from operations for November was (\$86,203) higher than the budgeted loss of (\$519,266). The year-to date actual loss from operations is (\$1,446,757) compared to the expected loss of (\$1,710,685). After accounting for all other activity, the November net income was a gain of \$244,714 vs. the budgeted net loss of (\$102,767) with a monthly EBIDA of -1.2% vs. a budgeted 0.8%. Year-to-date the total net income is \$527,905 better than budget with a year to date EBIDA of 5.7% being better than the budgeted 4.8%.

Gross patient revenue for November was \$18,663,643, \$1,131,970 better than expected. Overall, the inpatient volume was below budget but a higher case mix to inpatient revenue being \$8,346 better than budget. Outpatient revenue was over budget by \$116,669 due to a slight increase in volume. The Emergency Room volume continues to be significantly over budget contributing and extra \$1,136,173 in gross revenue. SNF was under expectations by (\$120,547) due to lower volume. Home Health was under budget by (\$8,671) due to purposely reducing services provided to Marin patients.

The payer mix remains relatively consistent with the budget with slight increase in Medi-Cal and commercial gross revenue.

Deductions from revenue were unfavorable to budgeted expectations by (\$1,136,093) due higher than expected use of the Emergency Room by Medi-Cal and Medicare patients.

After accounting for all other operating revenue, the **total operating revenue** was (\$96,476) below budget.

Operating Expenses of \$4,665,373 were better than budget by \$10,272. The significant negative variances were: Salaries and Agency fees (\$36,878), cost of employee benefits (\$34,590), and Supplies (\$50,408). Salaries were over budget in ER by (\$36,659) due to the increased volume and employee benefits are over budget to higher use of PTO and disability over budgeted expectations. Supplies were over budget in Pharmacy (\$78,043) due to higher use of Remicade which is excluded from the Pharmacy capitation drug costs and has been prescribed in higher use by a physician over the last couple of



months. The administration is working with current medical staff to resolve expenditures. Most other costs were under or close to budgeted expectations.

After accounting for all income and expenses, but not including Restricted Contributions and GO bond activity, the net loss for November was (\$388,074) vs. a budgeted net loss of (\$287,304). The total net income for November after all activity was \$244,714 vs. a budgeted net loss of (\$102,767).

EBIDA for the month of November was -1.2% vs. the budgeted 0.8%.

Patient Volumes – November

	ACTUAL	BUDGET	VARIANCE	PRIOR YEAR
Acute Discharges	85	105	-20	96
Newborn Discharges	11	12	-1	15
Acute Patient Days	316	374	-58	364
SNF Patient Days	544	580	-36	580
Home Care Visits	1,088	1,192	-104	1,090
OP Gross Revenue	\$11,900	\$10,612	\$1,288	\$10,956
Surgical Cases	114	118	-4	118

Overall Payer Mix – November

	ACTUAL	BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
Medicare	44.7%	48.7%	-4.0%	47.0%	48.7%	-1.7%
Managed Mcare	7.2%	4.9%	2.3%	6.4%	4.8%	1.6%
Medi-Cal	20.2%	17.8%	2.4%	19.3%	17.5%	1.8%
Self Pay	1.6%	1.8%	-0.2%	1.2%	1.8%	-0.6%
Commercial	21.1%	20.5%	0.6%	20.4%	20.7%	-0.3%
Workers Comp	2.6%	3.3%	-0.7%	2.9%	3.4%	-0.5%
Capitated	2.6%	3.0%	-0.4%	2.8%	3.1%	-0.3%
Total	100.0%	100.0%		100.0%	100.0%	

Cash Activity for November:

For the month of November the cash collection goal was \$3,754,828 and the Hospital collected \$3,123,570, or under the goal by (\$631,258). The year-to-date cash goal is \$17,361,802 and the Hospital has collected \$17,172,419 or under the goal by (\$189,383). The cash collection goal is based upon net hospital revenue from 90 days ago. Days of cash on hand are 9 days at November 30, 2015. The drop in cash days is due to low collections in the month of November. Accounts Receivable increased from October, from 46.7 days to 53.2 days in November. Accounts Payable is up by \$286,975 from October and Accounts Payable days are at 49.1.



Sonoma Valley Hospital
Net Revenue by Payer for the month of November 30, 2015

ATTACHMENT A

	November-15			
Gross Revenue:	Actual	Budget	Variance	% Variance
Medicare	8,328,972	8,493,093	-164,121	-0.9%
Medi-Cal	3,764,743	3,099,688	665,055	3.8%
Self Pay	293,835	313,891	-20,056	-0.1%
Commercial	3,977,729	3,674,192	303,537	1.7%
Medicare Managed Care	1,318,371	852,368	466,003	2.7%
Worker's Comp.	490,475	574,299	-83,824	-0.5%
Capitated	489,518	524,142	-34,624	-0.2%
Total	18,663,643	17,531,673	1,131,970	

Net Revenue:	Actual	Budget	Variance	% Variance
Medicare	1,356,188	1,546,300	(190,112)	-12.3%
Medi-Cal	534,217	478,162	56,055	11.7%
Self Pay	103,753	99,751	4,003	4.0%
Commercial	1,582,957	1,426,538	156,419	11.0%
Medicare Managed Care	176,662	144,103	32,559	22.6%
Worker's Comp.	104,569	135,434	(30,865)	-22.8%
Capitated	16,888	15,200	1,688	11.1%
Prior Period Adj/IGT	-	125,250	(125,250)	-100.0%
Total	3,875,234	3,970,738	(95,504)	-2.4%

Percent of Net Revenue:	Actual	Budget	Variance	% Variance
Medicare	35.0%	38.9%	-3.9%	-10.1%
Medi-Cal	13.8%	12.1%	1.7%	14.4%
Self Pay	2.7%	2.5%	0.2%	6.6%
Commercial	40.8%	35.9%	4.9%	13.7%
Medicare Managed Care	4.6%	3.6%	1.0%	28.4%
Worker's Comp.	2.7%	3.4%	-0.7%	-20.9%
Capitated	0.4%	0.4%	0.0%	-12.3%
Prior Period Adj/IGT	0.0%	3.2%	-3.2%	-100.0%
Total	100.0%	100.0%	0.0%	0.0%

