



Washington Township Health Care District

2000 Mowry Avenue, Fremont, California 94538-1716 | 510.797.1111

Kimberly Hartz, Chief Executive Officer

Board of Directors

Jacob Eapen, MD
William F. Nicholson, MD
Bernard Stewart, DDS
Michael J. Wallace
Jeannie Yee

BOARD OF DIRECTORS MEETING

Wednesday, November 13, 2019 – 6:00 P.M.
Conrad E. Anderson, MD Auditorium
2500 Mowry Avenue, Fremont, CA

AGENDA

PRESENTED BY:

- | | |
|--|--|
| <p>I. CALL TO ORDER &</p> <p>PLEDGE OF ALLEGIANCE</p> | <p>Bernard Stewart
Board President
and
Fremont Army Recruiting Station
Color Guard</p> |
| <p>II. ROLL CALL</p> | <p>Dee Antonio
District Clerk</p> |
| <p>III. CONSENT CALENDAR
<i>Items listed under the Consent Calendar include reviewed reports and recommendations and are acted upon by one motion of the Board. Any Board Member or member of the public may remove an item for discussion before a motion is made.</i></p> | <p>Bernard Stewart
Board President</p> |
| <p>A. Consideration of Minutes of the Regular Meetings of the District Board: October 9, 21, 23, and 28, 2019</p> | <p><i>Motion Required</i></p> |
| <p>B. Consideration of Resolution #1201 Corporate Resolution Fremont Bank – Operating Accounts</p> | |
| <p>C. Consideration of Resolution #1202 Corporate Resolution Fremont Bank – Investment Accounts</p> | |
| <p>D. Consideration of Amendments to the Pension Investment Policy and Other Post Employment Benefits Investment Policy</p> | |
| <p>E. Consideration of Budgeted Capital Request: Ultrasound (\$52,294.70)</p> | |
| <p>F. Consideration of Unbudgeted Capital Request: Osteocool (\$76,325.00)</p> | |

IV. COMMUNICATIONS

A. Oral

This opportunity is provided for persons in the audience to make a brief statement, not to exceed three (3) minutes on issues or concerns not on the agenda and within the subject matter of jurisdiction of the Board.. "Request to Speak" cards should be filled out in advance and presented to the District Clerk. For the record, please state your name.

B. Written

From Prasad Kilaru, MD, Chief of Staff, dated October 28, 2019 requesting approval of Medical Staff Credentialing Action Items

Motion Required

V. PRESENTATION

Interventional Radiology

Bruce Lin, MD
Medical Director, Interventional Radiology

VI. REPORTS

PRESENTED BY:

A. Service League Report

Ruth McGautha
Service League

B. Medical Staff Report

Prasad Kilaru, MD
Chief of Staff

C. Hospital Events Report

Kimberly Hartz
Chief Executive Officer

**D. Lean Report:
Presentation of Lean Certificates and Pins**

Donald Pipkin
Chief, Strategic Management

**E. Quality Report:
Quality Dashboard, Quarter Ending September 2019**

Mary Bowron, DNP, RN, CIC,
CNL, CPHQ
Chief of Quality & Resource Management

F. Finance Report

Chris Henry
Vice President & Chief Financial Officer

G. Hospital Operations Report

Kimberly Hartz
Chief Executive Officer

VII. ACTION ITEMS

A. Consideration of Resolution #1200 Memorandum of Understanding between Washington Hospital and California Nurses Association

Motion Required

VIII. ADJOURN TO CLOSED SESSION

A. Report involving a trade secret pursuant to Health & Safety Code section 32106

B. Conference with Legal Counsel-Anticipated
Litigation pursuant to Government Code section
54956.9(d)(2)

C. Conference with real property negotiators pursuant
to Government Code Section 54956.8

Property: 350 Marine Parkway, Redwood City, CA

Agency Negotiator(s): Chief Executive Officer,
Chief Financial Officer

Negotiating Party(ies): Marine Parkway LLC

IX. ANNOUNCEMENTS

Kimberly Hartz
Chief Executive Officer

**X. RECONVENE TO OPEN SESSION &
REPORT ON CLOSED SESSION**

Bernard Stewart
Board President

XI. ADJOURNMENT

Bernard Stewart
Board President

In compliance with the Americans with Disabilities Act, if you need assistance to participate in this meeting, please contact the District Clerk at (510) 818-6500. Notification two working days prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to this meeting.

A meeting of the Board of Directors of the Washington Township Health Care District was held on Wednesday, October 9, 2019 in the Conrad E. Anderson, MD Auditorium, 2500 Mowry Avenue, Fremont, California. Director Stewart called the meeting to order at 6:01 pm and led those present in the Pledge of Allegiance.

CALL TO ORDER

Roll call was taken: Directors present: Bernard Stewart, DDS; William Nicholson, MD; Michael Wallace; Jacob Eapen, MD; Jeannie Yee
Absent:

ROLL CALL

Also present: Kimberly Hartz, Chief Executive Officer; Prasad Kilaru MD, Chief of Staff; Ruth McGautha, Service League President; Dee Antonio, District Clerk

Guests: Ed Fayen, Chris Henry, Tina Nunez, Stephanie Williams, Kristin Ferguson, Mary Bowron, John Lee. John Zubiena, Donald Pipkin, Dan Nardoni, Nick Legge, Gisela Hernandez, Kel Kanady, Lisa Sharp, Sandy Bemiss, Sabrina Valarde, Christine Santos, Krishan Kumar, Mike MacBryde, Rob Lanci, Paul Kozachenko

Director Stewart presented the Consent Calendar for consideration:

CONSENT CALENDAR

- A. Minutes of the Regular Meetings of the District Board: September 11, 16, 23, and 25, 2019
- B. Amendment to Medical Staff Rules and Regulations: Increase in Application Fee and Annual Dues
- C. WHHS Numbered Memorandum 7-019: Discontinuation of Care
- D. Budgeted Capital Request: Epic Urgent Care and Welcome Kiosks (\$99,221.00)
- E. Budgeted Capital Request: Strucker Surgicount Tablet Kit & Replacement Plan for Birthing Center (\$27,408.64)
- F. Budgeted Capital Request: Giraffe Bedded Warmer for Birthing Center (\$96,504.08)
- G. Budgeted Capital Request: Hologic 3Dimensions Mammography System (Tomosynthesis) with Biopsy Attachment (\$640,000.00)

In accordance with District law, policies, and procedures, Director Nicholson moved that the Board of Directors approve the Consent Calendar, items A through G.

Director Wallace seconded the motion.

Roll call was taken:

Bernard Stewart, DDS – aye
William Nicholson, MD – aye
Michael Wallace – aye
Jacob Eapen, MD - aye
Jeannie Yee - aye

The motion unanimously carried.

There were no Oral communications.

*COMMUNICATIONS:
ORAL*

The following written communication received from Prasad Kilaru, MD, Chief of Staff, dated September 23, 2019 requesting approval of Medical Staff Credentialing Action Items as follows:

*COMMUNICATIONS:
WRITTEN*

Initial Appointments

Agrawal, Harsh MD; Alexander, Jes MD; Ly, Johnathan MD; Yuan, Tony MD

Temporary Privileges

Agrawal, Harsh MD

Waiver Request

Lokeshwar, Samyuktha NP

Reappointments – Two Year

Agcaoli, Carmencita MD; Aulakh, Ritika DO; Herold, Amy MD; Kahlon, Ravinder MD; Matmari, Paresh MD; Philips, Andrew MD; Quitevis, Richard NP; Raghu Sabramanian, Charumathi MD; Wong, Sandra DO

Reappointments – One Year

Andrews, Harry MD; Bhattacharyya, Alok MD; Karipineni, Shakira MD; Kelsen, Kenneth; Puri, Veena MD; Taghioff, Moses MD

Non-Reappointments – Deemed to Have Resigned

Meints, Robert MD

Transfer in Staff Category

Bhattacharyya, Alok MD; Borses, Mary MD; Chantachote, Soelot MD; Fuller, Jessica MD; Kestler, ArieH MD; Lokeshwar, Samyuktha NP; Shalileh, Guyve MD; Yoshida, Emi MD

Completion of Proctoring Prior to Eligibility for Advancement in Staff Category

Dao, Jackelynn NP

Completion of Proctoring and Advancement in Staff Category

Borses, Mary MD; Chantachote, Soelot MD; Fuller, Jessica MD; Kestler, ArieH MD; Lokeshwar, Samyuktha NP; Penner, Mark DO; Shalileh, Guyve MD; Yoshida, Emi MD

Extension of Proctorship and Provisional Category 1-year

Lokeshwar, Samyuktha NP

Delete Privilege Requests

Huynh, Tracy MD

Withdrawal of Application

Lawler, Scott MD; Mehta, Samir MD

Resignations

Cabebe, Elwy MD; Chavarkar, Milan NP; Castolo, Brenda NP; Goldberg, Roger MD; Hein, Lance PA-C; Low, Kenneth MD; Nguyen, Doris MD; Perez, Carlos MD

Director Nicholson moved for approval of the credentialing action items presented by Dr. Kilaru.

Director Wallace seconded the motion.

Roll call was taken:

Bernard Stewart, DDS – aye
William Nicholson, MD – aye
Michael Wallace – aye
Jacob Eapen, MD - aye
Jeannie Yee - aye

The motion unanimously carried.

