



**NOTICE AND AGENDA  
PALM DRIVE HEALTH CARE DISTRICT**

**FINANCE COMMITTEE  
Regular Meeting**

**Closed Session 1:30 p.m.**

**Open Session Immediately Following**

**April 17, 2017**

Sonoma West Medical Center  
Conference Room  
501 Petaluma Avenue  
Sebastopol, CA 95472  
(707) 823-3586

**Our Vision:** Through engagement with our diverse West County population the district will promote improved health and well being.

**Our Mission:** Palm Drive Health Care District exists to deliver access to quality and compassionate health services responsive to the needs of our District.

**Our Values:** Integrity- Leadership – Caring - Perseverance

**PLEASE TURN YOUR CELL PHONES OFF**

**CALL TO ORDER**

**ROLL CALL**

**APPROVAL OF AGENDA**

**PUBLIC COMMENTS**

*If you wish to speak to a matter not on the agenda, please make your comments at this time.  
Please limit your comments to 3 minutes.*

**ANNOUNCEMENT OF CLOSED SESSION ITEMS AND ADJOURNMENT TO CLOSED SESSION**

1. Conference with Legal Counsel—Existing Litigation pursuant to Government Code Section 54956.9(a); Name of case: Bankruptcy.

**RECONVENE OPEN SESSION AND REPORT ON CLOSED SESSION**

**CONSENT CALENDAR**

- Approval of the Finance Committee Special Open Session Minutes of April 4, 2017 (Action)(G.Thomas)

**DISCUSSION AND ACTION ITEMS**

1. Discussion – Parcel Tax Revisions and Updates to Consultant’s Determinations. (Action)(G. Thomas/A. Brogan)
2. March Financials (Action)(G.Thomas)
3. SWMC Update on Laboratory Line of Service and Potential of Service. (Discussion)(G.Thomas)

**ADJOURNMENT**

Palm Drive Health Care District
<p>Members of the public have the right to speak on any item on the published agenda. If you wish to speak at a regular meeting about a matter not on the published agenda, please make your comments during the portion of the meeting designated for <u>Public Comments</u>. Please limit your remarks to three minutes. Please note that, with some exceptions, the District Board does not engage in discussion or take action on non-agenized matters. However, the board may respond briefly to public comments, refer matters to staff, ask questions for clarification, or schedule matters for future agenda. Materials related to open session items on this agenda that are submitted to the Board or committee after distribution of the agenda packet are available for public inspection during normal business hours at 612 Petaluma Avenue, Sebastopol, CA.</p> <p><b>Consent Items:</b> The Board agenda may include items on a consent calendar. Consent calendar items are routine matters or matters which have been reviewed by the board previously. These items may be approved by one motion without discussion unless a board member requests that the item be taken off the consent calendar. Items removed from the consent calendar will be taken up upon completion of action on the remainder of the items on the consent calendar.</p> <p><b>American Disability Act (ADA)</b> The Sonoma West Medical Center complies with ADA (American Disabilities Act) requirements and upon request, will attempt to reasonably accommodate individuals with disabilities by making meeting material available in appropriate alternative formats (pursuant to Government Code Section 54953.2). Anyone requiring reasonable accommodation to participate in the meeting should contact Gail Dietz, Administrative Assistant at (707) 823-3586.</p>

**PALM DRIVE HEALTH CARE DISTRICT FINANCE COMMITTEE**

**Minutes**

**Purpose:** Palm Drive Health Care District Special Open Session Finance Committee Meeting  
**Date/Time:** April 04, 2017 10:00 a.m.  
**Location:** Sonoma West Medical Center  
Conference Room  
501 Petaluma Avenue  
Sebastopol, CA 95472

**CALL TO ORDER: Director Thomas, Treasurer, 10:30 a.m.**

**ROLL CALL**

<b>Gail Thomas, PDHCD Board Treasurer</b>	<b>Present</b>
<b>Jim Horn, PDHCD Board Member</b>	<b>Present</b>
<b>Stewart Goldberg, Consultant</b>	<b>Present via teleconference</b>
<b>Jim Maresca, Consultant</b>	<b>Present via teleconference</b>

**Administrative Staff/Others Present**  
**Alanna Brogan, PDHCD Executive Director**  
**William Arnone, Legal Counsel**  
**Jerrall Tucker, JWT & Associates**

**APPROVAL OF THE AGENDA**

Director Horn moved to approve the agenda, which was seconded by Director Thomas.

**PUBLIC COMMENTS**

No public comments at this time.

**APPROVAL OF THE AGENDA**

Finance Committee Special Open Session Minutes of March 24, 2017, approved.