Projected Collection Percentage:	Actual	Budget	Variance	% Variance
Medicare	16.3%	18.2%	-1.9%	-10.6%
Medi-Cal	14.2%	15.4%	-1.2%	-8.0%
Self Pay	35.3%	31.8%	3.5%	11.1%
Commercial	39.8%	38.8%	1.0%	2.5%
Medicare Managed Care	13.4%	16.9%	-3.5%	-20.7%
Worker's Comp.	21.3%	23.6%	-2.3%	-9.6%
Capitated	3.5%	2.9%	0.6%	19.0%
Prior Period Adj/IGT	0.0%	0.7%	-0.7%	-100.0%

YTD	Actual	Budget	Variance	% Variance
	46,886,814	46,040,135	846,679	0.9%
	19,221,459	16,574,558	2,646,901	2.8%
	1,245,417	1,691,536	(446,119)	-0.5%
	20,498,298	20,063,282	435,016	0.5%
	6,414,912	4,579,579	1,835,333	1.9%
	2,859,966	3,168,124	(308,158)	-0.3%
	2,761,734	2,884,522	(122,788)	-0.1%
	99,888,600	95,001,736	4,886,864	

	Actual	Budget	Variance	% Variance
	8,598,577	8,865,888	(267,311)	-3.0%
	2,801,147	2,506,391	294,756	11.8%
	381,649	579,796	(198,148)	-34.2%
	7,308,322	7,307,209	1,113	0.0%
	945,962	730,044	215,918	29.6%
	641,820	770,689	(128,870)	-16.7%
	99,299	100,184	(885)	-0.9%
	969,694	626,250	343,444	54.8%
	21,746,469	21,486,451	260,018	1.2%

	Actual	Budget	Variance	% Variance
	39.5%	41.3%	-1.8%	-4.4%
	12.9%	11.7%	1.2%	10.4%
	1.8%	2.7%	-0.9%	-35.0%
	33.6%	34.0%	-0.4%	-1.2%
	4.3%	3.4%	0.9%	25.1%
	3.0%	3.6%	-0.6%	-17.7%
	0.5%	0.5%	0.0%	-2.1%
	4.5%	2.9%	1.6%	56.4%
	100.0%	100.0%	-0.1%	-0.1%

	Actual	Budget	Variance	% Variance
	18.3%	19.3%	-0.9%	-4.8%
	14.6%	15.1%	-0.5%	-3.6%
	30.6%	34.3%	-3.6%	-10.6%
	35.7%	36.4%	-0.8%	-2.1%
	14.7%	15.9%	-1.2%	-7.5%
	22.4%	24.3%	-1.9%	-7.7%
	3.6%	3.5%	0.1%	3.5%
	1.0%	0.7%	0.3%	47.3%

Cell I35 needs to be adjusted
Cell C35 needs to be adjusted

Cell C38 needs to be adjusted Cell I38 too

Cell C40 needs to be adjusted
Cell I41 needs to be adjusted

Sonoma Valley Health Care District
Balance Sheet
As of November 30, 2015

ATTACHMENT C

		<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year</u>
Assets				
Current Assets:				
1	Cash	\$ 1,397,891	\$ 1,966,866	\$ 1,372,455
2	Trustee Funds	1,302,603	1,302,578	953,138
3	Net Patient Receivables	8,306,816	8,029,749	7,852,453
4	Allow Uncollect Accts	(726,710)	(701,798)	(909,670)
5	Net A/R	7,580,106	7,327,952	6,942,783
6	Other Accts/Notes Rec	7,749,709	7,478,317	7,263,285
7	3rd Party Receivables, Net	422,221	338,629	1,188,104
8	Inventory	894,596	760,898	786,003
9	Prepaid Expenses	727,902	737,546	918,220
10	Total Current Assets	\$ 20,075,028	\$ 19,912,785	\$ 19,423,987
12	Property, Plant & Equip, Net	\$ 53,705,856	\$ 53,940,240	\$ 55,768,947
13	Specific Funds	279,134	282,799	276,506
14	Other Assets	143,691	143,691	143,007
15	Total Assets	\$ 74,203,709	\$ 74,279,516	\$ 75,612,447
Liabilities & Fund Balances				
Current Liabilities:				
16	Accounts Payable	\$ 3,496,357	\$ 3,209,382	\$ 4,296,761
17	Accrued Compensation	4,061,646	3,943,153	3,515,449
18	Interest Payable	457,025	342,768	471,716
19	Accrued Expenses	1,254,088	1,371,814	1,487,437
20	Advances From 3rd Parties	1,397,743	1,406,493	691,952
21	Deferred Tax Revenue	3,449,442	3,942,219	3,838,357
22	Current Maturities-LTD	1,703,099	1,697,025	1,703,099
23	Line of Credit - Union Bank	5,923,734	5,923,734	5,698,734
24	Other Liabilities	192,855	225,495	144,392
25	Total Current Liabilities	\$ 21,935,989	\$ 22,062,083	\$ 21,847,898
26	Long Term Debt, net current portion	\$ 37,089,574	\$ 37,284,077	\$ 39,895,354
27	Fund Balances:			
28	Unrestricted	\$ 12,501,688	\$ 12,761,165	\$ 12,520,765
29	Restricted	2,676,458	2,172,191	1,348,431
30	Total Fund Balances	\$ 15,178,146	\$ 14,933,356	\$ 13,869,196
31	Total Liabilities & Fund Balances	\$ 74,203,709	\$ 74,279,516	\$ 75,612,447

**Sonoma Valley Health Care District
Statement of Revenue and Expenses
Comparative Results
For the Period Ended November 30, 2015**

