



**PALM DRIVE HEALTH CARE
DISTRICT**

**NOTICE AND AGENDA
PALM DRIVE HEALTH CARE DISTRICT
BOARD OF DIRECTORS
February 5, 2018**

Regular Meeting

Open Session 7:30 p.m.

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 wellbeing.

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

The vice chair will accept comments from the audience on any items not listed on the agenda. Questions may be referred to staff for response at a later time. Please limit your comments to 3 minutes.

CORRESPONDENCE

- Mike Windsor email of December 7, 2017 – PDHCD-SWMC Strategy
- Mike Windsor email of December 21, 2017- PDHCD BOD is Failing Its Fiduciary Responsibilities

- Sukey Robb-Wilder email of January 3, 2018 – FAC Sues Bakersfield for Open Meetings, Records Violations
- Mike Windsor email of January 05, 2018 – PDHCD BOD and SWMC are Violating the Public Trust
- Sandra D Bodley email of January 6, 2018 – Amending the Minutes of Dec.4
- Mary Fricker email of January 9, 2018 - The Attorney Recommended by Dr. Murphy
- EK McCarthy email of January 18, 2018 – Government code 54954.2(a)(3) limits board action or response when items not on agenda.

CONSENT CALENDAR

1. Approval of the Closed Session Board Of Directors Meeting Minutes of January 8, 2018 (Action)(D. Colthurst)
2. Approval of the Board of Directors Regular Meeting Minutes of January 8, 2018 (Action)(D. Colthurst)

DISCUSSON AND ACTION ITEMS

1. PDHCD Finance Committee Report. (Discussion) (G. Thomas)
2. Finance Committee Approved Re-adjustment of the Budget for Board Approval. (Action)(G.Thomas)
3. Discussion, Consideration and Possible Approval Blakeslee Invoice for SWMC Panel HEQ Repair and Replacement (Action)(A.Brogan)
4. Bankruptcy Update (Discussion)(A.Brogan)
5. Discussion, Consideration and Possible Action on Hospital Planning Update and Board Committee (Action)(A.Brogan)
6. Discussion of the Progress of the Development Of the RFP on Hospital Lease/Sale. (Discussion)(A. Brogan)
7. Review of the SWMC Toxicology Program. (Discussion)(A.Brogan)
8. Discussion Consideration and Possible Approval of an Executive Directors Contract (Action)(A.Brogan)

INFORMATIONAL REPORTS TO THE BOARD

1. Health Action Committee Update (R. Powers/E Klich-Heartt/A. Brogan)
2. Executive Director Report (A. Brogan)
3. Presidents Report (D. Colthurst)

Proposals for Future Agenda Items

(Action)(D. Colthurst)

ADJOURNMENT

Palm Drive Health Care District

Members of the public have the right to speak on any item on the published agenda. If you wish to speak about a matter not on the published agenda, please make your comments during the portion of the meeting designated for Public Comments. 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.

Consent Items:

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.

American Disability Act (ADA)

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 Janet Harris, Executive Assistant at (707) 823-3586.

Palm Drive Health Care District Special Closed Session Board of Directors Meeting

Date/Time: January 8, 2018

Minutes

**Location: Sonoma West Medical Center
Solomon Room
501 Petaluma Avenue
Sebastopol, CA 95472**

The meeting was called to order at 3:37 p.m.

ROLL CALL:

Dennis Colthurst	Present
Richard Powers, M.D. Vice President	Present
Eira Klich-Heartt, Secretary	Present
Gail Thomas, Treasurer	Present
Jim Horn, Member	Present

Administrative, Others Present:

**Jim Maresca, Consultant
Michael Sweet, Bankruptcy Legal Counsel
Bill Arnone, Legal Counsel
Alanna Brogan, Executive Director**

APPROVAL OF AGENDA

Motion to approve the agenda made by Director Horn, seconded by Director Klich-Heartt, which motion passed unanimously.

PUBLIC COMMENT

None

ANNOUNCEMENT OF CLOSED SESSION AND ADJOURNMENT TO CLOSED SESSION

Chair Colthurst announced adjournment to closed session, where upon the Board adjourned to closed session to discuss the one item on the agenda: Conference with Legal Counsel- Existing Litigation pursuant to Government Code Section 54956.9(a); Name of Case: Bankruptcy.

RECONVENE OPEN SESSION

At 4:50 p.m. Chair Colthurst reconvened to open session and requested that Mr. Arnone report on closed session, to which Mr. Arnone stated that there was no reportable action taken during the closed session.

ADJOURNMENT

There being no further business the meeting was adjourned at 4:50 p.m.