Kimberly Hartz introduced Michael MacBryde, Assurance partner from PricewaterhouseCoopers, who presented the 2019 Audit Results for Washington Township Health Care District. The Audit is complete. There are no significant changes to PWC's audit plan. Mr. MacBryde noted that his team had excellent cooperation from management throughout the audit process. There is no significant impact on financial statements due to new accounting pronouncements (although there were two new standards adopted in 2019). A key event affecting the year was the opening of the Morris Hyman Critical Care Pavilion in November 2018 and the accounting for the associated costs.

*PRESENTATION
Result of Annual Audit FY
2019*

Mr. MacBryde presented the summarized statements of Net Position, Revenues and Expenses, and Changes in Net Position. He indicated there were no significant findings nor indications of fraud. There were no changes to accounting policies and practices, critical accounting estimates and significant unusual transactions or alternative accounting treatments. There were no disagreements with management or difficulties encountered during the audit and no departure from standard report. No other matters arose.

Following Mr. MacBryde's report, Chris Henry expressed appreciation to the Finance staff for participating in a successful audit, especially to Dan Nardoni, Erica Luna, Dave Tapia, and Sandy Bemiss.

In accordance with District Law, Policies and Procedures, Director Nicholson moved that the Board of Directors accept the Audit Report for Fiscal Year ending June 30, 2019 as presented and that the Secretary be directed to publish the report in accordance with applicable law and Hospital Policies and Procedures.

*ACTION ITEM
Consideration of Audit
Report for Fiscal Year
ending June 30, 2019*

Director Wallace seconded the motion.

Roll call was taken:

Bernard Stewart, DDS – aye
William Nicholson, MD – aye
Michael Wallace – aye
Jacob Eapen, MD – aye
Jeannie Yee - aye

The motion unanimously carried.

Ruth McGautha, President of the Service League, reported on the Service League activities, including the celebration of the 96th birthday of Charlie Razzari, Lobby

*SERVICE LEAGUE
REPORT*

Desk Volunteer. Ms. McGautha reported that the Gift Shop is preparing for Holiday Shopping beginning with Halloween.

Dr. Prasad Kilaru reported there are 583 Medical Staff members including 362 active members.

*MEDICAL STAFF
REPORT*

The Hospital Calendar video highlighted the following events:

*HOSPITAL EVENTS
REPORT
Community Outreach*

Past Health Promotions & Outreach Events

Outreach Events included:

- September 12th – Suffer from Sinus Problems?
- September 17th – Learn the Latest Treatment Options for Gastroesophageal Reflux Disease (GERD)
- September 18th – New To Medicare? What You Need to Know
- September 21st – Special Care Nursery Reunion
- September 22nd – Community Information Faire at the City of Newark's 64th Annual Newark Days celebration
- September 26th – City of Fremont Employee Health Fair
- September 26th – Healthy Gut, Healthy You
- September 28th – HERS Breast Cancer Foundation Keep Abreast 5 and 10k walk/run event at Quarry Lakes in Fremont
- September 30th – Overview of Health Insurance Information Service at Community Ambassadors for Seniors (CAPS) training program
- October 1st – Medicare Open Enrollment: What You Need to Know
- October 3rd – Diabetes Matters: Asian Fusion
- October 8th – Stroke Prevention

Upcoming Health Promotions & Community Outreach Events

Health Promotions and Outreach Events will include:

- October 14th – Healthy Eating, Active Living
- October 15th – Life After a Stroke
- October 17th – Think Pink Breast Health Awareness Event
- October 24th – Overcoming Obesity at Danielson Clinic Conference Room
- October 26th – Children's Health and Safety Fair featuring the Teddy Bear Clinic
- October 28th – Gender Matters: Heart Disease Risk in Women
- October 30th – Sideline by Back Pain? Get Back in the Game
- November 2nd – Annual Abdominal Aortic Aneurysm Screening
- November 5th – Advancements in Lung Cancer Detection and Treatment
- November 9th – Annual Diabetes Awareness Health Fair
- November 12th – Anxiety: Stop Negative Thoughts
-

Bay Area Healthier Together

In the month of September, Bay Area Healthier Together's topic was Washington Hospital's Birthing Center.

*HOSPITAL EVENTS
REPORT
Bay Area Healthier
Together*

Washington Hospital Healthcare Foundation

*HOSPITAL EVENTS
REPORT*

- The Foundation will host the 33rd annual Top Hat dinner dance on Saturday, October 12th. The proceeds will go towards the support of the Washington Hospital Women's Center with the purchase of 3D mammography equipment. Co-Chairs are: Fremont Police Chief Kimberly Peterson, Drs. Rohit and Seema Sehgal.

*Washington Hospital
Foundation Report*

Washington on Wheels

The WOW Mobile Clinic served community members at these locations in September: Family Resource Center, Bay Area Community Services, TCV Food Bank and Thrift Store, and Irvington Presbyterian Church in Fremont; Ruggieri Senior Center, Alvarado Resource Center, and Our Lady of the Rosary Church in Union City; and the Solid Rock Community Services Center in Newark. The total number of community members receiving health care from the WOW van during the month of September was 126.

*HOSPITAL EVENTS
REPORT
Washington on Wheels
(W.O.W.) Mobile Health
Clinic*

Internet and Social Media Marketing

Washington Hospital's website serves as a central source of information for the communities the District serves and beyond. The most viewed page was Employment with 37,005 views.

*HOSPITAL EVENTS
REPORT
Internet and Social Media
Marketing*

InHealth - Channel 78

During the month of September, Washington Hospital's cable channel 78, InHealth, aired these programs:

- Suffer from Sinus Problem?
- Learn the Latest Treatment Options for Gastroesophageal Reflux Disease (GERD)
- Healthy Gut, Healthy You
- Women's Health through the Years: Screenings Key to Aging Well
- Reproductive Health: Planning for Pregnancy
- Laugh Without Leaking: Understanding Female Urinary Incontinence
- Depression: More Than a State of Mind
- September Board of Directors Meeting

*HOSPITAL EVENTS
REPORT
InHealth*

Employee of the Month

Alyssa Taitague, Pharmacy Technician, was named as the September Employee of the Month.

*HOSPITAL EVENTS
REPORT
Employee of the Month –
Alyssa Taitague*

Kimberly Hartz introduced Krishan Kumar, Manager of Sterile Processing and Christine Santos, Technician of Sterile Processing to present the Lean Report. They discussed the 5S Process, T-Doc Implementation, and Communication. Improvements they made included new floors, brighter work space and LED lights, grouped carts according to specialty, and a two minute reduction in time in preparing an Ortho Case Cart. They explained the use of the SPD Process Owner Board and the SPF Frontline Board and the things they are doing to improve communication within the Sterile Processing Department.

*LEAN REPORT
Continuous Improvements
in Sterile Processing*

Mary Bowron, Chief of Quality & Resource Management, presented Beta-led patient safety initiatives that are focused on high risk areas such as the Emergency Department and Obstetrics. She reviewed the program structure for Tier 1 foundation and Tier 2 building blocks. Going forward, the Emergency Department will focus on Sepsis and Obstetrics will focus on fetal monitoring and assessment related to maternal sepsis and nulliparous caesarean section initiative. The Recognition Awards we recently received from Beta were on display at the meeting.

*QUALITY REPORT:
Quest for Zero – Program
Beta*

Chris Henry, Vice President & Chief Financial Officer, presented the Finance Report for August 2019. The average daily census was 162.5 with admissions of 969 resulting in 5,037 patient days. Outpatient observation equivalent days were 194. The average length of stay was 5.45 days. The case mix index was 1.498. Deliveries were 144. Surgical cases were 390. Joint Replacement cases were 135. Neurosurgical cases were 20. Cardiac Surgical cases were 32. The Outpatient visits were 8,185 and Emergency visits were 4,252. Total productive FTEs were 1,528.5. FTEs per adjusted occupied bed were 6.53.

FINANCE REPORT

Kimberly Hartz presented the Hospital Operations Report for September 2019. Preliminary information indicated gross revenue for the month at approximately \$150,500,000. The Average Length of Stay of 4.46 and there were 4,135 patient days. There were 339 Surgical Cases and 388 Cath Lab procedures at the Hospital. Deliveries were 123. Non-Emergency Outpatient visits were 8,026. Total FTEs per Adjusted Occupied Bed were 6.82. The Washington Outpatient Surgery Center had 508 cases and the clinics saw approximately 3,328 patients. Total Government Sponsored Preliminary Payor Mix was 68.0%, above the budget of 71.5%. Homeless Patient Total Encounters were 197 with an estimated unreimbursed cost of homeless care of \$583,000 for the month of September.

*HOSPITAL
OPERATIONS REPORT*

In accordance with Health & Safety Code Section 32106 and Government Sections 54957 and 54956.9(d)(2), Director Stewart adjourned the meeting to closed session at 7:30 pm, as the discussion pertained to Hospital trade secrets and Legal Counsel – Anticipated Litigation pursuant to Government Code section 54956.9(d)(2)..

*ADJOURN TO CLOSED
SESSION*

Director Stewart reconvened the meeting to open session at 8:47 pm and reported no action taken in closed session.

*RECONVENE TO OPEN
SESSION & REPORT ON
CLOSED SESSION*

There being no further business, Director Stewart adjourned the meeting at 8:47 pm.