Month					Year-To- Date					YTD
This Year		Variance				This Year		Variance		Prior Year
Actual	Budget	\$	%	Actual		Budget	\$	%		
Volume Information										
1	85	105	(20)	-19%	Acute Discharges	458	485	(27)	-6%	499
2	544	580	(36)	-6%	SNF Days	3,070	3,042	28	1%	3,042
3	1,088	1,192	(104)	-9%	Home Care Visits	4,882	6,309	(1,427)	-23%	5,775
4	11,900	10,612	1,288	12%	Gross O/P Revenue (000's)	\$ 63,228	\$ 58,827	4,401	7%	\$ 55,478
Financial Results										
Gross Patient Revenue										
5	\$ 4,917,455	\$ 4,909,109	8,346	0%	Inpatient	\$ 25,941,488	\$ 24,858,779	1,082,709	4%	\$ 24,548,097
6	6,549,858	6,433,189	116,669	2%	Outpatient	36,236,179	36,434,705	(198,526)	-1%	33,088,086
7	5,043,232	3,907,059	1,136,173	29%	Emergency	25,644,006	20,930,371	4,713,635	23%	20,617,482
8	1,796,796	1,917,343	(120,547)	-6%	SNF	10,471,359	10,848,319	(376,960)	-3%	10,403,149
9	356,302	364,973	(8,671)	-2%	Home Care	1,595,568	1,929,562	(333,994)	-17%	1,772,029
10	\$ 18,663,643	\$ 17,531,673	1,131,970	6%	Total Gross Patient Revenue	\$ 99,888,600	\$ 95,001,736	4,886,864	5%	\$ 90,428,844
Deductions from Revenue										
11	\$ (14,711,700)	\$ (13,575,607)	(1,136,093)	-8%	Contractual Discounts	\$ (78,661,159)	\$ (73,588,645)	(5,072,514)	-7%	\$ (69,913,258)
12	(50,000)	(89,314)	39,314	44%	Bad Debt	(290,000)	(446,570)	156,570	35%	(740,000)
13	(26,709)	(21,264)	(5,445)	-26%	Charity Care Provision	(160,666)	(106,320)	(54,346)	-51%	(91,500)
14	-	125,250	(125,250)	0%	Prior Period Adj/Government Program Revenue	969,694	626,250	343,444	0%	30,581
15	\$ (14,788,409)	\$ (13,560,935)	(1,227,474)	9%	Total Deductions from Revenue	\$ (78,142,131)	\$ (73,515,285)	(4,626,846)	6%	\$ (70,714,177)
16	\$ 3,875,234	\$ 3,970,738	(95,504)	-2%	Net Patient Service Revenue	\$ 21,746,469	\$ 21,486,451	260,018	1%	\$ 19,714,667
17	\$ 153,761	\$ 171,184	(17,423)	-10%	Risk contract revenue	\$ 771,960	\$ 855,920	(83,960)	-10%	\$ 1,283,473
18	\$ 4,028,995	\$ 4,141,922	(112,927)	-3%	Net Hospital Revenue	\$ 22,518,429	\$ 22,342,371	176,058	1%	\$ 20,998,140
19	\$ 30,909	\$ 14,458	16,451	-114%	Other Op Rev & Electronic Health Records	\$ 143,368	\$ 72,290	71,078	98%	\$ 468,123
20	\$ 4,059,904	\$ 4,156,380	(96,476)	-2%	Total Operating Revenue	\$ 22,661,797	\$ 22,414,661	247,136	1%	\$ 21,466,263
Operating Expenses										
21	\$ 2,096,406	\$ 2,059,528	(36,878)	-2%	Salary and Wages and Agency Fees	\$ 10,863,841	\$ 10,779,882	(83,959)	-1%	\$ 10,148,923
22	823,771	789,181	(34,590)	-4%	Employee Benefits	4,119,215	4,000,338	(118,877)	-3%	3,776,634
23	\$ 2,920,177	\$ 2,848,709	(71,468)	-3%	Total People Cost	\$ 14,983,056	\$ 14,780,220	(202,836)	-1%	\$ 13,925,557
24	\$ 313,775	\$ 346,605	32,830	9%	Med and Prof Fees (excl Agency)	\$ 1,659,143	\$ 1,756,944	97,801	6%	\$ 1,744,510
25	518,016	467,608	(50,408)	-11%	Supplies	2,540,973	2,498,056	(42,917)	-2%	2,545,302
26	296,653	352,170	55,517	16%	Purchased Services	1,385,411	1,760,850	375,439	21%	1,720,611
27	292,215	283,132	(9,083)	-3%	Depreciation	1,456,414	1,415,658	(40,756)	-3%	1,464,488
28	96,279	98,958	2,679	3%	Utilities	506,159	494,790	(11,369)	-2%	532,334
29	25,309	20,834	(4,475)	-21%	Insurance	126,208	104,170	(22,038)	-21%	96,275
30	45,505	39,273	(6,232)	-16%	Interest	215,247	202,936	(12,311)	-6%	235,329
31	157,444	155,856	(1,588)	-1%	Other	867,917	799,222	(68,695)	-9%	47,649
32	0	62,500	62,500	100%	Matching Fees (Government Programs)	368,026	312,500	(55,526)	-18%	645,940
33	\$ 4,665,373	\$ 4,675,645	10,272	0%	Operating expenses	\$ 24,108,554	\$ 24,125,346	16,792	0%	\$ 22,957,995
34	\$ (605,469)	\$ (519,266)	(86,203)	-17%	Operating Margin	\$ (1,446,757)	\$ (1,710,685)	263,928	15%	\$ (1,491,732)

**Sonoma Valley Health Care District
Statement of Revenue and Expenses
Comparative Results
For the Period Ended November 30, 2015**

