



Hi-Desert Memorial Health Care District dba
Morongo Basin Healthcare District
BOARD OF DIRECTORS REGULAR MEETING MINUTES
December 7, 2017 at 5:30 p.m.

6530 La Contenta Road, Suite 100, Yucca Valley CA 92284 | 760.820.9229

- **Mission Statement:** To improve the health and wellness of the communities we serve.
- **Vision:** A healthy Morongo Basin.
- **Core Values:** Commitment, Collaboration, Accountability, Dignity, Integrity.

Board of Directors:

- Director Doyle, President
- Director Armstrong, Vice President
- Director Sullivan, Secretary
- Director Hoffman, Treasurer
- Director Markel-Greenhouse

Guests:

- Jenna Hunt, The Desert Trail
- Scott Wartelle, CFO, HDMC
- Hannah Twinem, HDMC Marketing
- Susan Madavan, CHC Board
- Eric Knabe, Z107fm

Administrative Staff:

- Jackie Combs, CEO
- Karen Graley, Board Clerk
- P.K. White, Controller
- Joe Ruddon, Director Business Development
- Cindy Schmall, Director Operations
- Ron Stewart, Exec Director, CHC
- Ben Costello, Health Fair Committee
- Billie Flatter, Health Fair Committee
- Sheree Fansler, Health Fair Committee

CALL TO ORDER

Director Doyle called the meeting to order at 5:30 p.m.

ROLL CALL

Karen Graley, Board Clerk, conducted roll call. Directors Doyle, Armstrong, Hoffman, Sullivan and Greenhouse were present for a quorum.

OBSERVANCES

Director Armstrong read the mission, vision and core value statements.
Director Greenhouse led the assembly in the pledge to the American flag.

PUBLIC COMMENT

No public comment.

APPROVAL OF MEETING AGENDA

Motion 17-90: Director Armstrong motioned to approve the meeting agenda as presented; motion seconded by Director Sullivan; motion passed by unanimous vote.

APPROVAL OF CONSENT AGENDA

The Consent Agenda presented the following items for approval:

- Minutes: Regular Meeting of the Board of Directors, November 16, 2017
- Minutes: Special Meeting of the Board of Directors, November 30, 2017

Motion 17-91: Director Hoffman motioned to approve the consent agenda as presented; motion seconded by Director Armstrong; motion passed by unanimous vote.



RECOGNITION

Joe Ruddon introduced the members of the Morongo Basin Healthcare District Health Fair Committee to the Board of Directors. President, Marge Doyle thanked the committee members for their outstanding work on behalf of the community and the healthcare District. The committee has presented three Health & Community Resource Fairs that were well-received by the communities of Twentynine Palms and Yucca Valley.

PRESENTATION

HDMC HOLDINGS, LLC CAPITAL UPDATE – *Scott Wartelle, CFO, HDMC*

Mr. Wartelle gave a brief verbal update on the projects as specified in Schedule G of the agreement between HDMC Holding, LLC and the healthcare District. He explained that because he is waiting for quotes on several of the listed projects, he will return in January to present a more comprehensive overview. This evening he presented a brief status report on some of the projects.

- **Operating Room Air Handlers:** There was a change in project architects and the new architect is proposing to use a new vendor. The project is being managed by a Corporate design team who felt the proposed product was not appropriate for the roof. They determined another product would give a better fit. Currently, the project is in OSHPD review and then will go to bid.
- **Roofs at CCC and Acute Facility:** The project has been delayed until the air handlers are in place.
- **Parking Lot Repair:** Just under \$400,000 is allocated for the project, however, only one bid was received. The architect recommended review by an engineer; the project just recently was approved by OSHPD.
- **Seismic Remediation:** Previously the estimate presented was the typical cost for a hospital our size. However, that projection was grossly understated. The current estimate is \$5million and includes the underground water tank which is in the review phase. The initial assessment was done in 2015 but is being reviewed again and is expected to begin strapping throughout following the holidays.

