



**Minutes of the Joint Meeting of the
Investment and Finance Committees
Monday, January 25, 2016**

**El Camino Hospital, 2500 Grant Road, Mountain View, California
Conference Room A&B**

Richard Juelis participated via telephone from 495 Wiley Post Way, Salt Lake City, Utah

Members Present

Investment Committee:

John Zoglin, Chair
Nicola Boone
John Conover
Jeffrey Davis
Gary Kalbach

Finance Committee:

Dennis Chiu, Chair
Bill Hobbs
Richard Juelis (phone)
John Zoglin

Staff Present

Iftikhar Hussain
Michelle McGowan
Mary Rotunno
Julie Johnston (phone)
Mick Zdeblick
Richard Katzman

Others Present

Antonio DiCosola,
Pavilion Advisory Group

Members Absent

Brooks Nelson
Kathy Cain

Agenda Item	Comments/Discussion	Approvals/Action
1. Call to order	The joint meeting of the Finance Committee (“FC”) of El Camino Hospital and the Investment Committee (“IC”) of El Camino Hospital (the “Committees”) was called to order by Investment Committee Chair John Zoglin at 5:30pm.	
2. Agenda Item Potential Conflict of Interest Disclosure	Chair Zoglin asked if there were any conflicts of interest with agenda items. None were reported.	
3. Public Communication	Chair Zoglin asked if there was any public communication. There was none.	
4. Capital Plan and Financing	<p>Iftikhar Hussain, CFO, provided a review of the Capital Plan and Financing.</p> <ul style="list-style-type: none"> • Long range financial targets were reviewed • Forecasted results indicate that operating revenue is stable, and will continue in this direction for the foreseeable future. Although margins do drop on occasion, they remain stable and ECH maintains the healthy 8 – 10% margin that has been enjoyed for the past three years. • Capital Spending Plan (\$1.6B over the next 10 years) and Sensitivity Analysis were briefly reviewed. 	

<p>5. Alignment of Investment Policy with Cash Flow Projections</p>	<p>Antonio DiCosola, a consultant from Pavilion Advisory Group, provided a report covering the alignment of the ECH investment policy with the Cash Forecast.</p> <ul style="list-style-type: none"> • Surplus Cash Summary was reviewed. • Implementation of a task force to address Asset Allocation will be discussed at the May 2016 Investment Committee Meeting. Since new Asset Allocation policy went into effect, only favorable growth has occurred. • Summary shows a continued upward trajectory and favorable cash flow. • Cash surplus is currently at \$625M. • Asset Class Diversification was covered briefly. Portfolio shows good liquidity overall. 78% liquidity within 3 days if necessary, and entire portfolio can be maneuvered to liquidity within a 3 month span. • Brief discussions followed regarding debt capacity vs. investment liquidity, recent investment activity, backup options for lengthening our capital projects, next decision points, 2020 borrowing. <p>Chair Zoglin reminded attendees that the purpose of this joint committee meeting was to give the Investment and Finance Committees some context to each committee’s activities and perspectives. Mr. Zoglin reminded the Investment Committee to include a basic financial report in every meeting packet to provide context. Summary numbers from the quarterly Investment Committee should also be made available for inclusion in the Finance Committee meetings packets for context, as well.</p>	
<p>6. Adjournment</p>	<p>As there were no other topics of discussion, Chair Zoglin called for a motion to adjourn.</p> <p>Motion: To adjourn the 2016 Joint Meeting of the Investment and Financial Committees Movant: Davis Second: Conover Ayes: Boone, Conover, Chiu, Davis, Hobbs, Juelis, Kalbach, Zoglin Noes: None Abstentions: None Absent: Nelson, Cain Recused: None</p> <p>The meeting was adjourned at 6:23 p.m.</p>	<p><i>Motion approved unanimously</i></p>

Attest to the approval of the foregoing minutes by the IC and FC Committees:

 John Zoglin, Chairman
 ECH Investment Committee

 Dennis Chiu
 Chair, ECH Finance Committee