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**Regular Meeting of the Board of Directors**

**Wednesday, January 27, 2016**

**7:30-10:30a.m.**

**Mark Twain Medical Center Classroom 2**

**San Andreas, CA**

**Approved Minutes**

Mark Twain Health Care District Mission Statement

**“Through community collaboration, we serve as the stewards of a community health system that ensures our residents have the dignity of access to care that provides high quality, professional and compassionate health care”.**

**1.** **Call to order:**

The meeting was called to order by President Oliver at 7:31am. The President then called for the Pledge of allegiance.

**2.** **Roll Call:**

Present for roll call was Peter Oliver, MD; Lin Reed, MBA OTR/L; Ken McInturf, Ann Radford, FNP and Randy Smart, MD.

**3.** **Approval of Agenda:** Action

Mr. McInturf moved to accept the agenda. Dr. Smart provided the second and it passed 5-0. Dr. Smart requested 2 minutes time later on the agenda to do update on Telehealth.

**4.** **Public Comment on matters not listed on the Agenda:** (5 min.)

George Fry mentioned his appreciation for Dr. Oliver and Dr. Smart as it is Doctors Appreciation week.

**5.**  **Consent Agenda:** Action

Dr. Smart requested items A. and B. be extracted from the Consent Agenda for further review. Ms. Reed moved to accept the rest of the Consent Agenda. It passed 5-0 after Dr. Smart provided the second.

1. **Un-Approved Minutes of Dec. 2, 2015**

Dr. Smart requested the spelling be corrected for Larry Philipp. Mr. McInturf moved to accept the Dec. 2, 2015 minutes as amended. Ms. Reed seconded the motion and it passed 5-0.

B. **Approval of Nov. 2015 Financial Statements**

Dr. Smart requested the breakdown of a $3,469 miscellaneous expense. Dr. Smart also noted that the Telehealth budget is annual but paid monthly. Dr. Smart moved to accept the financials with the understanding staff will get an answer to his question. The motion was seconded by Ms. Radford and it passed 5-0.

**C. Correspondence**:

* Vicky Reinke’s Letter on the Resignation of Craig Marks, CEO (12-28-2015)
* Mark Twain Medical Center Foundation: Thank you for Donation (1-6-2016)
* Thank you letter from Smart Family for donation in memory of Colleen Smart to the MTMC Foundation (1-19-2016)

**6.** **New Business:**

**A. Audited Financial 2014-15: Rick Jackson of JWT & Assoc, LLP: Action**

Mr. Doss introduced Rick Jackson who indicated there wasn’t a lot of change in the 2014-2015 year as presented in his report (report pg.7 & 8) (pkt. pg. 28 and 29).

Because the District is going out for financing it is required to adhere to new Government Accounting Standards Board rules (GASB) (report pg. 10) (pkt. pg. 31) wherein the financing of the USDA loan and consulting costs cannot be part of the construction in progress.

Mr. Jackson made reference to Note “E” (report pg. 14) (pkt. pg. 35) highlighting the agreement between MTMC (Corp) and MTHCD in the event of a dissolution. The unique agreement details how the remaining amount would be distributed. Dr. Smart added these funds exist in the portfolio but cannot be spent or leveraged.

Dr. Smart moved to accept the report, seconded by Ms. Reed. It passed 5-0.

**B. Investment Portfolio Update: Evan Hershey (Handout): Action**

Mr. Doss introduced Mr. Hershey as the manager of the MTHCD portfolio of investments.

Mr. Hershey described which investments are allowable for Districts to invest in, explained why we cannot buy stocks and CD’s don’t earn much growth. Several investments matured (approx. $800,000.00) and are in a money market fund. Mr. Hershey suggested if CD’s are considered step one on the risk ladder that the District could consider to advance to the next step.

The Board moved to accept the report 5-0 with Ms. Reed and Mr. McInturf offering the motion and second respectfully. The Board also entertained the motion from Dr. Smart, seconded by Mr. McInturf to hold back $300,000.00 in contingency and to advance to step 2 in investment risk in the amount of $500,000.00. Motion passed 5-0.

Dr. Smart questioned if the District paid for Mr. Hershey’s services and if so how much? Mr. Hershey receives $227.50 yearly. The Board echoed the value of Mr. Hershey’s services to the District.

**7.** **Unfinished Business:**

**A. ACHD Certification Process Update**:

Ms. Reed reported she had just returned from the ACHD Leadership Academy which was excellent. She also encouraged fellow Board members to attend Legislative Days April 4-5 where key bills such as design build will be considered. In addition the ACHD Annual meeting will be held May 3-5 in Monterey.

Ken Cohen has been in the hospital so hasn’t had the opportunity to review our application for ACHD certification along with 6 other Districts. Dr. Oliver reminded the Board of all the steps the Board and staff had to take to be eligible for certification. It will be nice to see MTHCD added to the list of those who have achieved certification status.

**B. Hospice Respite Update:**

Mr. Doss reported a contract was sent to Hospice of Sierra and it was forwarded to their legal department for review. The hope is to expand hospice services to more Calaveras residents by supporting Hospice of Amador and Calaveras and adding Hospice of Sierra.

