

Palomar Pomerado Health
BOARD OF DIRECTORS
SPECIAL BOARD MEETING
 September 24, 2003
 Rancho Bernardo Inn, Andalusia Room I

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
CALL TO ORDER	5:30 pm Dinner. Meeting called to order at 6:20 pm		
ESTABLISHMENT OF A QUORUM	Bassett, Larson, Rivera and Scofield		
NOTICE OF MEETING	Notice of Meeting was mailed consistent with legal requirements		
PUBLIC COMMENTS	None		
ADJOURNMENT TO CLOSED SESSION		MOTION: By Larson, 2 nd by Bassett and agreed, to adjourn to Closed Session at 6:25 pm Pursuant to Government Code Section 54957 : Public Performance Evaluation : CEO; & Government Code Section 54957.8 : Quality Assurance/Medical Audit.	
OPEN SESSION RESUMPTION	Open Session resumed at 8:45 pm		
BOARD MEMBERSHIP	<p>Following a brief presentation by Chairman Larson of Mr. George Gigliotti's resignation letter of September 23, 2003 effective as of that date from the Board of Directors of Palomar Pomerado Health, a motion was made with great reluctance, to accept Mr. Gigliotti's resignation.</p> <p>Chairman Larson suggested that due acknowledgement be made to Mr. Gigliotti at some point.</p>	MOTION: By Bassett, 2 nd by Scofield and unanimously carried, that Mr. George G. Gigliotti's letter of resignation from the Board of Directors of Palomar Pomerado Health dated September 23, 2003, be accepted with great reluctance.	
<ul style="list-style-type: none"> • Appointment or Election 	Chairman Larson inquired of board members as to whether this vacancy should be filled by appointment or by election.	MOTION: There was general consensus that this vacancy be filled by appointment.	
<ul style="list-style-type: none"> • Nominating Committee 	Discussion ensued on the possibility of a Nominating Committee which would be advisory in nature only. this could consist of all board members, the 2 Chiefs of Staff, and		

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	<p>Marty Evert – President of Palomar Pomerado Health Foundation. Chairman Larson asked if perhaps others should be included as well. Michael Covert suggested we would be well served if the Nominating Committee include the full Board. He explained the procedure based upon our Bylaws noting that we must inform County officials within 15 days of the vacancy, and the Board must appoint within 60 days of the vacancy occurring (ie., by Saturday, November 22, 2003).</p> <p>Following a vote of the Board on the appointment, County officials will need to be notified of that person. Notice of such vacancy must also be posted in no less than 3 conspicuous places in the District (ie., Innovation, PMC and Pomerado Hospital). We may also later possibly consider inserting a newspaper advertisement.</p> <p>The individual appointed will fill the vacancy until the next District, general election in November, 2004.</p>		

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PPH Bylaws	Discussion ensued on the possibility of amending our Bylaws so as to allow the eventual appointee to fill out the unexpired term of the former incumbent (ie., until December 1, 2006) and asked whether a potential Bylaws change be made before, or after, nominations are received.	It was generally agreed that if a Bylaws change was possible, we would need to call a special board meeting to do so within 15 days.	CEO to check on this aspect.
Posting	Reference was made to the requirement to post an official Notice of Hospital Board Vacancy in no less than 3 conspicuous places in the District.	It was generally agreed to post in the usual 3 places at Innovation, PMC and Pomerado Hospital as the legal requirement.	
Advertisement	Discussion of placing a possible advertisement was also discussed. Director Scofield was in favor of placing an advertisement.	MOTION: By Director Bassett, 2 nd by Director Rivera and carried that an advertisement not be placed at the present time and that we comply with the legal minimum requirement.	
Suggestions for possible Nominating Committee	<p>There would be need to screen application submissions and narrow down to likely interviews.</p> <p>Michael Covert suggested the best way would be to include the whole board together with the 2 Chiefs of Staff and Mary Evert of the Foundation. This way all could be involved in the process from the outset but such additional members would be non-voting. Input only would be sought.</p> <p>There was need for any committee to</p> <ol style="list-style-type: none"> (1) understand its charge (2) agree on criteria (3) identify candidates <p>Potential candidates could be interviewed with a relevant scoring mechanism. It would be a nominating committee consisting of all board members in addition to those mentioned above. They in turn would recommend to the full Board, but it would be the Board only who ultimately would cast its vote in support of a particular candidate.</p> <p>--In addition, Michael Covert asked about his being able to meet with the finalists administratively to discuss the health system.</p>	<p>It was generally agreed that there be</p> <ol style="list-style-type: none"> (1) an ad hoc Nominating Committee to act in an advisory capacity (2) that finalists be notified that they are given the opportunity to meet with the CEO (3) that recommendations from the Nominating Committee be made to the Board itself, who in turn would eventually determine and vote on a particular candidate. 	

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Summation	<p>In summation, Chairman Larson provided follow-up agreed upon points which came out of the discussion.</p> <p>(1) that a meeting of an ad hoc Nominating Committee be called very soon for the 9 members referred to (ie., the current 6 board members, 2 Chiefs of Staff and Mary Evert).</p> <p>Director Rivera suggested that we also consider having Nursing representation from the Union.</p>	<p>MOTION: By Bassett, 2nd by Larson and carried, that we proceed without union involvement.</p>	
	<p>(2) That we have an appointment of a new Vice Chair for the next three months.</p>	<p>MOTION: It was generally agreed that an appointment of a new Vice Chair be approved.</p>	
	<p>(3) It was suggested that any questions regarding Mr. Gigliotti's resignation be referred to Chairman Larson or to Michael Covert. Tamara Hemmerly was asked to write a press release.</p>	<p>Consensus provided.</p>	
	<p>(4) It was also felt that thought be given to some kind of recognition for Mr. Gigliotti, to include a Resolution for the October 20, 2003 board meeting.</p>	<p>Consensus provided.</p>	
	<p>(5) Current Committee membership would be considered by the Chairman relevant to Mr. Gigliotti's resignation.</p>	<p>Consensus provided.</p>	

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CEO ANNUAL EVALUATION FY '03	<p>Chairman Larson referred to the CEO's contract salary of \$375,000. Brief discussion ensued on the calculations of a potential bonus. It had been noted that Mr. Hemker having acted as Interim CEO for the first six months of FY 03 (July – December, 2002), Mr. Covert felt Mr. Hemker had continued to assist during the CEO's initial period of three months (January – March, 2003) following his arrival in January.</p> <p>However, it was felt amongst board members that consideration of a bonus for Mr. Covert should be based on his first six months since actual arrival, ie., from January, 2003.</p> <p>Director Rivera spoke in support of Mr. Covert. All board members present noted with great satisfaction that they had been extremely pleased with Mr. Covert's expertise within our Health System since arrival, agreeing that his efforts will be encouraged.</p>	<p>MOTION: By Bassett, 2nd by Rivera and unanimously carried by those present that based upon Mr. Covert's superior performance since his arrival, Mr. Covert should receive a bonus, with final action not being taken on a specific dollar amount due to the full board not being present except for a basic quorum, but that the CEO's Annual FY 03 Evaluation bonus be configured and ratified at the October 20, 2003 regular board meeting.</p>	
FINAL ADJOURNMENT	<p>Meeting adjourned at 10:00 p.m.</p>		
SIGNATURES <ul style="list-style-type: none"> ▪ Board Secretary ▪ Board Assistant 	<p>_____</p> <p>Nancy H. Scofield</p> <p>_____</p> <p>Christine Meaney</p>		