	Month				
	This Year		Variance		
	Actual	Budget	\$	%	
35	\$ 4,895	\$ 13,657	(8,762)	-64%	
36	-	5,805	(5,805)	-100%	
37	(37,500)	(37,500)	-	0%	
38	250,000	250,000	-	0%	
39	\$ 217,395	\$ 231,962	(14,567)	-6%	
40	\$ (388,074)	\$ (287,304)	(100,770)	35%	
41	\$ 54,267	\$ 35,183	19,084	54%	
42	\$ 450,000	\$ 20,833	429,167	0%	
43	\$ 116,193	\$ (231,288)	347,481	-150%	
44	242,777	242,777	-	0%	
45	(114,256)	(114,256)	-	0%	
46	\$ 244,714	\$ (102,767)	347,481	-338%	
	\$ (50,354)	\$ 35,101			
	-1.2%	0.8%			

Non Operating Rev and Expense
 Miscellaneous Revenue
 Donations
 Physician Practice Support-Prima
 Parcel Tax Assessment Rev
Total Non-Operating Rev/Exp
Net Income / (Loss) prior to Restricted Contributions

Capital Campaign Contribution
 Restricted Foundation Contributions
Net Income / (Loss) w/ Restricted Contributions

GO Bond Tax Assessment Rev
 GO Bond Interest
Net Income/(Loss) w GO Bond Activity

EBIDA - Not including Restricted Contributions

	Year-To- Date				YTD
	This Year		Variance		Prior Year
	Actual	Budget	\$	%	
	\$ 13,329	\$ 68,285	(54,956)	-80%	\$ 71,194
	-	29,025	(29,025)	100%	46,629
	(187,500)	(187,500)	-	0%	(187,500)
	1,251,954	1,250,000	1,954	0%	1,250,000
	\$ 1,077,783	\$ 1,159,810	(82,027)	-7%	\$ 1,180,324
	\$ (368,974)	\$ (550,875)	181,901	-33%	\$ (311,408)
	\$ 176,083	\$ 175,915	168	0%	\$ 341,310
	\$ 450,000	\$ 104,165	345,835	100%	\$ -
	\$ 257,109	\$ (270,795)	527,904	-195%	\$ 29,902
	1,213,885	1,213,885	-	0%	763,318
	(574,953)	(574,954)	1	0%	(653,229)
	\$ 896,041	\$ 368,136	527,905	143%	\$ 139,991
	\$ 1,302,687	\$ 1,067,719			\$ 1,388,409
	5.7%	4.8%			6.5%

13.

ADMINISTRATIVE
REPORT
DECEMBER 2015



To: SVHCD Board of Directors
From: Kelly Mather
Date: 12/30/15
Subject: Administrative Report

Summary

The 2015 annual report has been printed and will go to over 7000 households as an insert in the newspaper next week. Bob Kenney did an outstanding job on this. Staff all received notifications on their annual raises or longevity payments of 3%. We have since found out that most hospitals only did a 1 – 2% raise this year. Physician expenses have significantly increased this fiscal year. Emergency and Hospitalist physicians have received a significant increase, based on the market. Radiology physicians will receive a stipend starting in January, due to the change in our payer mix. Finding the funds to give the salary increases this year has been extremely difficult, but we want to stay in the range of small hospital market rates.

Dashboard and Trended Results

The Patient Experience team continues to implement best practices to further improve the patient satisfaction scores. Reaching the goal of most domains above the 70th percentile is not easy, but we are making progress. Due to a lower patient satisfaction score in September, we are back to the 80th percentile for the VBP score. The staff satisfaction survey will begin next week with a goal of 80% participation. The EBIDA has decreased a bit and the cash on hand is not as high as expected. The Parcel Tax money (\$1.6 million) is due by the end of this month and this will put us back into a more normal cash position. Surgeries are also not as high as hoped, but we expect to see at least 5 more surgery referrals from the Employer Direct program starting in January. We slowed down our community outreach in November and December and will re-start many of our on-going educational programs in January.

Strategic Update

Growth: Looking at the trending report, Emergency, Home Care and C.T. volumes were up. The other volumes seem to have been affected by the holidays. Outpatient revenue was down from the previous months. We continue to work with physicians to reduce out-migration.

Optimization of each Service Area: We are gearing up to begin the Inpatient Optimization project. This will be a team effort and will include the Hospitalists.

Time Share: The second time share is underway and will be opening in February. This will include Dr. Weiss' office. We also plan to start our first 1206(b) clinic in this space in February, with board review and approval.

Satellite Dialysis: The lease is with legal for review and we will start construction as soon as the state approved the plans.

Sleep Lab: We are working on bringing a sleep lab with Dr. Kram to Sonoma.

Parcel Tax Renewal Vote in 2017: The committee will meet with the new consultant in January to help us decide the best strategy, length of time and amount requested for the ballot in March 2017.

Community Opinion Survey: The summary results of the survey were sent out in the CEO blog and picked up by the Index Tribune.

Philanthropy: The Foundation raised the full amount to purchase our new 3D mammography unit. Again, the community stepped up to help us bring the best technology to Sonoma. The SVHF team raised over \$1 million in 2015.