Respectfully Submitted
Janet Harris
Clerk of the Board
Palm Drive Health Care District

Palm Drive Health Care District Special Board of Directors Meeting

Minutes

Date/Time: January 8, 2018

**Location: Sonoma West Medical Center
Conference Room
501 Petaluma Avenue
Sebastopol, CA 95472**

The meeting was called to order at 7:30 p.m.

ROLL CALL:

Dennis Colthurst	Present
Richard Powers, M.D. Vice President	Present
Eira Klich-Heartt, Secretary	Present
Gail Thomas, Treasurer	Present
Jim Horn, Member	Present

Administrative, Others Present:

**Bill Arnone, Legal Counsel
Alanna Brogan, Executive Director**

APPROVAL OF AGENDA

Motion to approve the agenda made by Director Powers, seconded by Director Klich-Heartt, which motion passed unanimously.

PUBLIC COMMENT

Public comment was requested and received.

CONSENT CALENDAR

Motion to approve the minutes of December 18, 2017 made by Director Thomas, seconded by Director Powers, which motion passed unanimously.

Director Horn requested the minutes of January 4, 2017 be revised, with the last line reading: "...due to inability to continue the meeting."

Motion to approve the minutes of December 4, 2017, with revision, made by Director Powers, seconded by Director Thomas, which motion passed unanimously.

DISCUSSION AND ACTION ITEMS

1. PDHCD Finance Committee Report

Director Thomas stated that the at the next meeting of the Finance Committee they will have a six month review and gave an overview of the finance reports included with the agenda packet.

2. Update on Bankruptcy

Ms. Brogan stated that the purpose of the closed session meeting was to review the draft plan. The Board raised questions that need to be answered before sending to court. It was reiterated That all of the Board members want to settle the bankruptcy as quickly as possible that payments to former employees are a priority in the deliberations.

3. Discussion, Consideration and Possible Action on Resolution 18-01 Opening of County Bank Account.

Ms. Brogan reviewed Resolution 18-01, stating the County required a Resolution from the District.

Director Horn requested that “subject to Board approval” be added to the last sentence of the third paragraph.

Motion to approve Resolution 18-01, with addition, made by Director Powers, seconded by Director Thomas, which passed unanimously.

4. 2018 Board Meeting Calendar as Approved at the December 18, 2017 PDHCD Board Meeting.

Ms. Brogan stated that the September meeting would be on the 10th due to the holiday.

Director Horn stated that the meetings are at 7:30 p.m.

Motion to approve the calendar with corrections made by Director Powers, seconded by Director Horn, which motion passed unanimously.

5. Leadership Academy – February 8-9, 2018.

Ms. Brogan requested that the Board members let either herself or the Clerk of the Board know if they wish to attend the 2018 Leadership Academy.

6. Discussion, Consideration and Possible Approval of an Executive Directors Contract.

Ms. Brogan informed the Board that her contract is up for renewal and that she will be working with Directors Powers and Klich-Heartt for renewal.

7. Discussion, Consideration and Possible Approval of Changing Board Agenda Development Policy.

Ms. Brogan reviewed the re-worked policy on the Board Agenda Development, which has been reviewed with Mr. Arnone.

Discussion ensued with concern about the Special Board Meeting Section of the policy with only the president approving the need for those meetings and addition of new agenda items by Board members. It was generally agreed that the Special Board Meeting section of the policy should be eliminated. The addition of **Proposals for Future Agenda Items** on the agenda as an action item will allow Board members to submit items for the next agenda. It was also stated that the Brown Act allows for discussion of scheduling and agenda issues among the Directors as long as the merit of the issues are not discussed.

Motion to approve the policy as submitted subject to deletion of everything after the heading Special Board Meetings, made by Director Thomas, seconded by Director Powers, which motion passed with Directors, Thomas, Powers, Klich-Heartt and Chair Colthurst voting Yea and a Nay vote from Director Horn.

8. Nomination & Election of PDHCD Officers and Committee Assignments for 2018.

Discussion ensued concerning the of rotation of the Board members.

Director Thomas made a motion that the officers remain the same as 2017, with a second by Director Powers which motion passed with Directors Thomas, Powers and Chair Colthurst voting yea and Directors Horn and Klich-Heartt voting Nay.

Director Thomas requested that in addition to Rob Cary and Director Horn two additional members be added to the Finance Committee: John Moise and Randy Kaufman.

Motion to approve the standing Finance Committee with the addition of John Moise and Randy Kaufman made by Director Thomas, seconded by Director Powers, which motion passed unanimously.

The Health Action Committee members Directors Klich-Heartt and Powers wished to remain on the committee.

Motion to approve Directors Klich-Heartt and Powers remaining on the Health Action Committee made by Director Powers, seconded by Director Klich-Heartt, which motion passed unanimously.