ADJOURNMENT

Bernard Stewart
President

Jeannie Yee
Secretary

A regular meeting of the Board of Directors of the Washington Township Health Care District was held on Monday, October 21, 2019 in the Board Room, 2000 Mowry Avenue, Fremont, California. Director Stewart called the meeting to order at 6:01 p.m. and led those present in the Pledge of Allegiance.

CALL TO ORDER

Roll call was taken. Directors present: Bernard Stewart, DDS; William Nicholson, MD; Michael Wallace; Jacob Eapen, MD; Jeannie Yee

ROLL CALL

Also present: Kimberly Hartz, Chief Executive Officer; Ed Fayen, Executive Vice President; Chris Henry, Vice President; Stephanie Williams, Vice President; Tina Nunez, Vice President; Paul Kozachenko, Attorney; Maggie Ralbovsky, Consultant; Trevin Hunt, Director of Nursing, WOSC; Dee Antonio, District Clerk

There were no oral communications.

COMMUNICATIONS

There were no written communications.

Director Stewart presented the Consent Calendar for consideration:

CONSENT CALENDAR

- A. Budgeted Capital Request: Thoracic Instruments (\$41,209.82)
- B. Budgeted Capital Request: Four DeMayo Knee Positioners (\$29,652.48)
- C. Budgeted Capital Request: Storage Carts for the Operating Room (\$39,255.11)

In accordance with District law, policies, and procedures, Director Wallace moved that the Board of Directors approve the Consent Calendar, items A through C.

Director Nicholson seconded the motion.

Roll call was taken:

Bernard Stewart, DDS – aye
William Nicholson, MD – aye
Michael Wallace – aye
Jacob Eapen, MD - aye
Jeannie Yee - aye

The motion unanimously carried.

Dee Antonio, District Clerk, introduced a process by which meeting documents will be available to the board members electronically through a portal, thus eliminating the need for courier service of the weekly “mail out.” The board members will access the repository using their unique username and password. A demonstration with IT will be scheduled in November. We will continue courier service through the end of December with a “No Paper” Go Live for January 2020.

*REPORT: ELECTRONIC
REPOSITORY FOR
BOARD MEETING
MATERIALS*

In accordance with Health & Safety Code Sections 32106 and California Government Code 54957, Director Stewart adjourned the meeting to closed session at 6:07 p.m., as the discussion pertained to anticipated litigation pursuant to Government Code section 54956.9 (d)(2), and trade secrets pursuant to Health & Safety Code section 32106.

*ADJOURN TO CLOSED
SESSION*

Director Stewart reconvened the meeting to open session at 7:39 p.m. and reported no reportable action taken in closed session.

*RECONVENE TO OPEN
SESSION & REPORT ON
CLOSED SESSION*

In accordance with District Law, Policies and Procedures, Director Nicholson moved that the Board of Directors authorize the Chief Executive Officer to approve the appropriate contracts to proceed with the upgrade of twenty-four (24) rooms in 4-West for a total amount not to exceed \$1,495,714.00.

*CONSIDERATION OF
ACTION ITEM:
4-WEST FINISH
UPGRADE*

Director Wallace seconded the motion.

Roll call was taken:

Bernard Stewart, DDS – aye
William Nicholson, MD – aye
Michael Wallace – aye
Jacob Eapen, MD – aye
Jeannie Yee - aye

The motion unanimously carried.

In accordance with District Law, Policies and Procedures, Director Nicholson moved that the Board of Directors authorize the Chief Executive Officer to proceed with the execution of the contracts and purchase orders necessary to purchase Stryker bed parts to upgrade twenty-four (24) Stryker beds, to replace twenty-four (24) Stryker mattresses, and to upgrade the Nurse Call system on 5-West for a total amount not to exceed \$87,128.80.

*CONSIDERATION OF
ACTION ITEM:
UPGRADING OF BEDS
AND NURSE CALL ON
5-WEST*

Director Wallace seconded the motion.

Roll call was taken:

Bernard Stewart, DDS – aye
William Nicholson, MD – aye
Michael Wallace – aye
Jacob Eapen, MD – aye
Jeannie Yee - aye

The motion unanimously carried.

In accordance with District Law, Policies and Procedures, Director Nicholson moved for the denial of a claim received on October 4, 2019 on behalf of Schuanglin Zhang and that the Chief Executive Officer be directed to provide notice in accordance with government code section 94956.

*CONSIDERATION OF
CLAIM:
SHUANGLIN ZHANG*

Director Wallace seconded the motion.

Roll call was taken:

Bernard Stewart, DDS – aye
William Nicholson, MD – aye
Michael Wallace – aye
Jeannie Yee – aye
Jacob Eapen, MD – aye

The motion unanimously carried.

Kimberly Hartz, Chief Executive Officer, made the following announcements:

ANNOUNCEMENTS

- Date and time of funeral services for Shirley Buschke.
- The Unigen project is on the agenda for the City of Fremont Public Planning meeting.
- A news article on the Sutter Health Anti-Trust suit was distributed to the Board.
- There will be a Downtown Event Center and Plaza Groundbreaking Celebration on October 25th. Board members were invited to attend.

There being no further business, Director Stewart adjourned the meeting at 7:48 p.m. *ADJOURNMENT*

Bernard Stewart
President

Jeannie Yee
Secretary

DRAFT

A regular meeting of the Board of Directors of the Washington Township Health Care District was held on Wednesday, October 23, 2019 in the Board Room, 2000 Mowry Avenue, Fremont, California. Director Stewart called the meeting to order at 6:04 p.m. and led those present in the Pledge of Allegiance.

CALL TO ORDER

Roll call was taken. Directors present: Bernard Stewart, DDS; William Nicholson, MD; Michael Wallace; Jacob Eapen, MD; Jeannie Yee

ROLL CALL

Also present: Kimberly Hartz, Chief Executive Officer; Marta Fernandez, Attorney; Dee Antonio, District Clerk

There were no oral communications.

COMMUNICATIONS

There were no written communications.

Marta Fernandez, Attorney, presented the Sexual Harassment Training for Elected Officials in accordance with rules and regulations established by AB 1661.

*BOARD EDUCATION:
SEXUAL HARASSMENT
TRAINING FOR
ELECTED OFFICIALS*

There being no further business, Director Stewart adjourned the meeting at 7:35 p.m.

ADJOURNMENT

Bernard Stewart
President

Jeannie Yee
Secretary

A meeting of the Board of Directors of the Washington Township Health Care District was held on Monday, October 28, 2019 in the Board Room, Washington Hospital, 2000 Mowry Avenue, Fremont, California. Director Stewart called the meeting to order at 7:30 a.m.

CALL TO ORDER

Roll call was taken. Directors present: William Nicholson, MD; Bernard Stewart DDS; Jacob Eapen; Jeannie Yee
Excused: Michael Wallace

ROLL CALL

Also present: Jan Henstorf, MD; Jeff Stuart, MD; Kranthi Achanta, MD; Shakir Hyder, MD; Kimberly Hartz, Chief Executive Officer; Stephanie Williams, Vice President & Chief Nursing Officer;
Absent: Prasad Kilaru, MD; Tim Tsoi, MD

There were no oral or written communications.

COMMUNICATIONS

Director Stewart adjourned the meeting to closed session at 7:31 a.m. as the discussion pertained to Medical Audit and Quality Assurance Matters pursuant to Health & Safety Code Sections 1461 and 32155.

ADJOURN TO CLOSED SESSION

Director Stewart reconvened the meeting to open session at 8:45 a.m. and reported no reportable action was taken in closed session.

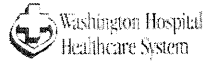
RECONVENE TO OPEN SESSION & REPORT ON CLOSED SESSION

There being no further business, the meeting was adjourned at 8:45 a.m.

ADJOURNMENT

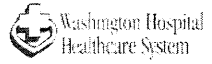
Bernard Stewart
President

Jeannie Yee
Secretary



**WASHINGTON HOSPITAL
INDEX TO BOARD FINANCIAL STATEMENTS
September 2019**

<u>Schedule Reference</u>	<u>Schedule Name</u>
Board - 1	Statement of Revenues and Expenses
Board - 2	Balance Sheet
Board - 3	Operating Indicators



WASHINGTON HOSPITAL
MONTHLY OPERATING REPORT

September 2019



Memorandum

DATE: October 31, 2019
TO: Board of Directors
FROM: Kimberly Hartz
SUBJECT: Washington Hospital – September 2019
Operating & Financial Activity

SUMMARY OF OPERATIONS – (Blue Schedules)

1. Utilization – Schedule Board 3

	September <u>Actual</u>	September <u>Budget</u>	Current 12 <u>Month Avg.</u>
<u>ACUTE INPATIENT:</u>			
Average Daily Census	137.8	154.5	171.5
# of Admissions	918	917	1,005
Patient Days	4,135	4,636	5,213
Discharge ALOS	4.46	5.06	5.12
<u>OUTPATIENT:</u>			
OP Visits	8,026	7,052	7,707
ER Visits	4,302	4,096	4,377
Observation Equivalent Days – OP	163	159	175

Comparison of September acute inpatient statistics to those of the budget showed a higher level of admissions and a lower level of patient days. The average length of stay (ALOS) based on discharged days was below budget. Outpatient visits were higher than budget. Emergency Room visits were above budget for the month.

