



BOARD OF DIRECTORS MEETING MINUTES Thursday, June 27, 2024 1819 Trousdale Dr. Burlingame, Ca 94010 (Classroom)		
<u>Directors Present</u> Chairman Cappel Secretary Zell Director Navarro Director Sanchez	<u>Directors Absent</u> Vice-Chairman Pagliaro	<u>Also, Present</u> Tim Mooney, Senior Vice President, The Liberty Company Insurance Brokers,

1. Call to Order and Roll Call: Chairman Cappel called the meeting to order at 6:30 p.m. Roll call attendance was taken. A quorum was present.

2. Public Comment on Non-Agenda Items: Lindsay Raike provided an update on the Mickelson Warm Water Therapy Pool and mentioned that a potential date for the ribbon-cutting ceremony is set for August 20th, 2024. Additionally, she expressed gratitude towards Chairman Cappel and Director Zell for their significant contributions to the pool's reopening process.

3. Report Out From Closed Session: 6/27/2024: Chairman Cappel stated that the Board held discussions reviewing the ongoing negotiations with the PWC developers during the closed session meeting on 6/27/2024.

4. Consent Calendar: ACTION

- a. Board Meeting Minutes - May 23, 2024
- b. Checking Account Transactions - May 2024
- c. Treasurer's Report - May 2024
- d. Strategic Direction Committee Charge
- e. Annual Review of Pay Scale

Motion to Approve Consent Calendar as Presented

Motion: By Director Sanchez; Director Navarro

Vote: Ayes – Cappel, Zell, Navarro, Sanchez Noes:

0

Abstain: 0

Motion Passed: 4/0/0

5. New Business:

a. PHCD Insurance Policies: Renewals, Coverages, and Costs for July 1, 2024, through June 30, 2025: Tim Mooney, Senior Vice President, The Liberty Company Insurance Brokers

In September 2023, PHCD decided to consolidate insurance brokers to give better visibility of coverage needs for the District as a whole. PHCD has chosen Tim Mooney from The Liberty Company Insurance Brokers to be the District's broker for all property, liability, employment, and D&O insurance which will cover all properties and programs, including The Trousdale. The District has worked with Mr. Mooney for the past five years indirectly through Eskaton for The Trousdale coverages and found him very knowledgeable. The proposal summarizes the coverage levels and costs for Directors & Officers, General Liability, Property, Commercial, and Employment.

The new renewal premium for FY 25 is \$411K, an increase of 17%. This increase is mainly due to a \$40K increase in property insurance due to a non-renewal from the current carrier, Liberty Mutual. Liberty Mutual is not renewing most of California's small commercial package policies. Mr. Mooney has approached a couple of additional admitted property markets to see if he can bring the property premium down. In addition to the property insurance, allcove™ added \$4M of additional coverage (\$21K in premium) as required by Stanford allcove™ team to comply with the \$10M of coverage.

The following are coverage changes for FY 25:

- allcove™ General Liability – added \$4M of additional coverage as required by the Stanford allcove™ team for the grand opening through Lexington Insurance Company. The new premium is for an entire year at \$21K.
- PHCD Office Employment Practice Liability – no longer providing a sub-limit of \$100K for defense cost of wage & hour related to a claim. All other coverage will remain the same as in the prior year.

ACTION REQUESTED:

- Management recommends that the Board approves the policy renewal as presented in the proposal from The Liberty Company Insurance Broker.
- Adjust the FY 25 Budget to reflect premium cost as presented in the proposal.

Motion to Approve the policy renewal as presented in the proposal from The Liberty Company Insurance Broker & Adjustment of the FY 25 Budget to reflect premium cost as presented in the proposal.

Motion: By Director Zell; Director Navarro

Vote: Ayes – Cappel, Zell, Navarro, Sanchez

Noes: 0

Abstain: 0

Motion Passed: 4/0/0

b. FY 24-25 Drivers & Assumptions & Draft Budget: Vickie Yee, Chief Financial Officer

FY25 Budget Presentation Highlights

DRIVERS

- PHCD vision, mission, strategic objectives
- The Trousdale Assisted Living/Memory Care Facility operating budget
- The Health & Fitness Center operating budget
- allcove™ operating budget
- Community Health Investment

ASSUMPTIONS

INCOME

- Tax revenues budgeted \$9M, a little higher than FY 23-24 projections of \$8.5M.
- Lease income is based on Sutter Health's lease agreement and current & projected occupancy at the Marco Polo properties (82% @ 1740 and 83% @ 1720) which includes free & discounted rents for two non-profits. No lease income from 430 El Camino (Sonrisas), 1875 Trousdale (The Health & Fitness Center), and 111-113 16th St. (San Mateo Homes).
- Investment income is based on the Q3 balance & returns. Close to 5% on investment portfolios
- Miscellaneous Income \$490K from the recognition of the rental value for the use of facilities by non-profits (will be offset by the donated value in Community Health Investment)