The Planning and Bylaws committee members, Directors Klich-Heartt and Powers wished to remain on that Committee.

Motion to approve Directors Klich-Heartt and Powers remaining on the Planning and Bylaws Committee made by Director Powers, seconded by Director Klich-Heartt, which motion passed unanimously.

Director Thomas suggested that Dr. Powers remain on the Personnel Committee (as he replaced her last year) along with Director Klich-Heartt.

Motion to approve Directors Klich-Heartt and Powers remaining on the Planning and Bylaws Committee made by Director Thomas, seconded by Director Powers, which motion passed unanimously.

9. Discussion, Consideration and Possible Action on Code of Conduct and Public Meeting Protocol.

Ms. Brogan reviewed the Code of Conduct for District Board Members, which was derived from the Code of Conduct by the City of Santa Rosa and also by the Code of Conduct for County Supervisors.

After discussion, Director Powers made a motion to accept the Code of Conduct Policy as presented, seconded by Director Horn, which motion passed unanimously.

Ms. Brogan reviewed the Public Meeting Protocol. After discussion it was decided to table this policy until it is reviewed and a clean document will be presented.

Motion to table until revision and presentation at the next meeting made by Director Powers, seconded by Director Horn, which motion passed unanimously.

INFORMATION REPORTS TO THE BOARD

1. Health Action Committee Report

Ms. Brogan gave an update on the accomplishments for 2017 of the Gravenstein Health action Chapter.

2. Executive Directors Report

Ms. Brogan reviewed her report that was included in the agenda packet.

3. Presidents Report

Chair Colthurst gave a brief overview of the positive impact the hospital has had and complimented John Peleuses, Barbara Vogelsang and Alanna Brogan for the hard work and caring that they have shown.

Proposals for Future Agenda Items

Director Horn requested two items be put on the agenda:

1. The research that Ms. Brogan has done concerning an RFP for the sale of the hospital
2. Thorough review of the Toxicology Program.

ADJOURNMENT

The meeting was adjourned at 9:45 p.m.

Respectfully Submitted
Janet Harris
Clerk of the Board
Palm Drive Health Care District

10:12 AM
01/19/18
Accrual Basis

Palm Drive Healthcare District
Balance Sheet
As of December 31, 2017

	Dec 31, 17	Nov 30, 17	\$ Change
ASSETS			
Current Assets			
Checking/Savings			
Cash			
1000-00 · EB Operating 4276	1,692,567.39	435,082.29	1,257,485.10
1002-02 · EB Bkpcy Con 6292	125,442.81	125,462.13	-19.32
1001-00 · EB SWMC Clear 9508	208,598.03	1,341.37	207,256.66
Total Cash	2,026,608.23	561,885.79	1,464,722.44
Restricted Cash			
1009-12 · WF 8805 2010 Secured	10,361.44	10,353.54	7.90
1009-23 · WF 8300 2005 Bond	1,647,879.70	1,151,854.77	496,024.93
1009-50 · WF 8801 2010 Reserve	980,674.63	979,926.80	747.83
1900 · GO Bond Reserve SCAO (Non Cash)	697,592.97	697,592.97	0.00
Total Restricted Cash	3,336,508.74	2,839,728.08	496,780.66
Total Checking/Savings	5,363,116.97	3,401,613.87	1,961,503.10
Other Current Assets			
1061 · Due from SWMC	3,320.50	3,320.50	0.00
1062 · Property Tax Receivable	-155,681.38	-181,629.38	25,948.00
1069-01 · Parcel Tax Receivable.	-157,913.17	1,334,780.00	-1,492,693.17
1069-02 · Due to/From Prima Medical Group	-33,643.43	0.00	-33,643.43
1107 · Prepaid Deposits	15,539.51	18,061.81	-2,522.30
Total Other Current Assets	-328,377.97	1,174,532.93	-1,502,910.90
Total Current Assets	5,034,739.00	4,576,146.80	458,592.20
Fixed Assets			
Property Plant & Equipment			
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	8,446,172.84	8,446,172.84	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	-2,741,738.20	-2,698,363.20	-43,375.00
1275-00 · Accum Dep Fixed Equip	-8,766,523.96	-8,700,437.96	-66,086.00
1271-00 · Accum Dep Hosp Bldg	-2,525,418.32	-2,507,320.32	-18,098.00
1260-00 · Accum Dep Land Impr	-34,493.18	-34,493.18	0.00
Total Property Plant & Equipment	7,696,741.12	7,824,300.12	-127,559.00
Total Fixed Assets	7,696,741.12	7,824,300.12	-127,559.00
TOTAL ASSETS	12,731,480.12	12,400,446.92	331,033.20
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
2020 · Post Petition AP	17,757.99	14,665.14	3,092.85
2020-99 · Pre-Petition Liabilities			
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
Total 2020-99 · Pre-Petition Liabilities	8,293,601.46	8,293,601.46	0.00
Total Accounts Payable	8,311,359.45	8,308,266.60	3,092.85
Other Current Liabilities			
2040 · SWMC AR Held	211,466.20	3,773.81	207,692.39
2014-10 · Accrued Bond Interest Pay	473,540.82	371,335.57	102,205.25
2063-10 · Cost Report Liability Medicare	233,178.01	238,445.98	-5,267.97