2. Staffing – Schedule Board 3

Total paid FTEs were 2.0 above budget. Total productive FTEs for September were 1,244.7, 14.5 below the budgeted level of 1,259.2. Nonproductive FTEs were 16.5 above budget. Productive FTEs per adjusted occupied bed were 5.86, 0.16 above the budgeted level of 5.70. Total FTEs per adjusted occupied bed were 6.82, 0.28 above the budgeted level of 6.54.

3. Income - Schedule Board 1

For the month of September the Hospital realized a loss of \$694,000 from operations.

Total Gross Patient Service Revenue of \$159,500,000 for September was 4.0% below budget.

Deductions from Revenue of \$121,772,000 represented 76.35% of Total Gross Patient Service Revenue. This percentage is below the budgeted amount of 77.62%, primarily due to payor mix.

Total Operating Revenue of \$38,183,000 was \$488,000 (1.3%) above the budget.

Total Operating Expense of \$38,877,000 was \$963,000 (2.5%) above the budgeted amount.

The Total Non-Operating Loss of \$455,000 for the month includes an unrealized loss on investments of \$607,000 and property tax revenue of \$1,417,000.

The Total Net Loss for September was \$1,149,000, which was \$883,000 less than the budgeted loss of \$266,000.

The Total Net Loss for September using FASB accounting principles, in which the unrealized loss or income on investments, net interest expense on GO bonds and property tax revenues are removed from the non-operating income and expense, was \$827,000 compared to a budgeted loss of \$496,000.

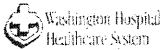
4. Balance Sheet – Schedule Board 2

The liabilities for pension and OPEB funding increased by approximately \$15 million from August to September due to a reduction in the discount rate assumption used to calculate this liability. The discount rate assumption was reduced based on a decrease in anticipated long-term investment returns on the assets associated with these liabilities.

There were no other noteworthy changes in assets and liabilities when compared to August 2019.

KIMBERLY HARTZ
Chief Executive Officer

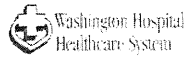
KH/CH



WASHINGTON HOSPITAL
STATEMENT OF REVENUES AND EXPENSES
 September 2019
 GASB FORMAT
 (In thousands)

September				YEAR TO DATE				
ACTUAL	BUDGET	FAV (UNFAV) VAR	% VAR.		ACTUAL	BUDGET	FAV (UNFAV) VAR	% VAR.
OPERATING REVENUE								
\$ 103,535	\$ 116,253	\$ (12,718)	-10.9%	1	\$ 364,907	\$ 353,799	\$ 11,108	3.1%
55,965	49,948	6,017	12.0%	2	172,729	157,690	15,039	9.5%
159,500	166,201	(6,701)	-4.0%	3	537,636	511,489	26,147	5.1%
(116,716)	(125,072)	8,356	6.7%	4	(403,903)	(384,894)	(19,009)	-4.9%
(5,056)	(3,935)	(1,121)	-28.5%	5	(14,360)	(12,110)	(2,250)	-18.6%
(121,772)	(129,007)	7,235	5.6%	6	(418,263)	(397,004)	(21,259)	-5.4%
76.35%	77.62%			7	77.80%	77.62%		
37,728	37,194	534	1.4%	8	119,373	114,485	4,888	4.3%
455	501	(46)	-9.2%	9	1,385	1,507	(122)	-8.1%
38,183	37,695	488	1.3%	10	120,758	115,992	4,766	4.1%
OPERATING EXPENSES								
16,682	16,631	(51)	-0.3%	11	53,180	51,016	(2,164)	-4.2%
7,826	6,517	(1,309)	-20.1%	12	22,420	19,966	(2,454)	-12.3%
4,387	4,529	142	3.1%	13	15,411	14,011	(1,400)	-10.0%
4,156	4,479	323	7.2%	14	13,051	13,402	351	2.6%
1,768	1,700	(68)	-4.0%	15	5,223	5,192	(31)	-0.6%
4,058	4,058	-	0.0%	16	12,198	12,198	-	0.0%
38,877	37,914	(963)	-2.5%	17	121,483	115,785	(5,698)	-4.9%
(694)	(219)	(475)	-216.9%	18	(725)	207	(932)	-450.2%
-1.82%	-0.58%			19	-0.60%	0.18%		
310	362	(52)	-14.4%	20	988	1,086	(98)	-9.0%
93	-	93	0.0%	21	438	-	438	0.0%
(1,856)	(2,001)	145	7.2%	22	(5,636)	(6,090)	454	7.5%
188	192	(4)	-2.1%	23	614	627	(13)	-2.1%
1,417	1,400	17	1.2%	24	4,273	4,239	34	0.8%
(607)	-	(607)	0.0%	25	96	-	96	0.0%
(455)	(47)	(408)	-868.1%	26	773	(138)	911	660.1%
\$ (1,149)	\$ (266)	\$ (883)	-332.0%	27	\$ 48	\$ 69	\$ (21)	-30.4%
-3.01%	-0.71%			28	0.04%	0.06%		
\$ (827)	\$ (496)	\$ (331)	-66.7%	29	\$ (900)	\$ (595)	\$ (305)	-51.3%
-2.17%	-1.32%				-0.75%	-0.51%		

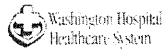
**NET INCOME (FASB FORMAT) EXCLUDES PROPERTY TAX INCOME, NET INTEREST EXPENSE ON GO BONDS AND UNREALIZED GAIN(LOSS) ON INVESTMENTS



**WASHINGTON HOSPITAL
BALANCE SHEET**
September 2019
(In thousands)

SCHEDULE BOARD 2

ASSETS AND DEFERRED OUTFLOWS			September 2019	Audited June 2019	LIABILITIES, NET POSITION AND DEFERRED INFLOWS			September 2019	Audited June 2019		
CURRENT ASSETS					CURRENT LIABILITIES						
1	CASH & CASH EQUIVALENTS	\$	37,907	\$	32,099	1	CURRENT MATURITIES OF L/T OBLIG	\$	9,500	\$	8,550
2	ACCOUNTS REC NET OF ALLOWANCES		62,312		68,968	2	ACCOUNTS PAYABLE		18,853		23,784
3	OTHER CURRENT ASSETS		12,871		11,672	3	OTHER ACCRUED LIABILITIES		46,605		53,148
4	TOTAL CURRENT ASSETS		<u>113,090</u>		<u>112,739</u>	4	INTEREST		5,040		11,933
						5	TOTAL CURRENT LIABILITIES		<u>79,998</u>		<u>97,415</u>
ASSETS LIMITED AS TO USE					LONG-TERM DEBT OBLIGATIONS						
6	BOARD DESIGNATED FOR CAPITAL AND OTHER		157,556		156,039	6	REVENUE BONDS AND OTHER		224,866		224,309
7	GENERAL OBLIGATION BOND FUNDS		133		43	7	GENERAL OBLIGATION BONDS		332,519		335,824
8	REVENUE BOND FUNDS		25,639		18,613	OTHER LIABILITIES					
9	BOND DEBT SERVICE FUNDS		10,031		31,451	10	NET PENSION LIABILITY		67,615		63,510
10	OTHER ASSETS LIMITED AS TO USE		9,755		9,779	11	WORKERS' COMP		7,975		7,750
11	TOTAL ASSETS LIMITED AS TO USE		<u>203,114</u>		<u>215,925</u>	12	SUPPLEMENTAL MEDICAL RETIREMENT		37,055		37,299
13	OTHER ASSETS		205,818		199,715	14	NET POSITION		506,858		506,810
14	NET PROPERTY, PLANT & EQUIPMENT		711,854		726,001	15	TOTAL LIABILITIES AND NET POSITION		<u>\$ 1,256,886</u>		<u>\$ 1,272,917</u>
15	TOTAL ASSETS	\$	<u>1,233,876</u>	\$	<u>1,254,380</u>	16	DEFERRED INFLOWS		42,052		44,923
16	DEFERRED OUTFLOWS		65,062		63,460	17	TOTAL LIABILITIES, NET POSITION AND DEFERRED INFLOWS	\$	<u>1,298,938</u>	\$	<u>1,317,840</u>
17	TOTAL ASSETS AND DEFERRED OUTFLOWS	\$	<u>1,298,938</u>	\$	<u>1,317,840</u>						



