



# Washington Township Hospital Development Corporation

2000 Mowry Avenue, Fremont, CA 94538-1716

November 11, 2019

## MEETING NOTICE

The meeting of the Board of Directors of the Washington Township Hospital Development Corporation will be held on Monday, November 18, 2019. The meeting will be held in the Conrad E. Anderson, MD Auditorium, located at 2500 Mowry Avenue, Fremont, California and will commence at 7:30a.m.

In accordance with Sections 1461, 1462, 32106 and 32155 of the California Health & Safety Code and Sections 54962 and 54954.5 of the California Government Code, portions of this meeting may be held in closed session.

This notice is posted pursuant to Section 54956 of the Government Code.

By direction of the President & Chief Executive Officer  
Washington Township Hospital Development Corporation

HOLLY CEDILLO  
Recording Secretary

*Kimberly Hartz, President and Chief Executive Officer*

Ohlone College Student Health Center • Washington Medical Billing • Washington on Wheels • Washington Outpatient Rehabilitation Center  
Washington Outpatient Surgery Center • Washington Radiation Oncology Center • Washington Sports Medicine  
Washington Township Medical Foundation • Washington Urgent Care



# Washington Township Hospital Development Corporation

2000 Mowry Avenue, Fremont, CA 94538-1716

## AGENDA

### BOARD OF DIRECTORS' MEETING WASHINGTON TOWNSHIP HOSPITAL DEVELOPMENT CORPORATION

**Monday, November 18, 2019 – 7:30A.M.**  
**2500 Mowry Avenue, Fremont, CA 94538**  
**Conrad E. Anderson, MD Auditorium**

**Assistance for the Disabled:** If you are disabled in any way and need accommodation to participate in the meeting, please call Holly Cedillo, Recording Secretary, at (510) 818-7839 for assistance so the necessary arrangements can be made.

- |             |   | <b>PRESENTED BY:</b>  |
|-------------|---|---|
| <b>I.</b>   | <b>CALL TO ORDER</b>                                    | Chair   |
| <b>II.</b>  | <b>ROLL CALL</b>  | Holly Cedillo,<br>Executive Assistant                       |
| <b>III.</b> | <b>CONSIDERATION OF MINUTES OF<br/>August 19, 2019</b>  | <i>Motion Required</i>                                      |
| <b>IV.</b>  | <b>COMMUNICATIONS</b><br>A. Oral<br>B. Written          |   |
| <b>V.</b>   | <b>PRESIDENT AND CHIEF EXECUTIVE<br/>OFFICER REPORT</b> | Kimberly Hartz,<br>President and Chief Executive<br>Officer |

*Kimberly Hartz, President and Chief Executive Officer*



The meeting of the Board of Directors of the Washington Township Hospital Development Corporation was held on August 19, 2019 in the Conrad E. Anderson, MD Auditorium, 2500 Mowry Avenue, Fremont, California. Chairman Sah called the meeting to order at 7:30 a.m.

*CALL  
TO  
ORDER*

Present: Russ Blowers, Steven Chan, DDS, Gloria Villasana Fuerniss, Miro Garcia, Benn Sah, MD and Kimberly Hartz, President and Chief Executive Officer

*ROLL  
CALL*

Absent: None

Also present: Tina Nunez, Vice President of Ambulatory and Administrative Services; Chris Henry, Vice President and Chief Financial Officer; Walter Choto, Sr. Director, Ambulatory Care Services; Paul Kozachenko, Attorney and Holly Cedillo, Executive Assistant

Guest: Galen R. Hamilton, Chief Operating Officer, Washington Township Medical Foundation; Dan Nardoni, Chief Financial Officer, Washington Township Medical Foundation

A motion was made by Director Blowers, seconded by Director Garcia to approve the minutes of the meeting of February 14, 2019. The motion was carried by the following vote.

*APPROVAL OF  
MINUTES OF  
February 14, 2019  
and July 8, 2019*

Ayes: Directors Blowers, Fuerniss, Garcia and Sah  
Noes: None  
Absent: None  
Abstain: None

A motion was made by Director Fuerniss, seconded by Director Chan to approve the minutes of the meeting of July 8, 2019. The motion was carried by the following vote.

Ayes: Directors Chan, Fuerniss and Sah  
Noes: None  
Absent: None  
Abstain: Directors Blowers and Garcia

Chairman Sah noted that there was no written or oral communication.