NOVEMBER DASHBOARD

PILLAR	PERFORMANCE GOAL	METRIC	ACTUAL RESULT	GOAL LEVEL
Service Excellence	Highly satisfied Inpatients	Maintain at least 5 out of 9 HCAHPS domain results above the 70 th percentile	2 out of 9 in September	>7 = 5 (stretch) 6 = 4 5 = 3 (Goal) 4 = 2 <4=1
Service Excellence	Highly satisfied Emergency Patients	Maintain at least 5 out of 7 ERCAPS domain results above the 70 th percentile	4 out of 7 in September	7 = 5 (stretch) 6 = 4 5 = 3 (Goal) 4 = 2 3 = 1
Quality	Excellent Clinical Outcomes	Value Based Purchasing Clinical Score at 50 or higher	52.5 (80 TH percentile)	>55 = 5 (stretch) >52 = 4 >50 = 3 (Goal) >47 = 2 <40 = 1
People	Highly Engaged and Satisfied Staff	Press Ganey percentile ranking of 75 th percentile or higher	79.6% mean score at 91 st percentile	>80th = 5 (stretch) >77 th =4 >75 th =3 (Goal) >72 nd =2 <70 th =1
Finance	Financial Viability	YTD EBIDA	5.7%	>5% (stretch) >4.5%=4 >4.0% (Goal) >3/5%=2 <3.5%=1
	Efficiency and Financial Management	Meet FY 2016 Budgeted Expenses	\$24,108,554 (actual) \$24,125,346 (budget)	<2% = 5 (stretch) <1% = 4 <Budget=3 (Goal) >1% = 2 >2% = 1
Growth	Surgical Cases	Increase surgeries by 2% over prior year	642 YTD FY2014 619 YTD FY2015	>2% = 5 >1% = 3 < 1% = 2
	Outpatient & Emergency Volumes	2% increase (gross outpatient revenue over prior year)	\$63.5 mm YTD \$55.5 mm prior year	>5% = 5 (stretch) >3% = 4 >2% = 3 (Goal) <2% = 2
Community	Community Benefit Hours	Hours of time spent on community benefit activities per year	900 hours for 5 months	>1500 = 5 >1200 = 4 >1000 = 3 >750 = 2 >500 = 1



FY 2016 TRENDED RESULTS

MEASUREMENT	Goal FY 2016	Jul 2015	Aug 2015	Sep 2015	Oct 2015	Nov 2015	Dec 2014	Jan 2015	Feb 2015	Mar 2015	Apr 2015	May 2015	Jun 2015
Inpatient Satisfaction	6/9	5	5	2									
Emergency Satisfaction	5/7	2	3	4									
Value Based Purchasing	>50	52	52.2	53.5	52.5						47	48	48
Staff Satisfaction	>75th	91	91	91	91	91	76	76	91	91	91	91	91
FY YTD Turnover	<10%	1.2	1.2	1.8	2.8	3.4	4.9	5.5	6.5	7.4	7.6	8	8.3
YTD EBIDA	>4%	8.2	7.6	7.7	7.3	5.7	6.7	6.9	6.2	5.4	4.7	4.2	3.8
Net Operating Revenue	>4.5m	4.48	4.6	4.7	4.7	4.1	4.1	4.4	4.6	4.1	4.1	4.1	4.5
Expense Management	<4.8m	4.7	4.8	4.9	4.9	4.6	4.3	4.6	5.0	4.7	4.8	4.6	5.1
Net Income	>50k	202	174	27.8	104	244	-1	29	-211	-382	-278	74	139
Days Cash on Hand	>20	22	16	18	13	9	13	17	12	15	20	17	16
A/R Days	<50	46	45	49	47	53	49	53	48	47	47	43	47
Total FTE's	<315	313	310	312	327	322	300	299	303	310	304	307	309
FTEs/AOB	<4.0	3.6	3.77	3.65	3.77	4.1	4.12	4.12	3.46	3.79	4.05	3.91	3.36
Inpatient Discharges	>100	110	74	92	97	85	111	104	98	113	95	97	97
Outpatient Revenue	>\$12m	12.6	12.9	12.7	13.1	11.9	10.1	11.8	10.5	11.8	11.2	10.7	12.0
Surgeries	>130	125	122	127	131	114	117	129	136	137	144	118	122
Home Health	>1000	981	917	948	948	1088	1103	1097	1109	1232	1154	963	1014
Births	>15	16	15	11	11	14	18	11	11	16	7	11	24
SNF days	>660	619	634	607	666	544	596	654	607	669	487	626	669
MRI	>120	143	131	119	132	109	100	108	116	157	138	125	144
Cardiology (Echos)	>65	66	62	63	77	41	67	62	56	67	61	63	66
Laboratory	>12.5	12.1	12.2	11.5	11.7	11.6	11.4	12.5	11.5	12.1	12.3	11.9	12.3
Radiology	>850	1036	1011	997	1018	875	890	1111	1053	1156	1030	1014	965
Rehab	>2587	3014	2384	2773	2886	2297	3010	2478	2751	3113	3063	3008	2873
CT	>300	384	352	343	336	381	316	392	309	347	302	357	335
ER	>800	878	888	871	820	841	824	988	845	769	876	943	846
Mammography	>475	462	439	367	543	406	339	487	444	466	497	476	453
Ultrasound	>325	395	314	320	353	246	299	309	317	357	391	354	345
Occupational Health	>650	733	728	646	871	681	648	653	588	679	687	573	660

14.

OFFICER AND
COMMITTEE
REPORTS



Meeting Date: January 7, 2016

Prepared by: Peter Hohorst

Agenda Item Title: **Policy on Appointment of Community Members to Board Committees**

Recommendation:

That the Board reviews the proposed policy.

Background and Reasoning:

In 2012 the Board discussed and adopted a policy governing the appointment of community members to Board committees. The policy was in conflict with the provision of the District By-Laws in that it did not include the authority given to the Chair to appoint committee members subject the approval of the Board. The proposed policy includes this provision.

Consequences of Negative Action/Alternative Actions:

The existing policy will continue to be in conflict with the By-Laws.

Financial Impact:

None

Selection Process and Contract History:

N/A

Attachments:

Policy on Appointment of Community Members to Board Committees



To: SVHCD Board of Directors

From: Peter Hohorst

Date: January 7, 2016

Policy on Appointment of Community Members to Board Committees

It is the intent of the Board of Directors (“Board”) of the Sonoma Valley Health Care District (“District”) to draw upon the expertise that exists in the Community to fill the “community member” positions on the Finance Committee (6 voting), the Quality Committee (4 voting, 3 non-voting) and the Audit Committee (2 voting).

It is the prerogative of the Chair of the Board, as stated in the By-Laws, to appoint members to these committees, subject to approval by a majority of the Board.