**WASHINGTON HOSPITAL
OPERATING INDICATORS
September 2019**

12 MONTH AVERAGE	September						YEAR TO DATE			
	ACTUAL	BUDGET	FAV (UNFAV) VAR	% VAR.			ACTUAL	BUDGET	FAV (UNFAV) VAR	% VAR.
						<u>PATIENTS IN HOSPITAL</u>				
171.5	137.8	154.5	(16.7)	-11%	1	ADULT & PEDS AVERAGE DAILY CENSUS	159.3	153.4	5.9	4%
5.8	5.4	5.3	0.1	2%	2	OUTPT OBSERVATION AVERAGE DAILY CENSUS	5.8	5.4	0.4	7%
8.8	9.0	8.7	0.3	3%	3	NURSERY AVERAGE DAILY CENSUS	9.3	9.2	0.1	1%
186.1	152.2	168.5	(16.3)	-10%	4	TOTAL	174.4	168.0	6.4	4%
3.8	4.1	3.7	0.4	11%	5	SPECIAL CARE NURSERY AVERAGE DAILY CENSUS *	3.3	3.2	0.1	3%
5,213	4,135	4,636	(501)	-11%	6	ADULT & PEDS PATIENT DAYS	14,656	14,114	542	4%
175	163	159	4	3%	7	OBSERVATION EQUIVALENT DAYS - OP	534	493	41	8%
1,005	918	917	1	0%	8	ADMISSIONS-ADULTS & PEDS	2,909	2,829	80	3%
5.12	4.46	5.06	(0.60)	-12%	9	AVERAGE LENGTH OF STAY-ADULTS & PEDS	5.08	4.99	0.09	2%
						<u>OTHER KEY UTILIZATION STATISTICS</u>				
1.463	1.443	1.545	(0.102)	-7%	10	OVERALL CASE MIX INDEX (CMI)	1.480	1.480	-	0%
						<u>SURGICAL CASES</u>				
151	146	124	22	18%	11	JOINT REPLACEMENT CASES	443	396	47	12%
25	23	26	(3)	-12%	12	NEUROSURGICAL CASES	69	71	(2)	-3%
8	5	10	(5)	-50%	13	CARDIAC SURGICAL CASES	30	30	-	0%
203	165	202	(37)	-18%	14	ALL OTHERS	603	617	(14)	-2%
387	339	362	(23)	-6%	15	TOTAL CASES	1,145	1,114	31	3%
378	388	338	50	15%	16	TOTAL CATH LAB PROCEDURES	1,313	1,072	241	22%
128	123	128	(5)	-4%	17	DELIVERIES	404	406	(2)	0%
7,707	8,026	7,052	974	14%	18	OUTPATIENT VISITS	24,307	22,018	2,289	10%
4,377	4,302	4,096	206	5%	19	EMERGENCY VISITS	13,002	12,772	230	2%
						<u>LABOR INDICATORS</u>				
1,334.2	1,244.7	1,259.2	14.5	1%	20	PRODUCTIVE FTE'S	1,311.1	1,254.1	(57.0)	-5%
179.0	202.9	186.4	(16.5)	-9%	21	NON PRODUCTIVE FTE'S	196.7	203.4	6.7	3%
1,513.2	1,447.6	1,445.6	(2.0)	0%	22	TOTAL FTE'S	1,507.8	1,457.5	(50.3)	-3%
5.45	5.86	5.70	(0.16)	-3%	23	PRODUCTIVE FTE/ADJ. OCCUPIED BED	5.59	5.65	0.06	1%
6.18	6.82	6.54	(0.28)	-4%	24	TOTAL FTE/ADJ. OCCUPIED BED	6.42	6.57	0.15	2%

* included in Adult and Peds Average Daily Census



Memorandum

DATE: November 6, 2019

TO: Kimberly Hartz, Chief Executive Officer

FROM: Chris Henry, Vice President and Chief Financial Officer

SUBJECT: Resolution No. 1201 – Fremont Bank – Operating Accounts

With the recent change in leadership, we are updating the banking documents with Fremont Bank. This requires a Board resolution to grant Kimberly Hartz, the Chief Executive Officer of Washington Township Health Care District, the authority to manage the banking relationship between Washington Township Health Care District and Fremont Bank.

Board Resolution No. 1201 authorizes the Chief Executive Officer, the Vice President & Chief Financial Officer, and the Executive Vice President & Chief Operating Officer to enter into banking agreements for the operating accounts with Fremont Bank. This resolution further authorizes the individuals listed as signers on the signature cards of each account to act as such for the specified accounts on behalf of the District.

In accordance with the District's policies and procedures, it is requested that the Board of Directors approve Board Resolution No. 1201 authorizing Chief Executive Officer, the Vice President & Chief Financial Officer, and the Executive Vice President & Chief Operating Officer to enter into banking agreements for the operating accounts with Fremont Bank and to act as such for the specified accounts on behalf of Washington Township Health Care District.



CORPORATE RESOLUTION 1201

Account Title: Washington Township Health Care District

Account Number(s): 2719630 2945118 2945142 2978210 2984911
2738430 2945126 2945150 2978253
2738473 2945134 2978172 2981602

Resolved That: The Board / CEO / VP and CFO / Executive VP and COO (title(s)) Of this organization is/are authorized to open and maintain the account(s) contemplated in the Bank's signature card and the Deposit Account Agreement and Disclosure, copies of which have been presented to this meeting of the Board of Director's.

Further Resolved That: The titles named above or the person or combination of persons listed as signers on the signature card are also authorized to open additional accounts and enter into additional agreements on behalf of the organization for other services to be provided by the Bank (whether relating to the accounts or otherwise), and to agree to the terms and conditions of the same, all for on behalf of the organization.

Further Resolved That: The person or combination of persons listed as signers on the signature card are also authorized to open this account and endorse, on behalf of this organization, any checks or other items payable to the organization or its order, to deposit such checks and other items into the account with or without such endorsement, to direct withdrawals from, write checks on and give other instructions with reference to this account.

Further Resolved That: This organization hereby ratifies the prior acts of its officers, agents or employees in opening the account with this Bank, together with any acts performed in relation to the account.

Further Resolved That: This Resolution is in addition to any other authorizations in effect and shall remain in force until the Bank receives written notice of its revocation, including, but not limited to, the ability or inability of any authorized signer to give Bank instructions on this account or on future deposit accounts, at the office of account or at any other address specified by Bank.

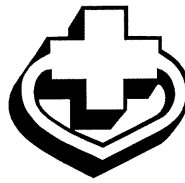
I certify under penalty of perjury under the laws of the State of California, that the following is true and correct of my own personal knowledge: I am the Secretary of Washington Township Health Care District, a corporation; the foregoing is a copy of resolutions adopted By its Board of Directors on the _____ day of _____, 20____; Kimberly Hartz / Christopher Henry / Edward Fayen (name(s)) is/are the CEO / VP and CFO / Executive VP and COO (title(s)) of said organization; the signature card signed by the officer(s) of this organization is the signature card contemplated by the foregoing resolutions; all of the signatures appearing for authorized signer(s) on the signature card are those of the person(s) authorized in the resolutions; and these resolutions remain unmodified and are still in full force and effect.

WITNESS my hand and seal of the organization.

[(SEAL)*] [*Absence of seal will not affect validity of resolution.]

Secretary Signature: _____

Dated: _____



Memorandum

DATE: November 6, 2019

TO: Kimberly Hartz, Chief Executive Officer

FROM: Chris Henry, Vice President and Chief Financial Officer

SUBJECT: Resolution No. 1202 – Fremont Bank – Facsimile Signature Agreements

With the recent change in leadership, we are updating the banking documents with Fremont Bank. Board Resolution No. 1202 authorizes the Chief Executive Officer, the Vice President & Chief Financial Officer, and the Executive Vice President & Chief Operating Officer to enter into Facsimile agreements which recognizes the pre-printed signatures of the Chief Executive Officer and the Washington Township Health Care District Board Treasurer as valid signatures.

In accordance with the District's policies and procedures, it is requested that the Board of Directors approve Board Resolution No. 1202 authorizing the Chief Executive Officer, the Vice President & Chief Financial Officer, and Executive Vice President & Chief Operating Officer to enter into Facsimile agreements with Fremont Bank on behalf of Washington Township Health Care District.

CORPORATE CERTIFICATION

NAME OF CORPORATION: Washington Township Health Care District

I certify that:

I am the Secretary or Assistant Secretary of the Corporation named above;

The following resolution is a complete and accurate copy of a resolution duly adopted by the Corporation's Board of Directors:

"RESOLVED: The CEO, the VP and CFO, or the Executive VP and COO of this Corporation is authorized to enter into Facsimile Signature Agreements with FREMONT BANK on behalf of this Corporation. FURTHER RESOLVED: This authorization is in addition to any other authorizations in effect and shall remain in effect until FREMONT BANK receives written notice of its revocation at each office where this Corporation's accounts are maintained."

The resolution is now in full force and has not been revoked or changed in any way.

Dated: _____, _____
Signature of Secretary or Assistant Secretary

Corporate Seal (Optional)



Memorandum

DATE: November 6, 2019
TO: Kimberly Hartz, Chief Executive Officer
FROM: Chris Henry, Vice President and Chief Financial Officer
SUBJECT: Amendments to the Pension Investment Policy and Other Post Employment Benefits Investment Policy

Attached for your consideration are the revised investment policies for Washington Hospital's pension and post-employment health benefit plans. Given current market conditions, Wilshire recommends revisions to change the long-term earnings assumption for both plans from 7.5% to 7.2%. To achieve this Wilshire also recommends revising the asset mix as follows:

	<u>Current Target</u>	<u>Current Range</u>	<u>Revised Target</u>	<u>Revised Range</u>
Equity Class	60%	55% - 65%	55%	50% - 60%
Fixed Income Class	20%	15% - 25%	30%	25% - 35%
Diversifier Class	20%	15% - 25%	15%	10% - 20%

I discussed Wilshire's recommendations with our investment consultant at Cambridge and Associates. Cambridge fully agreed with Wilshire's recommendations. In the first quarter of 2020, we will arrange for Cambridge and Associates to provide a more detailed presentation to the Board on the subjects discussed in this memorandum.

In accordance with the District's policies and procedures, it is requested that the Board of Directors approve the proposed amendments to the Pension Investment Policy and Other Pension Employee Benefits Investment Policy.