*COMMUNICATIONS*

Ms. Hartz informed the group that the Assembly Bill 329 did not pass out of the Senate Public Safety Committee and is now a two year bill. The purpose of this bill was to increase the maximum term of imprisonment and fines for persons convicted of committing assault while on hospital property, including the emergency department. Assembly member Rodriguez, and staff, will continue to work towards amending the bill during next year's legislative session.

*PRESIDENT & CHIEF  
EXECUTIVE OFFICER  
REPORT*

Ms. Hartz announced that the five day Laboratory Joint Commission Survey began on July 29th and resulted in minimal deficiencies. She noted that the survey

was very successful and the staff worked great as a team.

*PRESIDENT & CHIEF  
EXECUTIVE OFFICER  
REPORT (CONT'D)*

Ms. Hartz informed the group that Washington Hospital is taking no position on the location of the proposed Fremont Homeless Navigation Center.

Ms. Hartz shared that invitations for the Danielson Clinic Ribbon Cutting celebration were mailed out. This event will take place on August 26<sup>th</sup> and is to celebrate the renaming of the clinic in honor of longtime District board member and community member Patricia Danielson, RHIT. The clinic was formerly named Washington Township Medical Foundation Newark Clinic.

Ms. Hartz notified the group that preparations for high census are underway. 4 West is being renovated into single occupancy rooms and some minor 5 West renovations are in the process of being completed.

Ms. Hartz reported that California Nurses Association negotiations are underway.

In accordance with Sections 1461, 1462, 32106 and 32155 of the California Health & Safety Code and Sections 54962 and 54954.5 of the California Government Code, Chairman Sah adjourned the meeting to closed session at 7:43 a.m.

*ADJOURN TO CLOSED  
SESSION*

Chairman Sah adjourned the meeting to open session at 9:05 a.m. He reported that no action was taken in closed session.

*ADJOURN TO OPEN  
SESSION*

The Washington Radiation Oncology Center (ROC) alternative project scope in connection with the previously approved purchase of the linear accelerator, planning system, and design and construction of a second vault was presented for approval. The revised scope for the project will not require the construction of a second vault.

*ACTION ITEMS –  
Acceptance of the  
Radiation Oncology  
Center Alternative  
Project Scope for the  
Linear Accelerator/  
Planning System*

A motion was made by Director Chan to authorize the Chief Executive Officer to enter into the necessary contracts to proceed with the alternative project scope that will not require the construction of a second vault. On a second from Director Blowers, the motion was carried with the following vote:

Ayes: Directors Blowers, Chan, Fuerniss, Garcia and Sah  
Noes: None  
Absent: None  
Abstain: None

The Washington Township Hospital Development Corporation Budget Estimate for fiscal year 2019/20 was presented for approval. The budget included total operating revenue of \$34,340,429 and total expenses of \$32,316,575 for a budgeted net income of \$283,769. The Capital Budget is estimated at \$591,695.

*DEVCO Budget Estimate  
FY 2019/20*

Director Chan moved to accept the Washington Township Hospital Development Corporation Budget Estimate for fiscal year 2019/20. On a second from Director Garcia, the motion was carried with the following vote:

*ACTION ITEMS –  
(CONT'D)  
DEVCO Budget Estimate  
FY 2019/20*

Ayes: Directors Blowers, Chan, Fuerniss, Garcia and Sah  
Noes: None  
Abstain: None  
Absent: None

The Washington Township Medical Foundation (WTMF) Budget Estimate for fiscal year 2019/20 was presented for approval. The budget included total operating revenue of \$44,198,653 and total expenses of \$66,937,707 for a budgeted net loss of (\$22,739,054). The Capital Budget is estimated at \$310,569.

*WTMF Budget Estimate  
FY 2019/20*

Director Chan moved to accept the Washington Township Medical Foundation Budget Estimate for fiscal year 2019/20. On a second from Director Fuerniss, the motion was carried with the following vote:

Ayes: Directors Blowers, Chan, Fuerniss, Garcia and Sah  
Noes: None  
Abstain: None  
Absent: None

There being no further business, the meeting adjourned at 9:10 a.m. The next meeting is scheduled for November 18, 2019 at 7:30a.m.