10:12 AM
 01/19/18
 Accrual Basis

Palm Drive Healthcare District
Balance Sheet
 As of December 31, 2017

	Dec 31, 17	Nov 30, 17	\$ Change
2064 · Unearned Revenue - GO Bond	697,592.97	697,592.97	0.00
24000 · Payroll Liabilities	0.00	-4,976.56	4,976.56
Total Other Current Liabilities	1,615,778.00	1,306,171.77	309,606.23
Total Current Liabilities	9,927,137.45	9,614,438.37	312,699.08
Long Term Liabilities			
2270-00 · Bonds Payable			
2255-00 · 2000 Go Bonds Payable (BYM)	3,950,000.00	3,950,000.00	0.00
2274-01 · 2005 Revenue Bonds Payable	6,320,000.00	6,320,000.00	0.00
2274-02 · 2010 Bonds Payable	9,535,000.00	9,535,000.00	0.00
Total 2270-00 · Bonds Payable	19,805,000.00	19,805,000.00	0.00
2271-99 · Leases Payable			
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
Total 2271-99 · Leases Payable	1,838,759.24	1,838,759.24	0.00
Total Long Term Liabilities	21,643,759.24	21,643,759.24	0.00
Total Liabilities	31,570,896.69	31,258,197.61	312,699.08
Equity			
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	-1,047,454.42	-1,047,454.42	0.00
Net Income	264,721.59	246,387.47	18,334.12
Total Equity	-18,839,416.57	-18,857,750.69	18,334.12
TOTAL LIABILITIES & EQUITY	12,731,480.12	12,400,446.92	331,033.20

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

	Dec 17	Budget	\$ Over Budget
Ordinary Income/Expense			
Income			
4000 - Revenue			
Parcel Tax Revenue CY Attached	187,563.00	187,563.00	0.00
Parcel Tax Revenue Detached	79,393.00	79,393.00	0.00
Property Tax Revenue CY	25,948.00	25,948.00	0.00
Cell Tower	0.00	3,500.00	-3,500.00
Misc Revenue	7,855.17	2,000.00	5,855.17
Interest Income	1,791.87	200.00	1,591.87
Total 4000 - Revenue	302,551.04	298,604.00	3,947.04
Total Income	302,551.04	298,604.00	3,947.04
Gross Profit	302,551.04	298,604.00	3,947.04
Expense			
Operating Expenses			
Staff Expenses			
Salaries & Wages	22,912.00	18,316.67	4,595.33
Payroll Tax Expense	2,843.80	1,401.23	1,442.57
Employee Benefits	185.19	1,079.50	-894.31
Worker's Compensation	0.00	183.17	-183.17
Total Staff Expenses	25,940.99	20,980.57	4,960.42
Professional Services			
Bookkeeping	2,000.00	2,000.00	0.00
Legal Fees General	9,900.00	10,000.00	-100.00
Legal Bankruptcy	4,153.56	30,000.00	-25,846.44
Professional Fees Other	0.00	5,000.00	-5,000.00
Total Professional Services	16,053.56	47,000.00	-30,946.44
Office Expenses (H)			
Bank Charges	455.05	200.00	255.05
IT / Computer Expense	486.63	500.00	-13.37
Licenses and Fees	0.00	100.00	-100.00
Rent	0.00	1,275.00	-1,275.00
Storage	0.00	420.00	-420.00
Supplies	11.50	250.00	-238.50
Utilities (Tel/PGE)	252.03	300.00	-47.97
Total Office Expenses (H)	1,205.21	3,045.00	-1,839.79
Directors Expense (H)			
Cont Education	50.16	1,115.00	-1,064.84
Ins Exp D&O/Property	2,522.30	2,700.00	-177.70
Total Directors Expense (H)	2,572.46	3,815.00	-1,242.54
Total Operating Expenses	45,772.22	74,840.57	-29,068.35
Contractual Payments			
Bankruptcy Contingency	0.00	25,100.00	-25,100.00
Medical Records	7,296.08	4,000.00	3,296.08