WASHINGTON TOWNSHIP HEALTH CARE DISTRICT RETIREMENT PLAN

Statement of Investment Guidelines of Objectives and Policies

April 13, 2016; Amended November 13, 2019

INTRODUCTION

The following objectives and guidelines have been established by the Board of Directors in order to administer the Washington Township Health Care District Retirement Plan investments in a manner consistent with the District's funding policy and applicable statutory requirements. The Board of Directors reserves the right to amend and change these objectives and guidelines in the future as they deem prudent.

A. INVESTMENT OBJECTIVES

1. The overall financial objective of the Plan is to meet present and future obligations to beneficiaries, while minimizing long-term contributions to the Plan (by earning an adequate return on Plan assets), with moderate volatility in year-to-year contribution levels. In pursuit of this objective, all investment-related decisions will be made with the goal of maximizing expected benefits to the Plan and its beneficiaries.
2. The primary investment return objective of the Plan is to provide a satisfactory return on investment for the support of the above objective based upon the prudent investor standard. The specific investment objective of the Plan is to attain an average annual nominal total return (net of investment management fees) over the long term (running five year periods) of 7.2%. It is recognized that the nominal return objective may be difficult to attain in every five-year period, but should be attainable over a series of five year periods.

B. AUTHORITIES AND RESPONSIBILITIES

1. The Board of Directors is responsible for approving the investment policy of the Washington Township Health Care System Retirement Plan. The Board may authorize the appointment of investment managers (who may also serve as named fiduciaries) and any other investment advisor(s) as may be deemed appropriate in the execution of this policy.
2. Under the direction of the Board of the District, the Chief Executive Officer or designee is responsible for the implementation of this policy.
3. The Chief Executive Officer or designee should report investment activities of the Pension Plan to the Board quarterly. This report should include, where appropriate, a maturity schedule, current yield, market value, type of investment, institution and cost. In addition, the report must include third party confirmation that investment activities are occurring within the guidelines of this Policy.

C. INVESTMENT MANAGEMENT STRUCTURE

1. The Plan will be managed by external investment managers who may also be designated as "a named fiduciary" as may be applicable. The investment managers have complete discretion to manage the assets in each particular portfolio to best achieve the Plan's investment objectives, within the guidelines set forth in this policy statement.

D. PORTFOLIO COMPOSITION AND ASSET ALLOCATION

1. The total Plan shall be diversified both by asset class (e.g., equities, bonds, and cash equivalents) and within each asset class (e.g., within equities by economic sector, industry, quality, size, etc.). The purpose of diversification is to provide reasonable assurance that no single security or class of securities will have a disproportionate impact on the total Plan.

The initial transition of Plan assets into investments as directed by a new Investment Manager will be spread over a 12-month period.

Where possible cash contributions will be netted with cash outflows to avoid excessive investment transactions.

2. To achieve its investment objective, the Plan shall be divided into three parts: an "Equity Class", a "Fixed Income Class" and a "Diversifier Class". The Plan's long-term commitment to these asset classes shall be as follows:

	Long-Term <u>Target</u>	<u>Range</u>
Equity Class	55%	50-60%
Fixed Income Class	30%	25-35%
Diversifier Class	15%	10-20%

Over the long run, the allocation among the various classes is expected to be the single most important determinant of the Plan's investment performance.

Cash is held at the discretion of the investment managers, with the understanding that performance will be measured against equity benchmarks (for equity managers) or fixed income benchmarks (for fixed income managers). The portfolio will be periodically rebalanced through withdrawals, through the direction of new cash flow, or through transfers of assets among investment managers.

3. The **Equity Class**: The purpose of the Equity Class is to achieve a total return that, over a market cycle provides for growth in principal and current income (along with that from the Fixed Income Fund) sufficient to support current benefit payments, while in the long run preserving the purchasing power of the Plan's assets. It is recognized that the pursuit of this objective could entail the assumption of greater market variability and risk.

4. The Equity Class has a target allocation of 55% of total Plan assets at market value. Although the actual percentage of equities and equity reserves will vary with market conditions, levels shall not exceed 60% or fall below 50%. If out of compliance, the investment manager will rebalance back to within target allocation ranges within 30 days. This performance shall be measured by the Chief Executive Officer or designee.
5. The **Fixed Income Class**: The purpose of the Fixed Income Class (bonds and cash equivalents) is to provide further diversification and reduce the overall volatility of the Plan and therefore reduce the variability of contribution amounts to the Plan. This class also provides for a reduction in volatility of lower asset prices and is expected to reduce the overall volatility of the Plan, and to produce current income (to be added to dividend income from the Equity Class) in support of current benefit payments.
6. The Fixed Income Class has a target allocation of 30% of total Plan assets at market value. Although the actual percentage will fluctuate with market conditions, levels shall not exceed 35% or fall below 25%. If out of compliance, the investment manager will rebalance back to within target allocation ranges within 30 days. This performance shall be measured by the Chief Executive Officer or designee.
7. **The Diversifier Class**: The purpose of the Diversifier Class allocation (alternative strategies or asset classes) is to provide uncorrelated sources of return from traditional equity and fixed income classes. This allocation is expected to provide further diversification and reduce the overall volatility of the Plan.
8. The Diversifier Class has a target allocation of 15%, of the total Plan assets at market value. Although the actual percentage will fluctuate with market conditions, levels shall not exceed 20% or fall below 10%. If out of compliance, the investment manager will rebalance back to within target allocation ranges within 30 days. This performance shall be measured by the Chief Executive Officer or designee.
9. Additions to principal shall be allocated to investment classes according to policy.

E. GUIDELINES FOR THE EQUITY CLASS

1. The investment return objective for the Equity Class is to outperform broad market benchmarks net of fees and costs, when measured over rolling three-year and five-year periods, although performance over shorter and longer periods will be considered. In addition, investment manager performance will be measured against the median return of an appropriate universe of investment managers with broadly similar investment styles.
2. The Equity Class will be broadly diversified according to country, region, economic sector, industry, number of holdings, and other investment characteristics. Multiple managers of different focuses and styles should be considered if necessary to ensure sufficient diversification of this allocation.
3. Decisions as to individual security selection, security size and quality, number of industries and holdings, current income levels, and turnover are left to broad investment manager discretion, subject to the usual standards of fiduciary prudence. However, in no case shall a single security or issuer exceed 10% of the market value of the Equity Class. In addition,

no single major industry shall represent more than 25% of the market value of the Equity Class.

4. Unless otherwise instructed, an equity managers may at their discretion hold investment reserves of either cash equivalents or bonds without limitation in terms of asset size or period of time, but with the understanding that performance will be measured against all-equity indexes as described above in paragraph E.1.

F. GUIDELINES FOR THE FIXED INCOME CLASS

1. The investment return objective of the Fixed Income Class is to outperform broad market benchmarks, net of costs and fees when measured over rolling three-year and five-year periods, although performance over shorter and longer periods will be considered.
2. Fixed Income Class managers may employ active management techniques but changes in overall portfolio duration should be moderate and incremental. The Board may want to discuss the duration guidelines with its fixed income managers to ensure that it is consistent with the managers' investment strategies.
3. To ensure sufficient diversification, multiple managers with different credit, region, strategy focuses may be utilized.
4. In general, the fixed income portfolio shall be well diversified with respect to country, type, industry, and issuer in order to minimize risk exposure. However, obligations issued or guaranteed by the U.S. Government may be held without limitation.

G. GUIDELINES FOR THE DIVERSIFIER CLASS

1. The objective of the Diversifier Class is to provide a return source not strongly correlated with either the Equity Class or the Fixed Income Class, and therefore provide benefits of reduced volatility of total fund returns.
2. The participating asset classes in the Diversifier Class may change from time to time, based on the evolving market opportunity set.
3. Credit Opportunities and Real Assets classes are included in the Diversifier Class. In general, active management is to be utilized for this Class and broad market benchmarks are to be used for performance measurement purposes.

H. GUIDELINES FOR TRANSACTIONS

1. As a general guideline that should apply to all assets managed, investment managers are held to the highest fiduciary standards and all transactions should be entered into on the basis of best execution.

I. MONITORING OF OBJECTIVES AND RESULTS

1. All objectives and policies are in effect until modified by the Board, which will review these at least annually for their continued pertinence.
2. If at any time an investment manager believes that any aspect of the policy guidelines inhibits the investment performance of the account, it is the investment manager's responsibility to clearly communicate this view to the Chief Executive Officer or designee as soon as reasonably possible.
3. The Plan portfolios will be monitored on a continual basis for consistency in investment philosophy, return relative to objectives, and investment risk as measured by asset concentrations, exposure to extreme economic conditions, and market volatility. Portfolios will be reviewed by the Chief Executive Officer or designee on a quarterly basis, but results will be evaluated over rolling three- to five-year periods. However, the Staff will regularly review each investment manager in order to confirm that the factors underlying the performance expectations remain in place.
4. In addition to the information required in Section B. of this Policy, each investment manager will report the following information on a quarterly basis: total return (on a time-weighted basis) gross and net of all commissions and fees, additions and withdrawals from the account, current holdings at cost and at market, and purchases and sales for the quarter. Regular communication concerning investment strategy and outlook is expected. In addition, investment managers are required to inform the Chief Executive Officer or designee promptly of any material change in firm ownership, organizational structure, professional personnel, account structure (e.g., number, asset size and account minimum), major investment adjustments, or fundamental investment philosophy.
5. Funds held pending deployment will not count towards portfolio benchmark monitoring.