The District Board has restricted voting community members of the Board Committees to “stakeholders” of the District, which have been defined by the District Board as persons:

- Living some or all of the time in the District, or
- Maintaining a place of Business in the District, or
- Being an accredited member of the Hospital’s Medical Staff

Procedure for Filling Vacancies

When a community member vacancy occurs on one of the three Board Committees the Chair of the Committee shall notify the Board Chair and the Board Clerk of the vacancy.

- The Chair of the Board may appoint a person of known qualifications/expertise to the opening, or
- The Chair of the Board may appoint a person to the opening based on the recommendation of another Board member, or
- The Chair may notify the Board Clerk of a desire to solicit written applications for Committee members and direct the Board Clerk to prepare an advertisement and/or press release for publication in local newspapers based on selection criteria from the Committee’s charter and containing pertinent information.

- Candidates will be directed to obtain an information package and an application form from the Board Clerk.
- Candidates will submit an application form and current resume/CV to the Board Clerk.
- Upon receipt candidate's applications will be date stamped by the Board Clerk.
- Committee candidate interviews will be scheduled at a regular or special Board meeting at a time and date to be determined by the Board Chair.
- At the meeting, committee candidates will be interviewed and selected by the Board and then appointed by the Chair.

In all cases the committee appointments made by the Chair must be approved by the Board to be valid.

All potential community members shall be informed of the Districts conflict of interest policy and the State of California's Fair Political Practices form 700 filing requirements.

All potential community members should attend the Board meeting where they are to be appointed in order to be introduced to the Board members.



Meeting Date: January 7, 2016

Prepared by: Peter Hohorst

Agenda Item Title: Policy on Governing Bidding for Facilities Contracts

Recommendations:

That the policy governing bidding for facilities contracts be approved subject to review by legal counsel.

Background:

The Board does not have an existing policy that specifies how contracting for facilities projects is to be handled. The Board has previously approved a policy governing contracts for purchasing material and services that are not part of a facilities project. . During the past four years almost all facilities work was performed under the design-build agreement with Otto Construction, and a policy governing contracting for facilities work was not a pressing need.

Under the Health and Safety Code the procedures and requirements are different for the two categories. This policy outlines the procedures and criteria that must be followed to be in compliance with the Health and Safety Code and the Public Contracting Code. It also clarifies the authority delegated to the CEO and the authority retained by the Board.

Consequences of Negative Action/Alternative Actions:

Without a set policy the complies with the Health and Safety Code and the Public Contracting Code the District is at risk of failing to comply with the law because of ignorance of the law.

Financial Impact:

None if the policy is adopted

Attachment:

Policy on Governing Bidding for Facilities Contracts



TO: SVHCD Board of Directors

Prepared by: Peter Hohorst

Date: 1.7.16

Agenda Item Title: Policy Governing Bidding for Facility Contracts

PURPOSE:

It is the intent of the Board of Directors (“Board”) of the Sonoma Valley Health Care District (“District”) to provide an equal opportunity to all qualified and responsible parties wishing to participate in the bidding process with respect to the Sonoma Valley Health Care District (“District”) and the Sonoma Valley Hospital (“Hospital”).

It is the intent of the Board, consistent with the District’s obligations, to obtain the maximum value for all expenditures.

It is the intent of the Board to clarify, with this policy, the authority granted to the President and Chief Executive Officer (“CEO”) by the Board with regard to District and Hospital purchases and contracts. It is also the intent to clarify the authority retained by the Board.

In all instances where authority is granted to the CEO, it is understood that the CEO may in turn delegate this authority to a member of the CEO’s staff. Responsibility for adherence to this policy, when the authority is delegated by the CEO to a staff member, remains with the CEO.

For purposes of this Policy “Facility Project” is defined as work relating to projects involving construction or improvement of a hospital or health facility (i.e. public works projects), but excluding routine or recurring maintenance.

STATEMENT OF BOARD POLICY:

Section 1 Scope and Application of the Policy

1.1 Delegation of Authority

Except as specified in Section 5 of this policy, the Board hereby delegates to the CEO the authority to act on behalf of the Board in the implementation of the provisions of this Policy.

1.2 Bidding Threshold

The District, with certain exceptions, as covered in Section 2, (H&S Code 32132) shall award any contract exceeding twenty-five thousand dollars (\$25,000) for projects relating to the construction or improvement of the Hospital or a facility owned by or leased to the District (Facility Projects) to the lowest responsible bidder using the “formal” bidding procedures provided in Section 3 [Formal Bidding Procedure]. Alternately, the District shall reject all bids.

1.3 Authority to Make Purchases.

The District's CEO is hereby given authority to make all purchases and to execute all purchase orders or contracts for the District duly authorized pursuant to this Policy. All purchases and contracts shall be upon written order.

1.4 Contract File

The CEO shall keep and maintain written or electronic records of all contracts. The contract file shall include a description of the method used to select the contractor or service provider, including a copy of the request for proposal (RFP) or other form of solicitation, the amount of the contract, the expiration date of the contract, and the name of the contractor or service provider. The file shall also include a copy of the Notice of Bids and the names of all bidders and their proposals.

The contract file for all contracts awarded under the exceptions listed in section 2 shall include a description of the exception and an explanation of the method used to select the contractor or service provider.

The contract file shall include the names of any employ of the District, or any Board member who elected to recuse themselves from the award process because of a conflict of interest.

1.5 Conflict of Interest

With respect to all contracts covered by this Policy, any practices or procedures which might result in unlawful activity shall be prohibited, including practices which might result in rebates, kickbacks or other unlawful consideration. No employee of the District may participate in any selection process when such employee has a relationship with a person or business entity seeking a contract which would subject those employees to the prohibitions in *Government Code* § 87100

1.6 No Advantage.

No illegal, unfair, unethical or otherwise improper advantage shall be accorded to any bidder by the District, a Board member or an employee of the District/Hospital.