10:10 AM
 01/19/18
 Accrual Basis

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

	Dec 17	Budget	\$ Over Budget
Building Maintenance	0.00	10,000.00	-10,000.00
Interest Exp Cost Report or CMS	384.37	488.00	-103.63
Total Contractual Payments	7,680.45	39,588.00	-31,907.55
Community Health Services			
West County Community Services	0.00	166.67	-166.67
General Community Health	0.00	983.33	-983.33
Sponsorship	0.00	500.00	-500.00
West County Health (H)			
RRARA	0.00	500.00	-500.00
Total West County Health (H)	0.00	500.00	-500.00
Senior Centers	1,000.00	0.00	1,000.00
Total Community Health Services	1,000.00	2,150.00	-1,150.00
Non - Operating (Revenue) / Exp			
NonOp Inc/Exp Parcel Tax Refund	0.00	2,066.67	-2,066.67
Exp - Bond Interest Exp	102,205.25	102,205.25	0.00
Total Non - Operating (Revenue) / Exp	102,205.25	104,271.92	-2,066.67
Depreciation Header			
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	18,098.00	18,098.00	0.00
Total Depreciation Header	127,559.00	127,559.00	0.00
Total Expense	284,216.92	348,409.49	-64,192.57
Net Ordinary Income	18,334.12	-49,805.49	68,139.61
Net Income	<u>18,334.12</u>	<u>-49,805.49</u>	<u>68,139.61</u>

Palm Drive Healthcare District
Profit & Loss Budget vs. Actual YTD
 July through December 2017

	<u>Jul - Dec 17</u>	<u>Budget</u>	<u>\$ Over Budget</u>
Ordinary Income/Expense			
Income			
4000 - Revenue			
Parcel Tax Revenue CY Attached	1,125,378.00	1,125,378.00	0.00
Parcel Tax Revenue Detached	476,358.00	476,358.00	0.00
Property Tax Revenue CY	155,688.00	155,688.00	0.00
Prime Grant/IGT Income	0.00	750,000.00	-750,000.00
CMSP Income	250,384.88		
Cell Tower	20,000.00	41,000.00	-21,000.00
Misc Revenue	14,226.66	12,000.00	2,226.66
Interest Income	10,819.25	1,200.00	9,619.25
Total 4000 - Revenue	<u>2,052,854.79</u>	<u>2,561,624.00</u>	<u>-508,769.21</u>
Total Income	<u>2,052,854.79</u>	<u>2,561,624.00</u>	<u>-508,769.21</u>
Gross Profit	2,052,854.79	2,561,624.00	-508,769.21
Expense			
Operating Expenses			
Staff Expenses			
Salaries & Wages	101,683.00	109,900.02	-8,217.02
Payroll Tax Expense	10,326.32	8,407.38	1,918.94
Employee Benefits	2,020.14	6,477.00	-4,456.86
Worker's Compensation	0.00	1,099.02	-1,099.02
Total Staff Expenses	<u>114,029.46</u>	<u>125,883.42</u>	<u>-11,853.96</u>
Professional Services			
Accounting	5,290.00	0.00	5,290.00
Bookkeeping	13,660.91	12,000.00	1,660.91
Legal Fees General	70,853.32	115,000.00	-44,146.68
Legal Bankruptcy	26,230.32	173,000.00	-146,769.68
Professional Fees Other	4,826.41	30,000.00	-25,173.59
Total Professional Services	<u>120,860.96</u>	<u>330,000.00</u>	<u>-209,139.04</u>
Office Expenses (H)			
Bank Charges	2,394.68	9,000.00	-6,605.32
IT / Computer Expense	7,737.29	3,800.00	3,937.29
Licenses and Fees	25.00	600.00	-575.00
Rent	0.00	7,650.00	-7,650.00
Storage	2,340.00	2,520.00	-180.00
Supplies	1,348.83	1,500.00	-151.17
Utilities (Tel/PGE)	2,514.96	1,800.00	714.96
Total Office Expenses (H)	<u>16,360.76</u>	<u>26,870.00</u>	<u>-10,509.24</u>
Directors Expense (H)			
Cont Education	8,445.07	9,315.00	-869.93
Ins Exp D&O/Property	15,133.80	19,368.00	-4,234.20
Total Directors Expense (H)	<u>23,578.87</u>	<u>28,683.00</u>	<u>-5,104.13</u>
Total Operating Expenses	<u>274,830.05</u>	<u>511,436.42</u>	<u>-236,606.37</u>