Mr. Wartelle expects to present the full Schedule G report at the January 18 meeting of the Board of Directors.

Director Armstrong asked if there is anything behind schedule. Mr. Wartelle anticipates spending \$12 million this year related to Schedule G project; currently expenses stand at \$5-6 million. Projects delayed are the OR handlers, roof maintenance and parking lot repair. He expects to be back on track next year to fulfill the \$17 million commitment of the agreement. They are approximately \$4 million behind what was projected.

Director Hoffman asked about the improvements to the parking lot. Striping and angled parking at the CCC will help manage traffic flow and provide more parking spaces. Asphalt will be removed and replaced and some sections will be resealed for parking lots around the hospital and the CCC.



Director Sullivan requested that the January report be presented one week before presentation.

Director Doyle thanked Mr. Wartelle for presenting tonight. She proposed that we adhere to the semi-annual reporting schedule. Mr. Wartelle agreed that was a good idea.

ACTION

DONATION TO MARA'S CHRISTMAS WISH – *Jackie Combs, CEO*

Director Hoffman recused himself. Ms. Combs introduced the topic for discussion, noting that the proposed action is in line with the District's mission and strategic plan. The motion to donate to the project was made by Director Greenhouse and seconded by Director Sullivan to allow discussion of the action item.

Director Sullivan proposed to increase the amount from \$1,000 to \$2,500 "because the project aligns with the District's mission statement and because we have an ethical obligation to our community."

Director Armstrong raised concern about directing public funds to a private cause. Director Sullivan rebutted that the project is consistent with our mission and core values.

Director Doyle reviewed the mission statement and the core values list. "One of our strategic goals is to address food insecurities within the Morongo Basin, and I am not opposed to contributing these monies toward that end. It does fit within what we do."

Director Greenhouse noted, "I see hungry children every day working at the school district and this is a great opportunity to set an example to the community."

The discussion included that this action would set a precedence to making donations to non-profit organizations. Director Sullivan acknowledged that it may cause other organizations to come forward and we will review them as they are presented, but that should not disqualify this project at this time.

- *Motion 17-92:* Motion by Director Greenhouse to approve the Resolution #17-11 to donate District funds to the Mara's Christmas Wish project to benefit the community, second by Director Sullivan

A roll call vote was taken to approve the donation of \$2,500 to Mara's Christmas Wish project.

Director Armstrong voted no; Directors Doyle, Greenhouse and Sullivan voted yes; Director Hoffman was not present for the vote. The motion passed.

SAN BERNARDINO COUNTY COMMUNITY DEVELOPMENT BLOCK GRANT –

Joe Ruddon, Director Business Development

Mr. Ruddon presented the staff recommendation to approve Resolution #17-12. The block grant is for \$57,000 to support the LIFT program operations. The resolution allows Mr. Ruddon to manage the grant application and monies.

- *Motion 17-93:* Motion by Director Hoffman to approve the Resolution #17-12 to appoint Joe Ruddon as representative of the healthcare District and to manage the San Bernardino County Community Development Block Grant application and process; second by Director Armstrong.

A roll call vote was taken; Directors Armstrong, Doyle, Greenhouse, Hoffman and Sullivan voted yes; motion passed.

REPORTS

MORONGO BASIN HEALTHCARE DISTRICT UPDATE – Jackie Combs, CEO

Ms. Combs provided a verbal report to the Board of Directors.

- The new transportation vehicle has been received from MBTA and is being prepared for patient transport.
- Ms. Combs and Mr. Ruddon spoke with the local American Cancer Society manager who works with clinics. We are exploring how to present a comprehensive cancer screening and prevention campaign in our community.
- We continue to move forward with the new Diabetes management program. The pilot program will begin in January with a small group of patients and eventually be expanded to a broader audience.
- The Smoking Cessation seminar begins January 15; classes will be held at the district office.
- Linda Evans from JFK Medical Center was recently named Chief Strategy Officer for the three Tenet hospitals in our area. She will be attending our board meetings in the new year; Ms. Combs and Joe Ruddon will meet with her to look at mutual opportunities.
- ACHD Academy schedule: we recommend a board member and a staff member attend the Sacramento conference in February.
- Ms. Combs has started working on policies for transparency of district boards. She is looking at other healthcare district websites and attending a webinar next week on the topic.

