

Hi-Desert Memorial Health Care District dba
Morongo Basin Healthcare District
BOARD OF DIRECTORS REGULAR MEETING
MINUTES

August 27, 2015 at 6:00 p.m.

Convened at the District Offices

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

- *Mission Statement: Morongo Basin Healthcare District will provide superior service to improve the quality of life for people in the Morongo Basin.*
- *Vision: We are caring people providing extraordinary healthcare services.*
- *Core Values: Integrity, Superior Service, Stewardship, Innovation, Teamwork and Dignity.*

IN ATTENDANCE

Board of Directors:

- Director Cooper, President
- Director Avels, Vice President
- Director Sullivan, Treasurer
- Director Doyle, Secretary
- Director Hoffman, Member at Large

Administrative Staff:

- Jackie Combs, CEO
- Karen Graley, Board Clerk
- Craig Best, CFO

Media:

- None present

CALL TO ORDER

Director Cooper called the meeting to order at 6:02 p.m.

ROLL CALL

Karen Graley, Board Clerk, conducted roll call:

- Director Cooper: present
- Director Avels: present
- Director Sullivan: present
- Director Doyle: present
- Director Hoffman: present

OBSERVANCES

- Director Sullivan read the healthcare district's mission statement.
- Director Doyle read the healthcare district's vision statement.
- Director Avels read the healthcare district's core values statement
- Director Hoffman led the Pledge of Allegiance

PUBLIC COMMENTS

No public was present.



APPROVAL OF MEETING AGENDA

Motion 15-58: Director Doyle motioned to approve the meeting agenda as presented; motion was seconded by Director Avels; 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, August 11, 2015

Motion 15-59: Director Avels motioned to approve the consent agenda as presented; motion seconded by Director Sullivan; motion passed by unanimous vote.

BYLAWS WORKSHOP

The Board of Directors completed the review and edit of the document. The edited Bylaws will be presented for approval at the regular meeting of the board on September 9.

ACTION ITEM: Suspend standing committees

Motion 15-60: Motion by Director Sullivan to approve the temporary suspension of the three standing committees (finance, governance, and executive performance review) for six months (September through February) or until the Board of Directors take action to resume these standing committees; second by Director Avels; motion passed 4-1 with Director Hoffman voting against the motion.

CEO REPORT

Ms. Combs gave a verbal report.

- Human Resources:
 - Toni Stewart took a position at HDMC and will not be joining the MBHD team; Ms. Combs hired another individual to begin September 8.
 - Ms. Combs noted that in the long-standing tradition, the healthcare district will present \$25 grocery store gift certificates to staff for the Thanksgiving holiday. Director Hoffman stated he would seek donations of turkeys.
 - The AP payroll system must be maintained and accessible for seven years to process claims and verify employment; this service requires a financial outlay of \$25,000.
- Transportation: As previously reported, the LIFT transportation van was vandalized and the gas tank stolen; the van is now in the shop for repairs; we hope it is operational by the end of the week. With insurance coverage, cost to district is \$250.
- Properties: On Wednesday, August 9, the toilet overflowed at the clinic administrative offices; half of the building flooded; the water soaked through the wall into Dr. Gharghoury's office. A company has been hired to dry-out and restore the offices. The expense to the district is the insurance deductible of \$15,000.
- Professional Services: Ms. Combs met with Bob Tyk to discuss projects that require his expertise. The list includes: oversight of the legacy account to confirm operations with Conifer; oversight of the home care services agreement for billing and reimbursement; provide support to Mr. Best with the separation process; assist Adele Nafziger as needed for the annual audit of District finances. Mr. Tyk presented the requested list of District contracts. Director Sullivan requested that contract sunset dates be added to the list.



FINANCIAL REPORT

Transition Status: Mr. Best reported that the new financial system for the District is ready for operation and that accounts payable invoices are now being directed to him for processing rather than to the HDMC finance department. Ms. Combs announced the goal of September 1 for processing payables in-house.

