

Hi-Desert Memorial Health Care District dba
Morongo Basin Healthcare District
BOARD OF DIRECTORS REGULAR MEETING MINUTES
April 6, 2023 at 6:55 p.m.

Convened on the La Contenta campus; the public was invited to attend the meeting on campus or via Microsoft Teams, an electronic, remote-site platform.

- **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 Cooper
- Director Evans
- Director Markle-Greenhouse
- Director Savitt
- Director Stiemsma

Administrative Staff:

- Cindy Schmall, CEO (*remote*)
- Karen Graley, Board Clerk (*remote*)
- Joe Ruddon, Chief Office Community Programs
- Tina Huff, Director Clinical Care
- Tele Thornett, Administrative Assistant

CALL TO ORDER

Director Greenhouse called the meeting to order at 6:58 p.m. The meeting was convened on the La Contenta campus and by electronic platform using Microsoft Teams.

ROLL CALL

Karen Graley, Board Clerk, conducted roll call and declared a quorum.

OBSERVANCES

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

PUBLIC COMMENT

No public comments were presented.

APPROVAL OF MEETING AGENDA

Motion 23-18: Director Cooper motioned to approve the meeting agenda as presented; motion was seconded by Director Stiemsma the motion passed by unanimous vote.

APPROVAL OF THE CONSENT AGENDA

Motion 23-19: Director Savitt motioned to approve the Consent Agenda as presented; motion was seconded by Director Evans; motion passed by unanimous vote.

- Minutes: Regular Meeting of the Board of Directors, March 2, 2023.
- Minutes: Public Hearing of the Board of Directors, March 2, 2023.

ACTION ITEMS

APPROVE POLICIES

Cindy Schmall presented three human resource policies for approval.

➤ HR-240 Recruitment and Retention

Ms. Schmall noted that the practice of bringing all human resource policies to the board is an antiquated practice leftover from hospital days. According to legal counsel, what will be brought to this board are those policies that might impact the District from a financial or legal



perspective. Policies dealing with day-to-day operations of the District will not be presented to the board.

Regarding this policy for recruitment and retention, Ms. Schmall worked on the policy to update it for better representation of what our practice is. HR is strictly monitored and managed by state and federal law. Salaries must be fair market value (based on local market, like-entities by size and financial status, salary surveys, provider surveys administered by the legal team). There is no mention of incentives and bonuses in the old policy. We have added language for that. Retention bonuses are now common practice in the industry. The employee trend is to stay with an entity for only three years. The retention bonus is to encourage long-term employment. For the District, not all positions require a bonus to hire, so the policy allows for that flexibility.

Staff focus has been on employee engagement and retention measures such as healthy work/life balance. We added recommendations for gym membership, yoga classes, etc. Currently, 30 employees have indicated interest in a gym membership sponsored by the District. With approval of this policy, we can move forward to implement paid-for employee gym memberships (estimated at \$8,000 per year). The policy provides opportunities for employee engagement. Director Evans suggested a reimbursement program for a budgeted category of options so that alternate options are available to employees.

➤ IM-200 Confidentiality

This policy addresses confidentiality within the organization and needed to be updated for HIPPA compliance; it has been edited to include vendors and contractors.

- **Motion 23-20:** Director Evans motioned to approve policies HR-240 and IM-200, second by Director Savitt; motion passed by unanimous vote.

HDMC HOLDINGS, LLC

Cindy Schmall introduced the action item by referencing the letter from Hi-Desert Medical Center in the agenda packet. The letter requests approval from Hi-Desert Memorial Health Care District as property landlord, to install four electric vehicle charging station on the medical center campus as a capital improvement to comply with ADA requirements. Director Stiemsma recused herself from the discussion and vote. Director Evans noted that the installation is funded by HDMC and does not change the lease agreement.

- **Motion 23-21:** Director Evans motioned to approve the request from HDMC Holdings, LLC, to install four electric vehicle charging stations on the medical center campus, second by Director Savitt; motion passed with four votes and one abstain.