DISTRICT FINANCIAL REPORT, OCTOBER 2017 – P.K. White, Controller

Ms. White presented the consolidated financial report for the month of August, 2017.

- Overview: The financial results for the month of October were above projections as the operating net surplus (EBITDA) was \$230,241 compared to a budget of \$143,352. The difference to budget was due to an increase in Health Center October patient revenues that were \$84,439 higher than had been projected.
- Revenue: Health Center patient revenues were above budget due to an increase in patient volume in October. Actual patient revenues were \$716,911 compared to a budgeted \$632,472. HRSA grant revenue was on budget. District and Transportation revenues were on target to budget.
- Expenses: Transportation expenses were 21% below budget. Health Center operating expenses were 7% below budget. District expenses were 22% below budget.
- Net Income: The consolidated net income for the month was a positive \$157,182. This reflects the deduction of depreciation and other non-operating expense of \$74,404 from the operating net surplus.
- Ms. White stated that the new Balance Sheet will be presented with December financials (first meeting in February) and will then be presented monthly thereafter.
- Jackie noted that in December the lease payment will be received from Tenet and she will seek board direction for those funds. All monies received from the lease have been maintained in long-term investments.
- Mr. Armstrong asked for the comprehensive LIFT program report showing all trips.



- *Motion 17-94:* Motion by Director Hoffman, second by Director Sullivan, to accept the financial report as presented. Motion passed.

CALENDAR REVIEW AND COORDINATION

The calendars for December, 2017 and January 2018 were reviewed and coordinated.

- Foundation was removed from the calendar for December; meeting will be rescheduled to next year.
- Special meeting December 12.
- Discussion about canceling the December 21 meeting. General consensus to cancel the meeting of December 21.

NEXT/FUTURE AGENDA ITEMS

- Election of Officers (Jan 4)
- Transportation report (Jan 18)
- HDMC Schedule G presentation (Jan 18)
- CEO contract negotiation

DIRECTOR COMMENTS

- Director Greenhouse: Director Greenhouse thanked the audience for being here. “It’s been a great year for the District.”
- Director Hoffman: None
- Director Armstrong: “I attended the CHC board meeting last week. What a significant change from the last meeting I attended. I saw a much better presentation and a professionalism of the board. The clinics are having a phenomenal number of patient no-shows (as high as 30%) which makes running any business difficult. He would like to see the District help CHC and the LIFT program in solving this problem.” Mr. Stewart noted that the new Electronic Health Record is a robust program that will help analyze data. He will be experimenting with ways to improve upon the issue. Mr. Armstrong stated, “I think we need to look at this board room and make changes for improved meetings.”
- Director Doyle: Thanked Mr. Wartelle for presenting his update tonight. She is pleased we’ve been able to insure funds for the Mara project. “Joe Ruddon, it’s almost every month you bring something to us to show the progress and effectiveness of the LIFT program.” Responding to Director Armstrong’s comments about the boardroom, she asked staff to research solutions, including microphones for the improvement of sound levels.

Director Doyle concluded the open session at 6:48 p.m. and announced a brief break before reconvening to closed session.

MEETING ADJOURNMENT TO CLOSED SESSION at 6:52 p.m.

- *Pursuant to Government Code section 32106 of the Health and Safety Code: Report involving Trade Secret. Estimated date of public disclosure is projected to February, 2018.*



RECONVENE TO OPEN SESSION at 8:00 p.m. to receive Closed Session report.

MEETING ADJOURNMENT at 8:05 p.m. Director Doyle directed staff to bring back to the Board of Directors any new information related to trade secrets discussed.

Board meeting minutes recorded by K. Graley.



Marge Doyle, President



Joseph Sullivan, Secretary