*ADJOURNMENT*

---

Benn Sah, M.D.  
Chair

---

Steven Chan, D.D.S.  
Secretary

Washington Township Hospital  
Development Corporation  
Summary Income Statement  
September 2019

	Current Month			Year - To - Date		
	Actual	Budget	Favorable/(Unfavorable) Variance %	Actual	Budget	Favorable/(Unfavorable) Variance %
(1) Visits	3,400	3,140	260	10,013	9,416	597
(2) Treatments & Procedures	362	191	171	960	681	279
(3) Total	3,762	3,331	431	10,973	10,097	876
Gross Revenue						
(4) Patient Revenue	3,943,723	3,899,973	43,750	12,351,375	12,347,815	3,560
(5) Other Revenue	886,654	846,361	40,293	2,604,832	2,569,310	35,522
(6) Total Gross Revenue	4,830,377	4,746,334	84,043	14,956,207	14,917,125	39,082
Deductions						
(7) Total Deductions	1,893,246	2,050,211	156,965	6,350,247	6,488,414	138,167
Contractual Percentage	48.0%	52.6%	4.6%	51.4%	52.5%	1.1%
(8) Net Revenue	2,937,131	2,696,123	241,008	8,605,960	8,428,711	177,249
Expenses						
(9) Purchased Labor	863,409	873,205	9,796	2,635,539	2,665,780	30,241
(10) Purchased Benefits	287,037	284,330	(2,707)	864,739	870,048	5,309
(11) Supplies	328,570	318,131	(10,439)	1,081,516	986,439	(95,077)
(12) Professional Fees	318,122	288,590	(29,532)	1,006,908	944,116	(62,792)
(13) Purchased Services	208,190	225,019	16,829	694,636	682,005	(12,631)
(14) Depreciation and Amort	94,418	92,832	(1,586)	283,296	279,528	(3,768)
(15) Utilities	33,043	26,512	(6,531)	86,624	81,567	(5,057)
(16) Building Lease	415,190	415,191	1	1,248,912	1,241,419	(7,493)
(17) Other Expenses	116,058	129,645	13,587	382,033	393,219	11,186
(18) Total Expenses	2,664,037	2,653,455	(10,582)	8,284,203	8,144,121	(140,082)
(19) Net Operating Income/Loss	273,094	42,668	230,426	321,757	284,590	37,167
(20) Minority Interest	150,186	80,184	(70,002)	247,141	318,502	71,361
(21) Net Income/Loss	122,908	(37,516)	160,424	74,616	(33,912)	108,528
			427.6%			320.0%



---

# Memorandum

Date: November 11, 2019

To: Board of Directors  
Washington Township Hospital Development Corporation

From: Kimberly Hartz  
President and Chief Executive Officer

Subject: Capital Item- HVAC replacement at 2299 Mowry Ave. Suite 2C

I am submitting for your approval replacement of the Air Handler and Roof Top Condensing Unit that services the WTMF Psychiatry and the Sleep Study areas at 2299 Mowry Avenue, Suite 2C. These units are currently over 30 years old and at end of life. They have been serviced multiple times and the repair costs have steadily increased over time. Parts are also difficult to find due to the age of the equipment. Also, tenants have expressed concern with the ongoing inability to maintain a comfortable temperature in their respective areas for their patients and staff.

This item was approved in the Capital Budget for FY 2019/20 in the amount of \$47,046.17. Two bids were gathered for this project. One was for \$49,979.02 and the other for \$36,819.50. The bid selected is in the amount of \$36,819.50 from Mechanical Services LLC.

Breakdown of the cost for the project:

Base Bid	\$36,819.50
City Permits and Fees Estimate	\$ 1,200.00
Contingency Budget (for unforeseen issues)	<u>\$ 1,500.00</u>

**Total Project Budget: \$39,519.50**

Therefore, in accordance with District Law, Policies and Procedures, I request that the Washington Township Hospital Development Corporation Board of Directors authorize the President and Chief Executive Officer to proceed with the replacement of the Air Handler and Roof Top Condensing Unit in an amount not to exceed \$39,519.50.





---

## Memorandum

**DATE:** November 12, 2019

**TO:** Board of Directors  
Washington Township Hospital Development Corporation

**FROM:** Kimberly Hartz, President and Chief Executive Officer

**SUBJECT:** Resolution No. 41 – 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 authority to manage our banking relationship with Fremont Bank as the President and Chief Executive Officer of Washington Township Hospital Development Corporation.