HDMC is currently closing the month of July. Mr. Best expressed concern that he cannot substantiate the numbers provided by HDMC's finance department. There was discussion about the certification of the end balances for July 14, 2015. Director Hoffman asked about the reconciliation of receivables and payables; they have not been reconciled. It was requested that the auditors who are currently auditing FY2015 also provide certification of the final balances. Director Avels will request the District's auditors contact Director Hoffman to discuss certification of the final balances.

Budget FY16 – The budget presented by Mr. Tyk was reviewed.

- It includes three district employees under salary; a fourth will be added in September. Ms. Combs noted that the district and the clinics will share some positions, such as IT, which is not included in the budget.
- Revenue includes the lease payment from Tenet, Legacy accounts and tax revenue; total projected revenue is \$11 million.
- Purchase services: includes contracts with Bob Tyk, the vendor for core measures, Camden Group, DNO insurance. Legal services were not included.
- Director Hoffman inquired about the depreciation management; Mr. Best agreed with Director Hoffman that appreciation should be moved below the line.
- Director Doyle asked that a line item be included for employee reward and recognition.
- Director Hoffman suggested that anticipated grants be shown in revenue. Director Doyle requested that grants be reported in a clear and understandable format; Mr. Best said that there was grant-specific software available to provide for grant management and reporting.
- There was discussion about using a mid-year budget; the Directors agreed. Mr. Best recommended that he prepare a forecast for the remaining months and make adjustments as needed to keep the budget on target. Director Hoffman requested a balanced budget.

Investments

Ms. Combs prepared the report using closing balances provided on bank account statements for July 31. Ms. Combs reported that \$2.5 million has been moved into the investment fund since the close of the month. There was discussion about moving money from the low interest accounts to the higher interest accounts. There also was discussion about the "dietary account" and what it represented. Ms. Combs will do further inquiry about the dietary account and CEO access to the RBC account.

Other financial information: Ms. Combs stated she received the bill for the hospital's operational license for \$64,000; CDPH gave Tenet permission to occupy the hospital building but the license is not finalized by CDPH. The District is responsible to keep the license current. Depending upon the ability of CDPH to provide the license to Tenet, the District may have to pay the invoice. Tenet will reimburse the District for the hospital and home health/hospice licenses.

ACTION ITEM: Resolution #15-09

- *Resolution #15-09 authorizes the Chief Executive Officer to execute documents relating to the transactions contemplated by the purchase agreement or lease with HDMC Holdings, L.L.C. and other related documents.*

Motion 15-61: Director Hoffman motioned to approve Resolution #15-09 as presented; motion was seconded by Director Doyle. Motion passed unanimously by rollcall vote.

STRATEGIC PLAN

Ms. Combs presented a draft agenda for the vision workshop scheduled for September 14, and the Camden Group's definition of the mission and vision statements. Feedback was received from the Directors; Director Hoffman requested that Camden include a review of core values.

CALENDAR REVIEW AND COODINATION

The calendar for the Board of Directors was reviewed and coordinated:

- September 9: Board of Directors regular meeting, 6p
- September 14: Strategic Plan Workshop: vision statement, 1-4p
- September 23: Foundation's Martie Avels' Nursing Scholarship fundraising event; 35 tickets have been sold and another 70 invitations are being mailed.
- September 22: Board of Directors regular meeting, 6p

NEXT AGENDA

- Korina Cole to report about the Redevelopment Oversight Committee for the City of Twentynine Palms

CLOSED SESSION

The Directors moved to closed session at 8:42 p.m.

- *Conference with Labor Negotiators – Section 54927.6*
Agency designated representative: Director Doyle; Employee: Jackie Combs, CEO

RECONVENE TO OPEN SESSION

The Directors reconvened to open session at 8:54 p.m.


MEETING ADJOURNMENT

Director Cooper adjourned the meeting at 8:55 p.m.

Board meeting minutes recorded by K. Graley, Board Clerk.



Patricia Cooper, President



Marge Doyle, Secretary