



**SPECIAL BOARD OF TRUSTEE MEETING  
TUESDAY, August 27, 2013**

**Administration Executive Suite Located at Highland Care Pavilion  
1411 East 31<sup>st</sup> Street Oakland, CA 94602  
Marla D. Cox, Clerk of the Board  
(510) 535-7515**

**MINUTES**

**THE MEETING WAS CALLED TO ORDER AT 6:06 PM.**

**ROLL CALL WAS TAKEN AND THE FOLLOWING TRUSTEES WERE PRESENT:**

Daniel Boggan, Jr., Michele Lawrence, Kirk E. Miller, Ronald D. Nelson, Stanley M. Schiffman, J. Bennett Tate and Anthony Varni, Valerie D. Lewis, Esq., Barry Zorthian, MD

**NON-VOTING MEMBER PRESENT:**

Taft Bhuket, MD.

**TRUSTEE ABSENT:**

Michele Lawrence

**Consent Agenda**

Nomination of James Lugannani as candidate for the Board of Trustees:

A Board of Trustee candidate, Peter Ross, had been previously forwarded to the Board of Supervisors, and, as the Board of Trustees has another open seat, it needs to forward a second nominee. Trustee Tate stated that James Lugannani has extensive healthcare experience (Kaiser, Hughes Electronics). He feels that the candidate would be an admirable addition to the board. He also has financial experience.

Trustee Lewis reported from the Governance Committee their recommendation to present Mr. Lugannani's nomination to the Board of Supervisors.

***ACTION: A motion was made, seconded, and unanimously approved for the nomination of James Lugannani.***

The nomination will be forwarded to the Board of Supervisors.

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Trustee Miller requested that he would like to add a letter to the Board of Supervisors, along with the recommendation, addressing other Board concerns.

**TAB #2 UPDATE/DISCUSSION: San Leandro Hospital Acquisition**

Management recommends moving forward with the acquisition of San Leandro Hospital. We are evaluating multiple options on how to utilize the facility, whether to continue as an acute care hospital with an Emergency Department or convert the facility to Acute Rehabilitation or a hybrid option.

There are still a number of items that both management and the Board have concerns about, but it is management's recommendation that such concerns are not enough to withdraw from the acquisition.

Mr. Lassiter reminded the Board of the following purposes for the acquisition of San Leandro Hospital:

- Fulfills objectives of AHS' 2012 Strategic Plan
- Enhances AHS' geographic presence
- Increases access to services for patients

He stated that he would return to the Board and the relevant board committees with updates on their progress.

Trustee Miller welcomed Trustee comments.

Trustee Varni expressed his concern that the board did not withdraw from this transaction and return to Sutter with a request for further negotiation.

Trustee Miller noted that the board members had been presented with financial analysis and that the acquisition fulfills strategic goals despite business challenges.

Trustee Boggan stated that work being done sets the platform for AHS to survive going forward. He commented that we have enough information to proceed. He stated that we have to decide if we want to be a system that works.

Trustee Nelson asked for identification of the risks. He would like a report identifying the risks to be able to compare, going forward.

**TAB #3 ACTION: Employment Status of San Leandro employees when they join AHS (Resolution 2013-005)**

Trustee Lewis brought up the fact that we are still Alameda County Medical Center but resolutions state Alameda Health System. Trustee Lewis would like more detail on Resolution 2013-005. Trustee Lewis wants "pending pension legislation" language.

Jeanette Loudon-Corbett, CHRO explained that the resolution enables AHS to negotiate

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with the representatives of these employees.

Trustee Miller asked that the motion be amended to change the recommendation and authorize CHRO to offer regular employment, if and when pension legislation passes, absent that, the CHRO should only be authorized to offer term limited employment.

Language suggested: Recommendation to authorize CHRO to offer regular employment, if or when pension legislation passes; absent that, that she be authorized to offer term limited employment.

**ACTION: A motion was made, amended, seconded, and passed to approve Resolution 2013-005.**

*Trustee Varni opposed, moving ahead without adequate preparation.*

**TAB #4 ACTION: Agreement to fund Steelworkers Pension Trust for CNA represented San Leandro employees (Resolution 2013-006)**

Jeanette Loudon-Corbett, CHRO presented an additional resolution.

Trustee Miller asked that Trustee comments be allowed before a motion is made.

Trustee Lewis asked that the language be amended and add d/b/a language for Alameda Health System.

**ACTION: A motion was made, seconded, and passed to approve Resolution 2013-006.**

With amended language.

*Trustee Varni opposed for the same reason as 2013-005.*

**TAB #4 ACTION: Choice of Enhanced Defined Contribution and Hybrid Defined Contribution/Defined Benefit Plan at 10% Funding Level for Newly Acquired San Leandro employees (Resolution 2013-007)**

Trustee Lewis asked if this is regarding San Leandro Hospital.

Jeanette Loudon-Corbett, CHRO stated this would provide a reduction of what AHS would pay for future employees if they were in ACERA.

Trustee Boggan stated that the cost curve under ACERA is unbearable and can help save jobs.

**ACTION: A motion was made, seconded, and passed to approve Resolution 2013-007.**

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**TAB #6 REPORT: Legal Counsel's Report on Action Taken in Closed Session**

In closed session the Board of Trustees considered matters related to substantial risk of litigation and also met with labor negotiators, no action was taken.

**Board of Trustee Comments**

Trustee Schiffman stated that he is proud to be a part of the group. He is glad they had the opportunity to have this discussion.

**ADJOURNMENT: THE MEETING WAS ADJOURNED AT 8:21 PM.**

Respectfully Submitted by:

Marla Cox  
Clerk of the Board

APPROVED AS TO FORM:

Reviewed by:

  
Douglas Habig, Esq.  
General Counsel