Section 2. Exceptions to Bidding and Lowest Bid Policy

The District shall not be required to apply the lowest bid policy to (a) emergency contracts, (b) emergency service contracts, (c) change orders to existing contracts that are less than 5% of the original contract, (d) routine and recurring maintenance, (e) professional services of private architectural, landscape architectural, engineering, environmental, land surveying, or construction project management firms for work on Facility Projects, and (f) Facility Projects where the District has elected to use a design-build method to select the contractor H&S Code 32132.b)

Section 2.1 Emergency Contracts.

Notwithstanding anything to the contrary, the Board may award contracts without following the lowest bid policy, if it first determines (i) an emergency exists that warrants such expenditure due to fire, flood, storm, epidemic or other disaster or equipment failure and (ii) it is necessary to protect public health, safety, welfare or property. (H&S Code 32136). In the event that the emergency requires immediate action, the CEO may make the determination that an emergency condition exists and award a contract without first receiving Board approval. The CEO shall inform the Board of the contract and the emergency at the next regularly scheduled Board meeting.

Section 2.2 Change Orders

Notwithstanding anything to the contrary, the CEO shall not be required to secure bids for change orders that do not materially change the scope of work set forth in a contract previously made, provided (i) the contract was made in compliance with bidding requirements, and (ii) no individual change order amounts to more than five percent (5%) of the contract (H&S Code 32132.c).

Section 2.3 Professional Services

Notwithstanding anything to the contrary, where required by facility projects, the CEO shall award contracts for professional services of private architectural, landscape architectural, engineering, environmental, land surveying or construction management firms on the basis of demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the services required. (Government Code § 4526.) No competitive bidding shall be required. (Health and Safety Code § 32132(b).)

If the CEO elects to solicit bids for architectural, landscape architectural, engineering, environmental, land surveying or construction management firms, the Notice Inviting Bids for these services shall contain the following statement in boldface type: *“Please be advised that the successful design professional will be required to indemnify, defend and hold harmless the District against liability for claims that arise out of or relate to the negligence, recklessness or willful misconduct of the design professional.”* (Public Contract Code § 20103.6 and Civil Code § 2782.8.)

The CEO shall establish procedures for verifying competence and professional qualifications and for determining fair and reasonable benchmark prices for these services (Government Code § 4526.).

Section 2.5 Design – Build Projects

Notwithstanding anything to the contrary, the Board may elect to use the Design – Build method to select a contractor for construction or improvement of the Hospital facility if the project amount will be greater than \$1.0 million. (H&S Code 32132.5., Public Contract Code 20133.)

If the Board elects to use the design – build method, the Board shall follow the contracting provisions of Public Contract Code 20133 and shall award the contract based on “best value” as defined in section 20133. Because of their complexity the Design – Build contracting provisions have not been delineated in this policy.

Section 3. Formal Bidding Procedure

Section 3.1 Bid Packet

Where formal bidding is required, the CEO shall prepare a bid packet, including a notice inviting formal bids (“Notice Inviting Bids”). The packet shall include a description of the scope of Work in such detail and written with such specificity as may be required to allow all potential bidders to understand the need and give a level playing field to all bidders (Specifications). In establishing the Specifications, the CEO may consider the direct cost of the project as well as any requirement reasonably related to the quality, fitness and capacity of a bidder to perform the proposed Work satisfactorily.

(a) Prequalification

The CEO may establish a uniform prequalification system using a standard questionnaire to evaluate the ability, competency and integrity of bidders as outlined in Public Contract Code §§ 20101 et seq. In such event, the CEO may require each prospective bidder to complete and submit a standardized questionnaire and financial statement.

(b) Bidder's Security

The CEO shall include in the Specifications a requirement that all bids be accompanied by bidder's security in the form of cash, a cashier's check, certified check, or a bidder's bond executed by an admitted surety insurer made payable to the Hospital. The security shall be in an amount equal to at least ten percent (10%) of the amount bid. (Public Contract Code § 10167.) Any bid not accompanied by one of the applicable bidder's security shall be rejected as non-responsive. The District shall return to all unsuccessful bidders their respective bidder's security within five (5) working days after awarding the contract.

(c) Performance Bond

The CEO shall include in the Specifications, a requirement that the successful bidder furnish a performance bond in the amount of one hundred percent (100%) of the contract sum at the time of entering into the contract if the contract amount for the work is in excess of \$500,000. The performance bond shall be filed with the District to insure the District against faulty, improper or incomplete materials or workmanship, and to insure the District of complete and proper performance of the contract.

(d) Payment Bond

The CEO shall include in the Specifications, a requirement that the successful bidder to whom a contract is awarded which is in excess of twenty-five thousand dollars (\$25,000) shall furnish a payment bond acceptable to the District. (Civil Code § 9550) This labor and material bond shall be filed with the District pursuant to applicable laws of the State of California. The CEO shall not require a payment bond from an architectural, landscape architectural, engineering, land surveying or construction management firms.

(e) Completion Date

The CEO may include in the Specifications a time within which the whole or any specified portion of the Work shall be completed. (Government Code § 53069.85.)

The CEO may include in the Specifications a provision that the contractor shall forfeit a specified sum of money for each day completion is delayed beyond the date stated in the Specifications.

The CEO may include in the Specifications a provision for the payment of a bonus to the contractor for completion of the project prior to the specified date stated in the Specifications when such timely completion would be beneficial to the District. (Government Code § 53069.85.)

(f) Subcontractors

The CEO shall include in the Specifications a provision that any prime contractor include in his/her bid: (i) the name and address of each subcontractor who will perform labor or render service or fabricate or install a portion of the Work in excess of 5% of the total amount of the contract and (ii) a description of Work to be performed by each such subcontractor.

The bidder shall list only one subcontractor for each portion as is defined by the bidder in his/her bid. (Public Contract Code § 4104.)