REPORTS

ACHD QUARTERLY REPORT

Directors Greenhouse and Evans provided information about the ACHD Annual Conference on September 13-15, 2023. Cindy Schmall took a survey of board members as to who plans to attend the conference. Because it is scheduled in North Tahoe, travel arrangements and early bird registration will be coordinated through her office. There was enthusiastic discussion by those who have attended past conferences with great encouragement to new board members to make every effort to attend.

Cindy Schmall shared the ACHD newsletter for board information.



Nominations for ACHD District of the Year: Ms. Schmall stated that Joe Ruddon and Karen Graley are already working on the application to submit the District as a consideration for the award.

There was discussion about the California law updating seismic standards for hospitals. Tenet engineers for the medical center are confident that the medical center infrastructure is compliant with the new standards.

OUTREACH AND MARKETING REPORT – *Joe Ruddon, Director Business Development*
Cindy Schmall announced that Joe Ruddon’s title was updated to Chief Community Program Officer (CCPO).

Mr. Ruddon provided a PowerPoint presentation as his report to the board. The presentation covered marketing campaigns, new collateral materials, and campaign outcome statistics. Director Evans commented that the outreach and marketing materials presented are inclusive and engaging.

FINANCIAL REPORT – *Debbie Anderson, CFO*

Ms. Anderson reported that the consolidated financials for the month of February show income of \$98,725 and year to date income of \$896,842. Clinic financials show income of \$48,504 and year to date income of \$696,690.

She reported that FY21-22 audited financial statements have been completed and GASB 87 has been implemented. To recap those changes:

- Previously an operating lease (where you acquire and/or grant an asset for some period of time, but don’t purchase or sell the asset) is now listed on the Statement of Net Position with new categories on the Statement of Net Position for the Tenet lease property: lease receivable, accrued interest income and a corresponding deferred inflow of resources.
- The Statement of Revenues & Expenses report shows both lease income and interest income.
- On the Statement of Net Position, additional capital assets, called right to use assets, and corresponding liabilities, long term debt are included.
- On the Statement of Revenues & Expenses, we now have additional amortization as well as interest expense.

Due to the above listed changes, the Actual to Budget comparisons do not read in the same manner as they have in past, and the budget to actual comparisons will be off for the remainder of the year. The auditors will present the financial statements in June.

Also, a review of investments was performed with our investment advisers. As is known to the board, investment earnings have been down this year; from a performance standpoint, the accounts were down 4.52% in 2022. However, for comparison, the Bloomberg Bond Aggregate was down 13.01% and the Vanguard Intermediate Bond Index was down 13.89%.

In light of recent bank failures, we have analyzed available cash in our local bank accounts and moved excess cash to the investment accounts. Mr. McCarthy, RBC investment advisor, made recommendations concerning the RBC US Government Money Market Institutional Fund TIMXX account which was at about ten million after the transfers from the main checking accounts. Since bond yields are significantly higher than they have been in previous years, we moved six million



into the higher yielding bonds with staggered maturity dates, with two million maturing in six months, two million maturing in a year, and two million maturing in 2-3 years.

Of note in the Non-Clinic financials, a payback to DHCS is shown that is related to hospital operation for FY14-15 DHCS SNF payback. We paid FY12-13 last year, and at the time of our inquiry, we were told there was no FY13-14, but there was a FY14-15. As of February, the amount has been paid. We do not expect additional paybacks related to hospital operations.

Ms. Anderson presented a copy of the audited financial report, summary and letter from the auditing firm to the board Treasurer, Director Savitt.

- **Motion 23-22:** Director Savitt motioned to accept the financial reports as presented, second by Director Stiemsma; motion passed by unanimous vote.

CALENDAR REVIEW AND COORDINATION


- The Board retreat scheduled for April was canceled; there was discussion and consensus to reschedule the retreat for Saturday, June 10.

DIRECTOR COMMENTS

DIRECTOR GREENHOUSE: Thanked all for their contribution, knowledge and hard work for tonight's meeting. She also thanked Mr. Ruddon for his informative presentation.

ADJOURN MEETING

The meeting was adjourned at 8:12 p.m.



Heidi Stiemsma, Secretary

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