**8. MTHCD Reports:**

A. ACHD Dec. Update: (See 7. A. above)

B. **Executive Director Report**:

* **CPPA Update:**

Mr. Doss mentioned the CPPA report (pkt. pages 44 & 45) and the benefits of belonging to a Joint Powers Association (JPA) such as CPPA.

CPPA allows the District to receive sizable electric savings (approx. $400,000.00 for 2014-15) that can be passed on to its facilities. Pat Van Lieshout, Project Manager, for the VS Project will be working with CPPA in hopes of having similar savings for the VS Medical Clinic. He will also be researching the solar possibilities for that project.

* **Golden Health Awards:**

Mr. Doss gave an update of the progress for the GHA event to be held on Feb. 6th at Ironstone. Five Calaveras County non-profit organizations will be honored with each receiving $5,000.00. Of those five organizations a winner will be selected and will receive another $5,000.00. It is a nice evening to get dressed up and to showcase the many services they provide to the community. In addition to the non-profits Dr. Rodger Orman, Larry Cornish and Alison Epperly, MA will be honored.

**C. Presidents Report**:

Dr. Oliver expressed the last month and a half has been challenging in dealing with changes in leadership and lease issues. Dr. Oliver added his appreciation for his fellow Board members and for their assistance in working on the committees.

**D. MTMC Corp. Board**:

Ms. Reed reported that Dignity is looking for a new CEO meanwhile Larry Philipp has returned as interim CEO.

Mr. McInturf added that Larry Cornish’s replacement, Ed Gonzales, will be working with Pat Van Lieshout on the construction aspect of the project.

The CORP Board has been working toward having on-site Human Resources personal and now has 2FTE’s available for staff to interact with.

Larry Philipp, Interim CEO, added that the CORP Board meeting included acknowledging Ken McInturf’s birthday.

* **CEO Report: None**

**9. Committee Reports:**

**A. Lease Review Committee**

* Dr. Oliver in reference to the Lease Review Committee would like to see a transition to active negotiates relative to the next lease

**B. Ad Hoc Real Estate**:

* **Valley Springs Project Update:**

Mr. Doss, using the VS project display boards, outlined the layout of phase I and phase II. Phase I is the proposed 18,000 sq. ft. medical center, parking and some landscaping. Phase II will include areas for future projects yet to be determined.

* **Project Manager Contract with Facility Management Group**

Mr. Doss introduced Pat Van Lieshout as the contracted Project Manager for the VS Medical Center Project who has already been attending meetings and working with the County Departments.

Dr. Smart welcomed Mr. Van Lieshout and knowing there is a process that has to be followed with getting the USDA loan, Calaveras County Planning Commission, etc. he asked when it might be possible to see visible activity?

Mr. Van Lieshout passed out Planning Process timelines for review. The Planning Commission meets twice a month and he is hopeful the VS project will be on the mid-March Planning Commission agenda. Dr. Smart requested ample lead time so Board Members could attend. Considering the current weather we are having and the necessary requirements he sees a hopeful completion date of summer 2017.

* **Proposed Sale of Angels Camp Property on Stanislaus Ave:**

**(APN 058-024-016-000)**

Ms. Reed reported about action taken at the Jan. 26, 2016 CORP Board meeting wherein it was approved to purchase the Stanislaus property in Angel Camp from MTHCD pending MTHCD attorney, Mike Dean, and the CORP Board attorney completing the language of the purchase.

**B. Assessment of Independent Operation**:

Mr. Doss stated the District owns the hospital but does not run it however many districts do run their hospitals. Given the current possible opportunity the Board wanted information on running an independent hospital. Mr. Doss introduced Carl Gerlach who is in his 25th year of specializing in health care administration with primary focus on health care finance. Mr. Gerlach gave his presentation of Assessment of Independent Operation (pkt. pg.60-80) pointing at the effects of the “rural dilemma”, assets, district capabilities, critical access hospital and non-profit board with consideration for existing: policies, procedures, systems, participation in larger clinical network, and cash reserves. (see board pkt)

**10. Board Comment and Request for Future Agenda Items:**

Dr. Smart reported on the Telehealth sponsored program that serves some 180 out- patients. The key provider is out on disability leaving patients in limbo. Dr. Smart is working with Dr. Allen to replace the nurse. Ms. Reed added its bad timing as this is the season that many patients have severe pulmonary conditions.

President Oliver asked for public comment and hearing none announced the Board would be moving into Closed Session and would report out after the closed session.

**11. Closed Session:**

Conference with Real Property Negotiators (Govt. Code section 54956.8). Property: Mark Twain Medical Center, 768 Mt. Ranch Road, San Andreas, CA. Agency negotiators: Daymon Doss, Lin Reed and Peter Oliver. Negotiating parties: Mark Twain Medical Center, Inc.; Dignity Health, Inc. Under negotiations: Price and Terms of Lease.

**12. Reconvene to Open Session:**

A. Report of Action taken. There was no reportable action.

**13.** **Next Meeting:**

* Wednesday, February 17, 2016

**14**. **Adjournment:**

Mr. McInturf moved to adjourn the meeting. Dr. Smart delivered the second to the motion. Dr. Oliver left during Closed Session. The vote was 4-0 to adjourn the meeting at 11:36am.

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Lin Reed, President