A prime contractor whose bid is accepted may not substitute a new subcontractor in place of the subcontractor listed in the original bid except as allowed under Public Contract Code 4107.

3.2 Notice Inviting Bids.

Where formal bidding is required, the CEO shall publish the Notice Inviting Bids at least ten (10) days before the date of opening the bids. Notice shall be published at least twice, not less than five (5) days apart, in a newspaper of general circulation, printed and published in the jurisdiction of the District. (Public Contract Code 22037).

In addition, the CEO shall also publish Notice Inviting Bids in a trade publication, as specified in Public Contract Code § 22036.

3.3 Requirements of Notice Inviting Bids

The CEO shall include all of the following in the Notice Inviting Bids:

- a. Description of the contemplated Work;
- b. The procedure by which potential bidders may obtain electronic copies of the Plans and Specifications;
- c. The final time, date and address (or e-mail address) for receiving and opening of bids (including designation of the appropriate District person or office) (Government Code § 53068; Public Contract Code § 4104.5, 22037)
- d. The date, time and place for opening of bids;
- e. The payment or performance bond amounts if required by the Specifications (Civil Code § 9550)
- f. The time within which the whole or any specified portion of the Work shall be completed (Government Code § 53069.85)
- g. The penalty amount, if required by the Specifications, for each day completion is delayed beyond the specified time. (Government Code 53069.85)
- h. The bonus amount payable to the contractor for completion of the work prior to the specified completion day if a bonus payment is included in the Specifications. (Government Code 53069.85)

3.4 Submission of Bids.

The CEO shall accept only written sealed bids from the prospective bidders. The CEO shall date and time stamp all bids upon receipt. All bids shall remain sealed until the date and time set forth for opening the bids in the Notice Inviting Bids. Any bid received by the District after the time specified in the Notice Inviting Bids shall be returned unopened. (Government Code 53068)

3.5 Examination and Evaluation of Bids.

On the date provided in the Notice Inviting Bids, the District shall publicly open the sealed bids. A person designated by the CEO, will attend and officiate over the opening of bids (“Opening”). The bids will be made public for bidders and other properly interested parties who may be present at the Opening.

The District reserves the right not to determine the low bidder at the Opening, to obtain the opinion of counsel on the legality and sufficiency of all bids, and to determine at a later date which bid to accept. Such determination shall be made within sixty (60) days of the Opening or unless a different period of time is specified in the Notice Inviting Bids.

In the event there are two or more identical lowest bids pursuant to any provision requiring competitive bidding, the CEO may determine by lot which bid shall be accepted. (Government Code 53064)

3.6. Award of Contract.

The CEO shall award the contract to the lowest bidder, provided the bidder is responsible as defined by section 3.7 and the bid is reasonable and meets the requirements and criteria set forth in the Notice Inviting Bids

Any contract awarded by the District shall be subject to all applicable provisions of federal, California and local laws. In the event of a conflict between any contract documents and any applicable law, the law shall prevail.

Notwithstanding anything to the contrary, the District is under no obligation to accept the lowest responsible bidder and reserves the right to reject all bids. (H&S Code 32132)

Section 3.7 Responsible Bidder

a. For purposes of this Policy, “responsible bidder” means a bidder who has demonstrated the attribute of trustworthiness and quality during prior service, a reputation for reliability and satisfactory service with other clients, sufficient financial capacity and the physical capability and the technical and non-technical expertise in order to perform the contract satisfactorily (Public Contract Code 1103).

b. If the CEO determines that the lowest bidder is not responsible, the Board may award the contract to the next lowest responsible bidder

c. If the Board decides to award the contract to a bidder other than the lowest bidder pursuant to subparagraph (b), the Board shall first notify the low bidder of any evidence, either obtained from third parties or concluded as a result of the District’s investigation, which reflects on such bidder’s responsibility. The District shall afford the low bidder an opportunity to rebut such adverse evidence and shall permit such bidder to present evidence that it is qualified. Such opportunity to rebut adverse evidence and to present evidence of qualification shall be submitted in writing to the District.

Section 4. Bid Conditions

All formal bids shall be subject to the following general conditions.

Section 4.1 Minimum Number of Bids.

The CEO shall consider a minimum of three (3) bids whenever possible; however, where the CEO cannot obtain three bids or when the CEO decides that time will not permit obtaining three bids, the CEO may consider a minimum of two (2) bids.

Section 4.2 Multiple Bids.

When bids for multiple items are solicited at the same time, the CEO may accept parts of one or more bids (provided the Notice Inviting Bids so indicates) unless the bidder has specified to the contrary, in which event the District reserves the right to disregard the bid in its entirety.

Section 4.4 Minor Deviations.

The CEO reserves the right to waive inconsequential deviations from the specifications in the substance or form of bids received.

Section 5. Limit of Authority Delegated to CEO

Section 5.1 District Contracts (Non Hospital)

Facility Project contracts or contracts regarding land purchases and leases which bind the District (but not the Hospital) to the terms of a contractual agreement shall be approved by the Board and shall be signed by the Chair of the Board unless the Board designates an alternate signer when the contract is approved.

Section 5.2 Capital Project Contracts

Facility Project contracts for capital projects that will financially obligate the Hospital to more than \$100,000 shall be reviewed by the Finance Committee.

Facility Project contracts for capital projects that are included in the capital budget and will obligate the Hospital to more than \$250,000 shall be approved by the Board.

Facility Project contracts for capital projects that are not included in the capital budget and will obligate the Hospital to more than \$50,000 shall be approved by the Board.

Facility Project change orders that in aggregate increase the scope of the Facility Project by more than 20% shall be approved by the Board.

Section 5.3 Board Approval Process

For all Facility Project contracts where the approval of the Board is required (not delegated to the CEO) the project Specifications and the Notice Inviting Bids shall be approved by the Board before publication.

For all Facility Project contracts where the approval of the Board is required (not delegated to the CEO) the final contract shall be reviewed by the Finance Committee before submission to the Board for approval.