14

**Palm Drive Healthcare District
 Profit & Loss Budget vs. Actual YTD
 July through December 2017**

	<u>Jul - Dec 17</u>	<u>Budget</u>	<u>\$ Over Budget</u>
Contractual Payments			
Bankruptcy Contingency	0.00	150,600.00	-150,600.00
CMSP Cost Report *	50,076.98	0.00	50,076.98
Medical Records	32,288.46	24,000.00	8,288.46
Prime Grant/IGTContract Exp	0.00	375,000.00	-375,000.00
Prime Grant/IGT to SWMC	0.00	375,000.00	-375,000.00
Building Maintenance	43,370.48	60,000.00	-16,629.52
Interest Exp Cost Report or CMS	2,476.15	2,928.00	-451.85
Total Contractual Payments	<u>128,212.07</u>	<u>987,528.00</u>	<u>-859,315.93</u>
Community Health Services			
West County Community Services	0.00	1,000.02	-1,000.02
General Community Health	150.00	5,899.98	-5,749.98
Sponsorship	0.00	3,000.00	-3,000.00
District Comm Services Various	645.58	0.00	645.58
Bodega Bay Fire Services	0.00	11,000.00	-11,000.00
West County Health (H) RRARA	<u>3,000.00</u>	<u>3,000.00</u>	<u>0.00</u>
Total West County Health (H)	<u>3,000.00</u>	<u>3,000.00</u>	<u>0.00</u>
Senior Centers	<u>2,400.00</u>	<u>0.00</u>	<u>2,400.00</u>
Total Community Health Services	<u>6,195.58</u>	<u>23,900.00</u>	<u>-17,704.42</u>
Non - Operating (Revenue) / Exp			
NonOp Inc/Exp Parcel Tax Refund	310.00	4,133.34	-3,823.34
Exp - Bond Interest Exp	<u>613,231.50</u>	<u>613,231.50</u>	<u>0.00</u>
Total Non - Operating (Revenue) / Exp	<u>613,541.50</u>	<u>617,364.84</u>	<u>-3,823.34</u>
Depreciation Header			
Dep Exp - Cap Lse Eq	260,250.00	260,250.00	0.00
Dep Exp - Major Mov Eq	396,516.00	396,516.00	0.00
Dep Exp - Bld & Improvements	<u>108,588.00</u>	<u>108,588.00</u>	<u>0.00</u>
Total Depreciation Header	<u>765,354.00</u>	<u>765,354.00</u>	<u>0.00</u>
Total Expense	<u>1,788,133.20</u>	<u>2,905,583.26</u>	<u>-1,117,450.06</u>
Net Ordinary Income	<u>264,721.59</u>	<u>-343,959.26</u>	<u>608,680.85</u>
Net Income	<u><u>264,721.59</u></u>	<u><u>-343,959.26</u></u>	<u><u>608,680.85</u></u>

District Finance Committee: January 23, 2018 Meeting-- 6-month Budget Review

Changes Based on Actual Activity:

1. **Income:** Has been adjusted based on actual receipts in tax payments upward but with similar adjustment to Prime Grant downward again based on actuals. The Cell Tower income began later than expected but is now on track. The CMSP was an unexpected bonus.
2. **Total Operating Expenses:** the combination of the various savings recommended below as adjustments and careful management over the past six months have yielded significant savings in operating expenses.
3. **Building Maintenance:** The item reflects actual costs during the first six months. It also should be noted that our insurance covered mold and fire issues although there is a \$20K deductible which we will be paying out in the next six months.
4. **Directors' Expenses:** the insurance item under Director's expenses includes the insurance which is both D&O and building insurance for the hospital facility. The adjustment is minor but reflects actual cost. There have been savings in continuing education because Directors have been generally unavailable for the programs offered; however, it is anticipated that the next 6 months will see participation.
5. **Prior District Debt:** the CMSP Cost Report was not included as an expense item expected during the past 6 months but developed as a \$50K+ expense which allows for us to collect over \$250K income which was also not expected. It resulted in a \$200K+ advantage as noted above and shown under income.

Recommended Adjustments:

1. **Staff Expenses:** The Executive Director has indicated that she will continue for the next 6 months so the staff expenses have been adjusted accordingly including adding the additional payroll for the month of June.
2. **Bookkeeping:** The bookkeeping requirement has increased with the substantial increase in deposits from income pass through for the hospital. The bookkeeper requests a \$500/month upward adjustment.
3. **Bankruptcy Legal:** The budgeted cost has been reduced significantly based on lower actual expenses during the first 6 months and projected expenses for the next six months.
4. **IT/Computer:** The line item has been increased reflecting the unexpected purchase of new equipment last Fall but also we have significantly decreased the ongoing maintenance costs.
5. **Rent:** There will be no need to pay rent during the next six months
6. **Prior District Debt:** The Medical Records as an expense have been reviewed for cost savings and, unfortunately, we cannot provide any easy solution. In fact, the continual need for record recovery from storage has resulted in adding slightly to the Medical Records line item.
7. **Community Health:** Various minor adjustments have been proposed to add a total of a little over \$5000 to the Community Health budget to continue efforts in community outreach.