Finance Committee Special Open Session Minutes of March 27, 2017, approved.

**DISCUSSION/ACTION ITEMS**

**1. Presentation on Revised Audit by JWT & Associates, LLP**

Mr. William Arnone apologized for not getting the audit revisions out to the Board until yesterday as he was consolidating comments submitted from four people while incorporating his recommendations. He reviewed the changes that were made to the revised draft, indicating the vast majority of these were phraseology, substituting "District" for "Combined Entities" throughout the document.

Discussions ensued during the review of revised draft items and further recommendations were made. Mr. Tucker agreed to review all numbers provided in the audit for accuracy, include additional edits, and have the draft audit completed and submitted to the Board by later today.

Gail Thomas will provide the past two Foundation audits to Mr. Tucker, for review, per request.

**2. Discussion and Potential Action Related to Next Steps in the Audit Process.**

- Changes that need to be made to the audit. Mr. Tucker agreed to review all numbers provided in the audit for accuracy, incorporate recommended changes, and send out the final draft version to the Board by later today.
- Reporting to the full Board. The final version of the revised draft audit will be presented to the full Board of Directors for approval during the Special Board meeting scheduled for tomorrow night, (April 5). If it is accepted, the audit will then be considered a final version.

Discussion ended regarding the option of including a “Modified Opinion” or not. At this time, there is no recommendation to the Board of Directors from the committee regarding the Modified Opinion. Director Horn would like to include the Modified Opinion while Director Thomas, Alanna Brogan, Stewart Goldberg, Jim Maresca and William Arnone prefer *not* to include the Modified Opinion.

**ADJOURNMENT**

There being no further business the meeting was adjourned at 11:56 a.m.

Respectfully Submitted  
Gail Dietz  
Administrative Assistant  
Palm Drive Health Care District

**Palm Drive Healthcare District**  
**Balance Sheet**  
 As of March 31, 2017

	Mar 31, 17	Feb 28, 17	\$ Change
<b>ASSETS</b>			
<b>Current Assets</b>			
<b>Checking/Savings</b>			
<b>Cash</b>			
1000-00 · Exchange Bank 4276	470,545.21	550,669.07	-80,123.86
1001-00 · Exchange Bank 9508	3,080.45	3,192.46	-112.01
1004 · Petty Cash-Bus Office	0.00	100.00	-100.00
<b>Total Cash</b>	<b>473,625.66</b>	<b>553,961.53</b>	<b>-80,335.87</b>
<b>Restricted Cash</b>			
1009-12 · WF 8805 2010 Secured	3,195.81	3,195.81	0.00
1009-23 · WF 8300 2005 Bond	1,644,663.92	1,644,191.83	472.09
1009-50 · WF 8801 2010 Reserve	981,684.20	981,684.20	0.00
1900 · GO Bond Reserve SCAO (Non Cash)	697,592.97	697,592.97	0.00
<b>Total Restricted Cash</b>	<b>3,327,136.90</b>	<b>3,326,664.81</b>	<b>472.09</b>
<b>Total Checking/Savings</b>	<b>3,800,762.56</b>	<b>3,880,626.34</b>	<b>-79,863.78</b>
<b>Other Current Assets</b>			
1061 · Due from SWMC	3,320.50	3,320.50	0.00
1062 · Property Tax Receivable	14,055.62	-20,944.38	35,000.00
1069-01 · Parcel Tax Receivable.	657,103.67	352,928.67	304,175.00
1107 · Prepaid Deposits	6,751.69	9,002.31	-2,250.62
<b>Total Other Current Assets</b>	<b>681,231.48</b>	<b>344,307.10</b>	<b>336,924.38</b>
<b>Total Current Assets</b>	<b>4,481,994.04</b>	<b>4,224,933.44</b>	<b>257,060.60</b>
<b>Fixed Assets</b>			
<b>Property Plant &amp; Equipment</b>			
1265 · CIP-NPC2 Work	604,073.29	604,073.29	0.00
1245 · Leased Assets Farnam	2,237,901.03	2,237,901.03	0.00
1241 · Major Moveable Equipment	7,846,172.84	7,846,172.84	0.00
1221 · Hospital Buildings	3,830,747.69	3,830,747.69	0.00
1230 · Leasehold Improvements	734,627.28	734,627.28	0.00
1201 · Land	5,876,900.00	5,876,900.00	0.00
1210 · Land Improvements	34,492.65	34,492.65	0.00
1285-00 · Accum Dep Farnam Leased Assets	-2,351,363.20	-2,307,988.20	-43,375.00
1275-00 · Accum Dep Fixed Equip	-8,151,749.96	-8,085,663.96	-66,086.00
1271-00 · Accum Dep Hosp Bldg	-2,362,536.32	-2,344,438.32	-18,098.00
1260-00 · Accum Dep Land Impr	-34,493.18	-34,493.18	0.00
<b>Total Property Plant &amp; Equipment</b>	<b>8,264,772.12</b>	<b>8,392,331.12</b>	<b>-127,559.00</b>
<b>Total Fixed Assets</b>	<b>8,264,772.12</b>	<b>8,392,331.12</b>	<b>-127,559.00</b>
<b>TOTAL ASSETS</b>	<b>12,746,766.16</b>	<b>12,617,264.56</b>	<b>129,501.60</b>