Board Resolution No. 41 authorizes the President and Chief Executive Officer and the Board Treasurer to enter into banking agreements for the operating accounts with Fremont Bank. The 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 corporation.

In accordance with the District's policies and procedures, it is requested that the Washington Township Hospital Development Corporation Board of Directors approve Board Resolution No. 41 authorizing the President and Chief Executive Officer and the Board Treasurer to enter into banking agreements for the operating accounts with Fremont Bank and to act as such for specified accounts on behalf of Washington Township Hospital Development Corporation.



---

## Memorandum

**DATE:** November 12, 2019

**TO:** Board of Directors  
Washington Township Hospital Development Corporation

**FROM:** Kimberly Hartz, President and Chief Executive Officer

**SUBJECT:** Resolution No. 42 – Fremont Bank – Facsimile Signature Agreement

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 authority to manage our banking relationship with Fremont Bank as the President and Chief Executive Officer of Washington Township Hospital Development Corporation.

Board Resolution No. 42 authorizes the President and Chief Executive Officer and the Board Treasurer to enter into the Facsimile signature agreement on behalf of DEVCO which recognizes the pre-printed signatures of the President and Chief Executive Officer and the Board Treasurer as valid signatures.

In accordance with the District's policies and procedures, it is requested that the Washington Township Hospital Development Corporation Board of Directors approve Board Resolution No. 42 authorizing the President and Chief Executive Officer and the Board Treasurer to enter into the Facsimile signature agreement with Fremont Bank on behalf of Washington Township Hospital Development Corporation.



---

## Memorandum

**DATE:** November 18, 2019

**TO:** Board of Directors  
Washington Township Hospital Development Corporation

**FROM:** Kimberly Hartz, President and Chief Executive Officer

**SUBJECT:** Peninsula Surgery Center

You have before you a request to approve the Washington Township Hospital Development Corporation's ("DEVCO") participation in the ownership and operation of an ambulatory surgery center at 350 Marine Parkway in Redwood City, California, which is being referred to as the "Peninsula Surgery Center." The purpose of opening this surgery center in Redwood Shores is to expand the operation of the Washington Township Health Care District's ("District") Institute for Joint Restoration and Research ("IJRR") to additional outpatients.

The IJRR opened its doors in 2012 as an inpatient service focused on providing total knee and hip replacements. Given the quality of the program, the IJRR has attracted patients beyond the normal service area of the District. Recently, the federal government has taken steps to require more of these procedures to be conducted on an outpatient basis by refusing to pay for these procedures on an inpatient basis. However, patients are, in general, less willing to travel the same distance to receive outpatient surgery as compared to inpatient surgery, which has caused the IJRR to explore opportunities to expand its reach by opening a facility on the peninsula to serve its traditional patient base that lives on that side of the Bay. To maintain its competitiveness in the current market, the IJRR must expand the reach of its outpatient services.

The Peninsula Surgery Center would be operated under the umbrella of two limited liability companies. One limited liability company would operate the surgery center on a day-to-day basis (the "Operating Company"). This entity would be owned 51% by a holding company (the "Holding Company") and 49% by physician investors. This follows the model for the WOSC, which is a limited liability company, of which DEVCO owns 51% and qualified physician investors own the remaining 49%. The second limited liability company would be the Holding Company, of which DEVCO would own 80%, WOSC would own 15%, and a qualified physician investor would own 5%. Under this arrangement, DEVCO will control both the Holding Company and Operating Company.

The District has already approved a lease for the premises located at 350 Marine Parkway, Redwood City. The lease is for 9500 square feet of space. The lease will be assigned to the Operating Company after all of the paperwork is completed for the two new entities mentioned above.

As of last week, the City of Redwood City has approved a Conditional Use Permit which will permit the surgery center to proceed with construction. It is anticipated that construction will be completed within approximately nine months.

While the primary driving force behind the need to open a new ambulatory surgery center is the needs of the IJRR, the Peninsula Surgery Center will also allow the District to expand its outpatient surgery services and to better compete with the other major health care providers located on the peninsula.

In order to proceed, the Board would need to approve the motion to authorize: a) DEVCO's participation in the ownership and operation of an ambulatory surgery center located at 350 Marine Parkway in Redwood City, b) the expenditure of \$1.5 Million and c) the President and Chief Executive Officer to take any and all actions necessary to execute any and all instruments and do any and all things deemed by her to be necessary, or desirable, to carry out the intent and purposes of the this motion.