General Comment: Based on the experience of the past 6 months, I believe the District Operating Budget should be maintained on a cash on hand basis of \$400K in the operating account to allow for prudent financial management. That said, I would like to recommend we set aside (on an accounting basis) approximately \$50K/mo against the potential cost of bond fee/fines as we move

ahead. If done, that would mean having an additional \$300K by the end of June which would remain in the Operating Fund but would allow us to handle any contingency. This is reflected in the spread sheets attached. The cash base in the Operating Fund by the beginning of the new fiscal year would be slightly less than \$400K plus the set aside of potentially \$300K. This is directly the result of careful fiscal management allowing us to have a reallocated budget with over \$200K savings in operating expenses for the year and the advantage of additional tax revenue. The FY2018-19 budget will, of course, review these positions and make such recommendations for the next year as are appropriate.

Gail Thomas

Treasurer, Palm Drive Health Care District



December 28, 2017

Steve Day
Director of Facilities
Sonoma West Healthcare
501 Petaluma Ave
Sebastopol CA 95472

Panel HEQ Repair and Replacement

Blakeslee Electric, Inc. Project Number: Project #4678

Mr. Day

We are pleased to present you with the following proposal on the subject project. This price is based on the plans and specifications provided with the RFP. All work will be installed complete unless otherwise noted. Included in our proposal are all required tests, test reports, training and equipment manuals for the work we provide.

Item #	Item Description	Cost
1	Electrical Engineering for temporary repairs: <ul style="list-style-type: none">• Coordinate emergency temporary repairs of water damaged panel HEQ distribution with OHSPD ACO and IOR.• Provide plans for temporary repairs for OHSPD submittal.• Submit plans to OSHPD.• Respond to OSHPD comments.• Provide engineering support during construction• Provide engineering closeout documents.	4,000.00
2	Electrical Engineering for permanent repairs: <ul style="list-style-type: none">• Provide electrical engineering services.• Provide electrical plans to architect of record. Architect will submit documents to OSHPD.• Provide engineering construction support.• Provide engineering closeout documents.	3,000.00
3	Temporary repairs, specifically: <ul style="list-style-type: none">• Remove existing panel HEQX and discard.• Salvage and relocated panelboard HEQ1 to temporary location.• Provide new circuit breakers for temporary use in	17,360.00

	<p>panel HEQ1.</p> <ul style="list-style-type: none"> • Provide support structure for panel HEQ1 in temporary location. • Provide and install conduits, cables, and electrical hardware reconnect critical loads to temporary panel HEQ1. 	
4	<p>Provide and install new Panel HEQX and HEQ1, specifically:</p> <ul style="list-style-type: none"> • Provide and install new 400 amp panelboard HEQX. • Provide and install new 400 amp panelboard HEQ1. • Provide backing support for new panels. • Provide all conduits, cables and electrical hardware to reconnect new panels to existing electrical loads. 	\$27,274.00
	Project Total	\$51,634.00

Terms & Conditions

Addendums: None Noted
Taxes: All prices include state sales tax.
Payment: 90% net 30 days. Retention paid 30 days after substantial completion
Proposal: Valid for 30 days.
Manufacturer's Warranty: Equipment will have a manufacturer's warranty for a period of 12 months. No in-and-out charges or consequential damages accepted.

General Exclusions

1. Permits and fees.
2. Wallboard Cutting and patching.
3. Access Hatches

Thank you for the opportunity to provide you with this proposal, we look forward to our continued relationship. If there is anything else we can do for you, please call.

Respectfully Submitted,
 Jeff Blakeslee
 President

OK TO PROCEED
 1/25/18

Blakeslee Electric, Inc.
 P.O. Box 1951
 14 W. Third St.
 Santa Rosa CA 95402-1951
 707-545-6393

License: 416488

Progress Billing

Application: 1

Period: 12/30/2017

Owner: Sonoma West Medical Center
 501 Petaluma Ave
 Sebastopol CA 95472

Job Location: SWMC Panel HEQ Repair & Replac
 501 Petaluma Ave
 Sebastopol CA 95472

Application For Payment On Contract

Original Contract.....	51,634.00
Net Change by Change Orders.....	0.00
Contract Sum to Date.....	51,634.00
Total Complete to Date.....	21,350.00
Total Retained.....	0.00
Total Earned Less Retained.....	21,350.00
Less Previous Billings.....	0.00
Current Payment Due.....	21,350.00
Balance on Contract.....	30,284.00

Contractor's Certification of Work

The undersigned contractor certifies that, to the best of the contractor's knowledge, the work on the above named job has been completed in accordance with the plans and specifications to the level of completion indicated on the attached schedule of completion.