**Palm Drive Healthcare District**  
**Balance Sheet**  
 As of March 31, 2017

	Mar 31, 17	Feb 28, 17	\$ Change
<b>LIABILITIES &amp; EQUITY</b>			
<b>Liabilities</b>			
<b>Current Liabilities</b>			
<b>Accounts Payable</b>			
2020 · Post Petition AP	31,558.94	35,402.71	-3,843.77
<b>2020-99 · Pre-Petition Liabilities</b>			
2021-00 · Pre Petition Trade Payables	6,762,791.05	6,762,791.05	0.00
2029-99 · Escheatment Refunds	140,273.08	140,273.08	0.00
2030-00 · Wages & Benefits	1,299,276.33	1,299,276.33	0.00
2020-99 · Pre-Petition Liabilities - Other	91,261.00	91,261.00	0.00
<b>Total 2020-99 · Pre-Petition Liabilities</b>	<b>8,293,601.46</b>	<b>8,293,601.46</b>	<b>0.00</b>
<b>Total Accounts Payable</b>	<b>8,325,160.40</b>	<b>8,329,004.17</b>	<b>-3,843.77</b>
<b>Other Current Liabilities</b>			
2040 · SWMC AR Held	3,811.68	3,773.81	37.87
2014-10 · Accrued Bond Interest Pay	672,953.70	564,953.70	108,000.00
2063-10 · Cost Report Liability Medicare	280,209.82	285,431.33	-5,221.51
2064 · Unearned Revenue - GO Bond	697,592.97	697,592.97	0.00
<b>Total Other Current Liabilities</b>	<b>1,654,568.17</b>	<b>1,551,751.81</b>	<b>102,816.36</b>
<b>Total Current Liabilities</b>	<b>9,979,728.57</b>	<b>9,880,755.98</b>	<b>98,972.59</b>
<b>Long Term Liabilities</b>			
<b>2270-00 · Bonds Payable</b>			
2255-00 · 2000 Go Bonds Payable (BYM)	4,150,000.00	4,150,000.00	0.00
2274-01 · 2005 Revenue Bonds Payable	6,670,000.00	6,670,000.00	0.00
2274-02 · 2010 Bonds Payable	9,795,000.00	9,795,000.00	0.00
<b>Total 2270-00 · Bonds Payable</b>	<b>20,615,000.00</b>	<b>20,615,000.00</b>	<b>0.00</b>
<b>2271-99 · Leases Payable</b>			
2271-00 · Notes & Loan Pay Non curr	31,267.00	31,267.00	0.00
2271-02 · Note Payable GE C Arm	57,385.65	57,385.65	0.00
2271-05 · Lease payable Farnam	1,750,106.59	1,750,106.59	0.00
<b>Total 2271-99 · Leases Payable</b>	<b>1,838,759.24</b>	<b>1,838,759.24</b>	<b>0.00</b>
<b>Total Long Term Liabilities</b>	<b>22,453,759.24</b>	<b>22,453,759.24</b>	<b>0.00</b>
<b>Total Liabilities</b>	<b>32,433,487.81</b>	<b>32,334,515.22</b>	<b>98,972.59</b>
<b>Equity</b>			
Restricted Fund Balance	2,988,108.00	2,988,108.00	0.00
Unrestricted Fund Balance	-21,044,791.74	-21,044,791.74	0.00
32000 · Retained Earnings	-684,738.46	-684,738.46	0.00
Net Income	-945,299.45	-975,828.46	30,529.01
<b>Total Equity</b>	<b>-19,686,721.65</b>	<b>-19,717,250.66</b>	<b>30,529.01</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>12,746,766.16</b>	<b>12,617,264.56</b>	<b>129,501.60</b>