J. MONITORING THE INVESTMENT MANAGER

1. Investment manager performance should be measured by how they construct the risk and return characteristics of the Plan portfolio as compared to the policy portfolio benchmark.
2. The investment return of each Asset Class (Equity, Fixed Income and Diversifier) shall be compared to their market benchmark.
3. The percentage of Class's outperforming their benchmark over time shall be monitored for consistency of outperformance.
4. The risk adjusted fund performance shall be measured against other like funds or peer group.

Approved by WTHCD Board April 13, 2016
Amended on November 13, 2019

**WASHINGTON TOWNSHIP HEALTH CARE DISTRICT
OTHER POST- EMPLOYMENT BENEFITS**

Statement of Investment Guidelines of Objectives and Policies

May 9, 2018; Amended November 13, 2019

INTRODUCTION

The following objectives and guidelines have been established by the Board of Directors in order to administer the Washington Township Health Care District's Other Post-Employment Benefits (OPEB) portfolio investments in a manner consistent with applicable statutory requirements. The Board of Directors reserves the right to amend and change these objectives and guidelines in the future as they deem prudent.

A. INVESTMENT OBJECTIVES

1. The overall financial objective of the OPEB investment portfolio is to meet present and future obligations to beneficiaries, while minimizing long-term contributions to OPEB (by earning an adequate return on OPEB assets), with moderate volatility in year-to-year contribution levels. In pursuit of this objective, all investment-related decisions will be made with the goal of maximizing expected benefits to the OPEB and its beneficiaries.
2. The primary investment return objective of the OPEB portfolio is to provide a satisfactory return on investment for the support of the above objective based upon the prudent investor standard. The specific investment objective of OPEB is to attain an average annual nominal total return (net of investment management fees) over the long term (running five year periods) of 7.2%. It is recognized that the nominal return objective may be difficult to attain in every five-year period, but should be attainable over a series of five year periods.

B. AUTHORITIES AND RESPONSIBILITIES

1. The Board of Directors is responsible for approving the investment policy of the Washington Township Health Care System's OPEB portfolio. The Board may authorize the appointment of investment managers (who may also serve as named fiduciaries) and any other investment advisor(s) as may be deemed appropriate in the execution of this policy.
2. Under the direction of the Board of the District, the Chief Executive Officer or designee is responsible for the implementation of this policy.
3. The Chief Executive Officer or designee should report investment activities of the OPEB portfolio to the Board quarterly. This report should include, where appropriate, a maturity schedule, current yield, market value, type of investment, institution and cost. In addition, the report must include third party confirmation that investment activities are occurring within the guidelines of this Policy.

C. INVESTMENT MANAGEMENT STRUCTURE

1. The OPEB portfolio will be managed by external investment managers who may also be designated as "a named fiduciary" as may be applicable. The investment managers have complete discretion to manage the assets in each particular portfolio to best achieve OPEB's investment objectives, within the guidelines set forth in this policy statement.

D. PORTFOLIO COMPOSITION AND ASSET ALLOCATION

1. The total OPEB portfolio shall be diversified both by asset class (e.g., equities, bonds, and cash equivalents) and within each asset class (e.g., within equities by economic sector, industry, quality, size, etc.). The purpose of diversification is to provide reasonable assurance that no single security or class of securities will have a disproportionate impact on the total OPEB portfolio.

The initial transition of OPEB portfolio assets into investments as directed by a new Investment Manager will be spread over a 12-month period.

Where possible cash contributions will be netted with cash outflows to avoid excessive investment transactions.

2. To achieve its investment objective, the OPEB portfolio shall be divided into three parts: an "Equity Class", a "Fixed Income Class" and a "Diversifier Class". The OPEB portfolio's long-term commitment to these asset classes shall be as follows:

	Long-Term <u>Target</u>	<u>Range</u>
Equity Class	55%	50-60%
Fixed Income Class	30%	25-35%
Diversifier Class	15%	10-20%

Over the long run, the allocation among the various classes is expected to be the single most important determinant of the OPEB portfolio's investment performance.

Cash is held at the discretion of the investment managers, with the understanding that performance will be measured against equity benchmarks (for equity managers) or fixed income benchmarks (for fixed income managers). The portfolio will be periodically rebalanced through withdrawals, through the direction of new cash flow, or through transfers of assets among investment managers.

3. The **Equity Class**: The purpose of the Equity Class is to achieve a total return that, over a market cycle provides for growth in principal and current income (along with that from the Fixed Income Fund) sufficient to support current benefit payments, while in the long run preserving the purchasing power of the OPEB portfolio's assets. It is recognized that the pursuit of this objective could entail the assumption of greater market variability and risk.

4. The Equity Class has a target allocation of 55% of total OPEB portfolio assets at market value. Although the actual percentage of equities and equity reserves will vary with market conditions, levels shall not exceed 60% or fall below 50%. If out of compliance, the investment manager will rebalance back to within target allocation ranges within 30 days. This performance shall be measured by the Chief Executive Officer or designee.
5. The **Fixed Income Class**: The purpose of the Fixed Income Class (bonds and cash equivalents) is to provide further diversification and reduce the overall volatility of the OPEB portfolio and therefore reduce the variability of contribution amounts to the OPEB portfolio. This class also provides for a reduction in volatility of lower asset prices and is expected to reduce the overall volatility of the OPEB portfolio, and to produce current income (to be added to dividend income from the Equity Class) in support of current benefit payments.
6. The Fixed Income Class has a target allocation of 30% of total OPEB portfolio assets at market value. Although the actual percentage will fluctuate with market conditions, levels shall not exceed 35% or fall below 25%. If out of compliance, the investment manager will rebalance back to within target allocation ranges within 30 days. This performance shall be measured by the Chief Executive Officer or designee.
7. **The Diversifier Class**: The purpose of the Diversifier Class allocation (alternative strategies or asset classes) is to provide uncorrelated sources of return from traditional equity and fixed income classes. This allocation is expected to provide further diversification and reduce the overall volatility of the OPEB portfolio.
8. The Diversifier Class has a target allocation of 15%, of the total OPEB portfolio assets at market value. Although the actual percentage will fluctuate with market conditions, levels shall not exceed 10% or fall below 20%. If out of compliance, the investment manager will rebalance back to within target allocation ranges within 30 days. This performance shall be measured by the Chief Executive Officer or designee.
9. Additions to principal shall be allocated to investment classes according to policy.

E. GUIDELINES FOR THE EQUITY CLASS

1. The investment return objective for the Equity Class is to outperform broad market benchmarks net of fees and costs, when measured over rolling three-year and five-year periods, although performance over shorter and longer periods will be considered. In addition, investment manager performance will be measured against the median return of an appropriate universe of investment managers with broadly similar investment styles.
2. The Equity Class will be broadly diversified according to country, region, economic sector, industry, number of holdings, and other investment characteristics. Multiple managers of different focuses and styles should be considered if necessary to ensure sufficient diversification of this allocation.
3. Decisions as to individual security selection, security size and quality, number of industries and holdings, current income levels, and turnover are left to broad investment manager discretion, subject to the usual standards of fiduciary prudence. However, in no case shall a single security or issuer exceed 10% of the market value of the Equity Class. In addition,

no single major industry shall represent more than 25% of the market value of the Equity Class.

4. Unless otherwise instructed, equity managers may at their discretion hold investment reserves of either cash equivalents or bonds without limitation in terms of asset size or period of time, but with the understanding that performance will be measured against all-equity indexes as described above in paragraph E.1.

F. GUIDELINES FOR THE FIXED INCOME CLASS

1. The investment return objective of the Fixed Income Class is to outperform broad market benchmarks, net of costs and fees when measured over rolling three-year and five-year periods, although performance over shorter and longer periods will be considered.
2. Fixed Income Class managers may employ active management techniques but changes in overall portfolio duration should be moderate and incremental. The Board may want to discuss the duration guidelines with its fixed income managers to ensure that it is consistent with the managers' investment strategies.
3. To ensure sufficient diversification, multiple managers with different credit, region, strategy focuses may be utilized.
4. In general, the fixed income portfolio shall be well diversified with respect to country, type, industry, and issuer in order to minimize risk exposure. However, obligations issued or guaranteed by the U.S. Government may be held without limitation.

G. GUIDELINES FOR THE DIVERSIFIER CLASS

1. The objective of the Diversifier Class is to provide a return source not strongly correlated with either the Equity Class or the Fixed Income Class, and therefore provide benefits of reduced volatility of total fund returns.
2. The participating asset classes in the Diversifier Class may change from time to time, based on the evolving market opportunity set.
3. Credit Opportunities and Real Assets classes are included in the Diversifier Class. In general, active management is to be utilized for this Class and broad market benchmarks are to be used for performance measurement purposes.

H. GUIDELINES FOR TRANSACTIONS

1. As a general guideline that should apply to all assets managed, investment managers are held to the highest fiduciary standards and all transactions should be entered into on the basis of best execution.