Contractor: _____ Date: _____

Terms: Invoices are due and payable 30TH from the date of invoice. All overdue amounts will be charged a service charge of 0.00 % per annum. Please make checks payable to: Blakeslee Electric, Inc.

Thank you for your prompt payment.

PROGRESS BILLING

Application: 1

Period: 12/30/2017

Schedule of Work Completed

Description of Work	Scheduled	Changes	Contract	Previous	Current Comp.	Stored Mat.	Total Comp.	%	Balance	Retained
Engineering for Temp Repair	4,000.00		4,000.00		4,000.00		4,000.00	100.00		
Engineering for Final Repair	3,000.00		3,000.00						3,000.00	
Temporary Repairs	17,350.00		17,350.00		17,350.00		17,350.00	100.00		
Permanent Repairs	27,284.00		27,284.00						27,284.00	
Totals:	51,634.00		51,634.00		21,350.00		21,350.00	41.35	30,284.00	

**Executive Director's Report
 Palm Drive Healthcare District
 Board Meeting – 1/8/18**

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

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

Values: Integrity, Leadership, Caring, Perseverance

Value Being Met	Topic	Discussion	Follow - Up
Caring	Graton Disaster Fair	The Graton Fire Department, Jody James, Graton Community Club and PDHCD are coordinating the fair this year. PDHCD is helping with the PR for this event. It is April 7, 2018 1000am -2:00pm	
Leadership, Integrity	S&P Bond Rating	This annual review is taking place with S&P. They need to submit their rating of us by 2/28/18.	
Leadership	Business Planning	A process was started with the SWMC leadership team on 11/29/17 to develop a strategic plan for emerging businesses within the organization. It is an exciting process. The hope is to have the plan completed within 2-3 months.	<p>1/8/17 Progress is being made on the plan. We are focusing on key business components of the plan that will create sustainable income for the hospital. These key components include: 1. Expanding the Operating Room business. We have local surgeons that are seeking privileges to operate at SWMC. 2. Expanding the lab business into the community. Local health care organizations</p>

	<p>are requesting that we do their lab work. Negotiations are in process with 3 organizations to do this.</p> <p>3. Revenue enhancement – improving billing services, recovering lost money, improving coding and admitting processes.</p> <p>4. Consultants are helping with this project. Doing a SWAT analysis on the implementation of another patient care unit that would bring significant revenue to the hospital. This would be in the rehabilitation/subacute specialty area. More information will be provided as each component is more thoroughly developed.</p>	<p>February 5, 2018 District and Governing Body Planning Committees will convene as a combined meeting March 1, 2018</p> <p>February 5, 2018 We have heard from the County that the April tranche will be less this year. This is due to residents paying their taxes earlier due to the new tax bill. In the last week the County reported that \$361,669.85 dollars was sent to Wells Fargo. This represents earlier tax payments. Wells Fargo did not expect this so it is taking them sometime to figure out how to treat this in relation to bond principal and interest payments.</p>
		<p>The District received their tax tranche the last week of December. The amount was \$1,298,303.81</p> <p>\$150,200 was transferred to the PDHCD bankruptcy fund. We are working with the County to get the account open for the transfer of \$300,000 to that account for the detached areas contribution to bankruptcy. They need a Board resolution to do this. Once the account is open the money will be transferred.</p>
<p>Integrity</p>	<p>Tax money and Bankruptcy Fund</p>	

<p>Leadership</p>	<p>Insurance for the SWMC boiler room fire and closed OR.</p>	<p>Alliant insurance was contacted to make a claim on our insurance for the fire in the boiler room. I am working with an adjustor on this and the process is straightforward. In the process of this adjustment the mold abatement came up for the OR and there is a potential claim there for the construction work that was necessary and for lost revenue. This is a much more complicated issue. A timeline needs to be established for the time period the OR has been closed and it needs to specify what caused the delays in this time. A forensic accountant may be necessary to establish the lost revenue. It is unknown at this point if this claim will be accepted, however, the insurance adjuster thinks it is worth pursuing.</p>	<p>February 5, 2018 A forensic accountant is assigned to this claim. He will work with the SWMC controller to figure out lost revenue in the surgery department. The insurance company will not cover the whole 8 months. They will not cover the period caused by construction delays and errors that remains the liability of the company involved. The District needs to decide how to deal with this construction company.</p>
--------------------------	--	--	---