EXPENSES

- Community Health Investment (CHI) budget is \$4.4M (increased by \$330K from prior year's budget)
- Community grants, Impact partnership grants, small grants, sponsorships, healthcare workforce -\$2M
- Other Contributions - \$25K (new) for CEO's discretionary fund
- Targeted Prevention Program \$250K (no change)– Immunization, Drug Abuse, Screenings
- Special Funding Initiatives \$608K (increased by \$166K) – Board approved programs include HepB Free, Senior Services, RIP, COED, Rise, and Care Solace

- Community Outreach \$100K (increase by \$50K), includes newsletters, partner's events, promotional items, mailings, and outreach partnerships.
- Community Education \$60K (increase by \$10K), 3-4 townhalls, wellness classes, Parent Venture education series
- New Program Research & Development \$250K (no change) for new opportunities
- Donated Value for the use of Facilities \$490K – (adj for inflation, increased by 79K over prior year) to recognize community benefit from rent-free use of facilities and discounted rents
- PWC Master Plan Cost \$660K – no change from last year.

The Trousdale Assisted Living/Memory Care Facility

- Occupancy to reach stabilization of 93.1% in March 2025
- PHCD Rent Assistance Fund \$240K
- 7.5% rate increase for all residents, effective January 1st
- Total staffing increase: 1.6 FTE
- Net Income: (\$307,672), \$754K better than last year’s budget
- Positive Cashflow: \$408,098

The Health & Fitness Center

- Membership Growth from 212 to 249 (an increase of 37 members)
- 2 New Health Programs: Steady Steps and Forever Fit - Personal Training Sessions and Recreation Center Classes
- New Memberships: Government Employees, Student, Scholarship Discounted Memberships
- Adding additional Yoga and Zumba classes due to increase demands, paid class attendees expected to double
- Net loss of \$236K, 31K better than last year’s budget

allcove™ Drop-In Center

- Grand Opening Expected in Fall 2024
- Serving 2,145 visits, approx. 536 unique clients
- Clinical Partner Staffing to ramp up to 7.85 FTEs
- 63% of Operating Expense is for staffing
- Operating Loss of \$(780K)

Utilization (Unique Clients is approx. 25% of Visits)

Mental Health Visits	1,060
Medical Visits	36
Supported Edu & Employment Specialist Visits (est. 1hr/visit)	328
Substance Use	112

Non-Service Visits	422
Group Counseling	120
Peer Specialists Visits	67
Total Visits	2,145

Community Health Investment (General Operations-Leasing Activities)

INCOME

- Tax Revenue: \$9M
- Leasing Income (net): \$2.6M
- Investment Income: \$3.6M (\$2.2M non-cash Acc't Adj)
- Misc Income: \$492K (\$490K to record value of free or discounted rent-noncash)

KEY EXPENSES

- Community Health Investment: \$4.4M
- Personnel 5.5 FTE: \$1.2M
- Sonrisas Dental Health: \$800K
- Legal Expense: \$360K
- Board Election: \$300K

ACTION REQUESTED: The Finance Committee and management recommend that the Board approve the FY '24 - '25 PHCD Consolidated Budget as presented.

Motion to Approve FY '24 - '25 PHCD Consolidated Budget as presented

Motion: By Director Sanchez; Director Zell

Vote: Ayes – Cappel, Zell, Navarro, Sanchez

Noes: 0

Abstain: 0

Motion Passed: 4/0/0

c. Consideration to Reschedule or Cancel the September Board Meeting to Attend the Annual Association of California Healthcare District's Conference: Lawrence Cappel, Board Chairman, and Ana M. Pulido, Chief Executive Officer

Motion to Approve rescheduled Board meeting for September 18, 2024

Motion: By Director Zell; Director Sanchez

Vote: Ayes – Cappel, Zell, Navarro, Sanchez

Noes: 0

Abstain: 0

Motion Passed: 4/0/0

6. Reports:

a. Board Standing Committees:

Strategic Direction Oversight-July 3

Chairman Cappel stated that the next Strategic Direction Oversight Committee meeting will be held on July 3rd.

Finance-July 9

Director Zell stated that the next meeting will be held on July 9th and that he has a perspective new member for the Finance Committee.

Community Health Investment-July 15

Director Navarro stated that the Community Health Investment will be meeting on Monday, July 15th.

Board Chair and Director Reports

Chairman Cappel stated that there are no other reports to be presented.

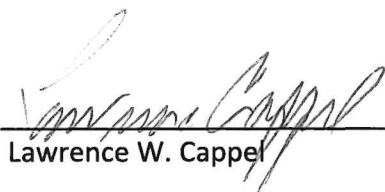
7. Correspondence and Media

a. 6/14 Award Letter from Sand Hill Foundation

8. Adjourn: 7:20 pm

Written by: Voula Theodoropoulos

Approved by:


Lawrence W. Cappel