I. MONITORING OF OBJECTIVES AND RESULTS

1. All objectives and policies are in effect until modified by the Board, which will review these at least annually for their continued pertinence.
2. If at any time an investment manager believes that any aspect of the policy guidelines inhibits the investment performance of the account, it is the investment manager's responsibility to clearly communicate this view to the Chief Executive Officer or designee as soon as reasonably possible.
3. The OPEB portfolio will be monitored on a continual basis for consistency in investment philosophy, return relative to objectives, and investment risk as measured by asset concentrations, exposure to extreme economic conditions, and market volatility. Portfolios will be reviewed by the Chief Executive Officer or designee on a quarterly basis, but results will be evaluated over rolling three- to five-year periods. However, the Staff will regularly review each investment manager in order to confirm that the factors underlying the performance expectations remain in place.
4. In addition to the information required in Section B. of this Policy, each investment manager will report the following information on a quarterly basis: total return (on a time-weighted basis) gross and net of all commissions and fees, additions and withdrawals from the account, current holdings at cost and at market, and purchases and sales for the quarter. Regular communication concerning investment strategy and outlook is expected. In addition, investment managers are required to inform the Chief Executive Officer or designee promptly of any material change in firm ownership, organizational structure, professional personnel, account structure (e.g., number, asset size and account minimum), major investment adjustments, or fundamental investment philosophy.
5. Funds held pending deployment will not count towards portfolio benchmark monitoring.

J. MONITORING THE INVESTMENT MANAGER

1. Investment manager performance should be measured by how they construct the risk and return characteristics of the OPEB portfolio as compared to the policy portfolio benchmark.
2. The investment return of each Asset Class (Equity, Fixed Income and Diversifier) shall be compared to their market benchmark.
3. The percentage of Class's outperforming their benchmark over time shall be monitored for consistency of outperformance.
4. The risk adjusted fund performance shall be measured against other like funds or peer group.

May, 2018

Amended November 13, 2019



Memorandum

DATE: October 31, 2019
TO: Kimberly Hartz, Chief Executive Officer
FROM: Ed Fayen, Executive Vice President and COO
SUBJECT: Capital Purchase – Venue Go Ultrasound System

The Venue Go Ultrasound System from GE Healthcare is utilized in the Operating Room to visualize veins and nerves when placing lines and blocks. Nerve blocks prior to surgery are becoming more common due to their ability to reduce pain post-surgery. Due to the reduction in pain, less oral and IV pain medications are necessary to manage the pain. In addition to improved pain management, the reduction of the pain medication can lead to fewer side effects. In some circumstances, this can also lead to a reduction in the length of stay. We currently have one ultrasound system located in the Operating Room. With the increase in the use of blocks for pain control, our single ultrasound unit is no longer adequate to match the demand of the physicians.

The FY 2020 Capital Budget includes \$52,294.70 to purchase the Venue Go Ultrasound System. The quote comes to a total of \$50,121.72.

In accordance with District Law, Policies and Procedures, it is requested that the Board of Directors authorize the Chief Executive Officer to proceed with the purchase of the Venue Go Ultrasound System by GE Healthcare in the amount of \$50,121.72.



Memorandum

DATE: October 31, 2019
TO: Kimberly Hartz, Chief Executive Officer
FROM: Ed Fayen, Executive Vice President and COO
SUBJECT: Capital Purchase – Osteocool RF Ablation Generator

The Osteocool RF Ablation Generator is utilized by our Interventional Radiologists for the palliative treatment of painful bone tumors. It uses targeted high-frequency energy to destroy the cancer cells. The pain that is associated with these tumors greatly reduces the patient's quality of life. This procedure can be completed on patients who have failed or are not candidates for standard therapies such as chemo, radiation, and surgery. We have been doing this procedure for the past year and renting the equipment on an as needed basis. The financial analysis has shown that this procedure is positive to the bottom line. The purchase of the unit will drop our total cost of performing the procedure by more than \$200,000 over three (3) years.

This item was not included in the FY 2020 Capital Budget. The Osteocool System will cost \$76,325. There is \$196,650 in the budget for a laser system for the Vascular Imaging. We are requesting to not purchase the laser system and utilize part of the budgeted funds to purchase the Osteocool System.

In accordance with District Law, Policies and Procedures, it is requested that the Board of Directors authorize the Chief Executive Officer to proceed with the purchase of the Osteocool RF Ablation System in the amount of \$76,325.

**RESOLUTION 1200
CALIFORNIA NURSES ASSOCIATION (CNA)**

Washington Township Health Care District, a local health care district, does hereby resolve as follows:

Attached hereto is a List of Amendments to the current Agreement that will be incorporated into a new Memorandum of Understanding by and between the designated representative of Washington Hospital, that being the Chief Executive Officer, and the California Nurses Association, a recognized majority representative under the terms of Board Resolution 331A.

The terms and conditions of the attached List of Amendments will be implemented in their entirety effective on the various dates specified with the Memorandum.

Passed and adopted by the Board of Directors of Washington Township Health Care District this 13th day of November, 2019, by the following vote:

AYES:

NOES:

ABSENT:

Dr. Bernard Stewart, DDS
President of the Washington Township
Health Care District Board of Directors

Jeannie Yee
Secretary of the Washington Township
Health Care District Board of Directors

Summary of Contract Negotiations with the California Nurses Association (CNA)

Wage Increases: The contract is for a four-year term from July 1, 2019 – June 30, 2023 and provides for wage increases over the course of that term. For the first year of the contract, all employees covered by this MOU will receive a 3% across-the-board increase to base wage rates retroactive to July 1, 2019. For the second year of the contract, the employees will receive a 2.5% across-the-board increase, and for the third year of the contract the across-the-board increase will be 3%. In the final and fourth year of the contract, employees covered by this agreement shall receive a 2.5% across-the-board increase. All future increases are effective in the next regular pay period following July 1.

Benefits: There were no changes made to benefits

Other Enhancements:

Increases in Differentials : Employees working the evening shift shall receive \$7.05 per hour and employees working the night shift shall receive \$11.50. Employees serving as preceptors shall receive \$2.75/hour while precepting.

Training : The Hospital has agreed to designate six (6) trainee classifications over the course of the four (4) year MOU, as budgetary considerations permit, in the following areas: Critical Care; OR; ED; CathLab; IMC; and OB.

Certification: Certification reimbursement increased to \$400 for initial certification and \$300 for renewals.

Acceleration of Step Increases: Acceleration of step increases between Step 5 and Step 6 on the Wage Scale.

Cath Lab Call: A fourth RN will be added to the Call Team on Saturdays and Sundays.

Weekend Work Requirement: RNs with 25 years of service at Washington Hospital shall not be required to work weekends.

Rest Periods: RNs on 12 hour shifts shall be entitled to premium pay at 1.5 times when the RN does not rest for at least eight (8) hours in between shifts.

Standby Pay: Pediatric and Labor RNs, at management's discretion, may be placed on standby and will receive call back pay if the RN is called into work while on standby.

Per Diem Work Requirements: Reduction in availability to work requirements for per diem employees (8 and 12 hour).

Education Leave: Clarification on how paid education leave shall be taken for 8 or 12 hour employees.

PPC: The composition of the Professional Performance Committee is increased to eight RNs.

Alternative Work Week: On a one time basis, RNs in three units may vote for an alternative workweek including 8- and 12- hour shifts. Then going forward if there is a 2/3 majority vote for 12- hour designation, the unit will convert entirely to a 12- hour unit.



Memorandum

DATE: November 4, 2019

TO: Board of Directors, Washington Township Health Care District

FROM: Kimberly Hartz
Chief Executive Officer

SUBJECT: **Summary of Contract Negotiations with the
California Nurses Association (CNA)**

We concluded the contract negotiations for a successor Memorandum of Understanding with the California Nurses Association (CNA) on Thursday, October 24, 2019 and the members voted to ratify the settlement terms on Wednesday, October 30th.

The California Nurses Association bargaining unit consists of registered nurses and has approximately 515 regular employees and approximately 270 per diems for a total of 785 members.

The hospital used an external compensation consultant to provide us with an analysis on overall compensation in our marketplace which included data from geographic areas where we recruit from and hospitals where we lose people to. These increases will keep us in line with the hospital's compensation philosophy of not being at the top nor bottom of the market. The budget provides funds for the fiscal year 2019 increases.

I am proposing that the Board of Directors approve the terms agreed upon between Washington Hospital Healthcare System and the California Nurses Association (CNA) as summarized below.

The contract is for a four-year term from July 1, 2019 – June 30, 2023 and provides for wage increases over the course of that term. For the first year of the contract, all employees covered by this MOU will receive a 3% across-the-board increase to base wage rates retroactive to July 1, 2019. For the second year of the contract, the employees will receive a 2.5% across-the-board increase, and for the third year of the contract the across-the-board increase will be 3%. In the final and fourth year of the contract, employees covered by this agreement shall receive a 2.5% across-the-board increase. All future increases are effective in the next regular pay period following July 1.

Benefits: There were no changes made to benefits.

Other Enhancements:

Increases in Differentials : Employees working the evening shift shall receive \$7.05 per hour and employees working the night shift shall receive \$11.50. Employees serving as preceptors shall receive \$2.75/hour while precepting.

Training : The Hospital has agreed to designate six (6) trainee classifications over the course of the four (4) year MOU, as budgetary considerations permit, in the following areas: Critical Care; OR; ED; CathLab; IMC; and OB.

Certification: Certification reimbursement increased to \$400 for initial certification and \$300 for renewals.

Acceleration of Step Increases: Acceleration of step increases between Step 5 and Step 6 on the Wage Scale.

Cath Lab Call: A fourth RN will be added to the Call Team on Saturdays and Sundays.

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Alternative Work Week: On a one time basis, RNs in three units may vote for an alternative workweek including 8- and 12- hour shifts. Then going forward if there is a 2/3 majority vote for 12- hour designation, the unit will convert entirely to a 12- hour unit.