**Palm Drive Healthcare District**  
**Profit & Loss Budget vs. Actual Reporting Month**  
 March 2017

	<u>Mar 17</u>	<u>Budget</u>	<u>\$ Over Budget</u>
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
<b>4000 - Revenue</b>			
Parcel Tax Revenue CY	304,175.00	250,000.00	54,175.00
Property Tax Revenue CY	35,000.00	35,000.00	0.00
Misc Revenue	11,897.33	0.00	11,897.33
Interest Income	472.09	0.00	472.09
<b>Total 4000 - Revenue</b>	<u>351,544.42</u>	<u>285,000.00</u>	<u>66,544.42</u>
<b>Total Income</b>	<u>351,544.42</u>	<u>285,000.00</u>	<u>66,544.42</u>
<b>Gross Profit</b>	351,544.42	285,000.00	66,544.42
<b>Expense</b>			
<b>Operating Expenses</b>			
<b>Staff Expenses</b>			
Salaries & Wages	14,901.00	17,000.00	-2,099.00
Payroll Tax Expense	2,670.60	1,700.00	970.60
Employee Benefits	331.00	850.00	-519.00
Worker's Compensation	0.00	425.00	-425.00
Payroll Processing	0.00	4.00	-4.00
<b>Total Staff Expenses</b>	<u>17,902.60</u>	<u>19,979.00</u>	<u>-2,076.40</u>
<b>Professional Services</b>			
Bookkeeping	2,373.42	2,000.00	373.42
Legal Fees	19,118.26	10,000.00	9,118.26
Professional Fees Other	14,644.95	2,000.00	12,644.95
<b>Total Professional Services</b>	<u>36,136.63</u>	<u>14,000.00</u>	<u>22,136.63</u>
<b>Office Expenses (H)</b>			
Bank Charges	149.88	0.00	149.88
IT / Computer Expense	450.36	200.00	250.36
Licenses and Fees	-25.00	250.00	-275.00
Merchant Fees	220.92	300.00	-79.08
Storage	889.00	300.00	589.00
Supplies	595.18	250.00	345.18
Utilities (Tel/PGE)	271.65	250.00	21.65
<b>Total Office Expenses (H)</b>	<u>2,551.99</u>	<u>1,550.00</u>	<u>1,001.99</u>
<b>Directors Expense (H)</b>			
Cont Education	675.00	1,000.00	-325.00
Ins Exp D&O/Property	4,298.62	0.00	4,298.62
<b>Total Directors Expense (H)</b>	<u>4,973.62</u>	<u>1,000.00</u>	<u>3,973.62</u>
<b>Total Operating Expenses</b>	<u>61,564.84</u>	<u>36,529.00</u>	<u>25,035.84</u>
<b>Contractual Payments</b>			
Bankruptcy Legal	17,532.72	3,000.00	14,532.72
Medical Records	5,128.02	5,000.00	128.02
Interest Expense Cost Report	430.83	550.00	-119.17

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**Palm Drive Healthcare District**  
**Profit & Loss Budget vs. Actual Reporting Month**  
 March 2017

	<u>Mar 17</u>	<u>Budget</u>	<u>\$ Over Budget</u>
<b>Total Contractual Payments</b>	23,091.57	8,550.00	14,541.57
<b>Community Health Services</b>			
General Community Health	0.00	1,250.00	-1,250.00
District Comm Services Various	300.00	0.00	300.00
West County Health (H) RRARA	<u>0.00</u>	<u>8,750.00</u>	<u>-8,750.00</u>
<b>Total West County Health (H)</b>	0.00	8,750.00	-8,750.00
Senior Centers	<u>500.00</u>	<u>0.00</u>	<u>500.00</u>
<b>Total Community Health Services</b>	800.00	10,000.00	-9,200.00
<b>Non - Operating (Revenue) / Exp</b>			
Exp - Bond Interest Exp	<u>108,000.00</u>	<u>108,000.00</u>	<u>0.00</u>
<b>Total Non - Operating (Revenue) / Exp</b>	108,000.00	108,000.00	0.00
<b>Depreciation Header</b>			
Dep Exp - Cap Lse Eq	43,375.00	43,375.00	0.00
Dep Exp - Major Mov Eq	66,086.00	66,086.00	0.00
Dep Exp - Bld & Improvements	<u>18,098.00</u>	<u>18,098.00</u>	<u>0.00</u>
<b>Total Depreciation Header</b>	<u>127,559.00</u>	<u>127,559.00</u>	<u>0.00</u>
<b>Total Expense</b>	<u>321,015.41</u>	<u>290,638.00</u>	<u>30,377.41</u>
<b>Net Ordinary Income</b>	<u>30,529.01</u>	<u>-5,638.00</u>	<u>36,167.01</u>
<b>Net Income</b>	<u><u>30,529.01</u></u>	<u><u>-5,638.00</u></u>	<u><u>36,167.01</u></u>