



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

**FINANCE COMMITTEE
Regular Meeting**

**OPEN SESSION 3:00 p.m.
April 18, 2018**

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

Comments from the audience will be accepted for items listed on the agenda. Questions may be referred to staff for response at a later time. Please limit your comments to 3 minutes.

CONSENT CALENDAR

1. Approval of the January 22, 2018 Minutes (Action)(G. Thomas)
2. Approval of the Minutes of March 21, 2018 (Action)(G. Thomas)

DISCUSSION AND ACTION ITEMS

Topic	Action	Speaker
Hospital Maintenance: <ul style="list-style-type: none"> • Check Valve Assembly Replacement Required by the City • Sewer Line Repair for Grease Vault. 	Discussion/Action	Alanna Brogan
Bond Update	Discussion	Alanna Brogan//Bill Arnone
Review of PDHCD April Financials	Discussion/Action	Gail Thomas/Geni Houston
2018/2019 Budget	Discussion/Action	Gail Thomas
Review of the Executive Director Contract Renewal	Discussion/Action	Alanna Brogan
Storage Tank Insurance Invoice	Discussion/Action	Alanna Brogan
Public Relations Consultant	Discussion/Action	Alanna Brogan

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 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.</p> <p>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.</p> <p>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).</p>

PALM DRIVE HEALTH CARE DISTRICT FINANCE COMMITTEE

Minutes

Purpose: Palm Drive Health Care District Finance Committee Meeting

Date/Time: January 22, 2018

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

Call to Order by Director Thomas, Treasurer at 3:45 p.m.

ROLL CALL

Gail Thomas, PDHCD Board Treasurer.... Present
Jim Horn, PDHCD Board Member..... Present
Rob Cary, MemberPresent
John Moise, Member Present
Randy Coffman, Member.....Present

Administrative Staff/Others Present

Geni Houston, Elephant Ear Systems
Bill Arnone, Legal Counsel
John Peleuses, CEO, SWMC
Alanna Brogan, PDHCD Executive Director

APPROVAL OF THE AGENDA

Motion to approve agenda as published, moved by Director Horn and Seconded by Member Moise which motion passed unanimously.

PUBLIC COMMENTS

None

CONSENT CALENDAR

Motion to approve the Minutes of December 18, 2017 made by Director Horn, seconded by Member Moise, which motion passed unanimously.

DISCUSSION/ ACTION ITEMS

1. Introduction of New Members.

This item was done in the Governing Body finance meeting held prior to this meeting.

2. Overview of the Finance Committee Business for New Members

Director Horn gave a brief overview of the District Finance committee, history, development and purpose.

3. Review of the PDHCD December Financials.

Ms. Houston reviewed financial information provided in the agenda packet.

4. Review of the First Six Months of the Fiscal Year and Budget Review for January through June 2018.

Director Thomas reviewed the information sheet included in the agenda packet that provided reasons for the requested change in the budget. Director Thomas also noted that a new contingency fund has been added for miscellaneous items that may affect the District. Member Coffman recommended additional footnotes.

Motion to approve re-adjustment to the budget as recommended and to take to the Board for approval, made by Member Coffman, seconded by Member Moise, which motion passed unanimously.

5. Discussion, consideration an Possible Action on Back Issues of Finance Items: Bank Charges for SWMC Account and C-Arm -July 2015.

Ms. Houston stated that when the SWMC insurance payment money (ACH) first started the District in January 2016, the District had approximately \$5,907 or \$ 5, 709 in that account. She will look up the exact amount. This money is now at approximately \$600 due to the monthly bank charges. She asked the committee to approve reimbursement from SWMC of the \$5,000 plus and to approve withholding the monthly banking charges from the ACH amounts that are passed through to SWMC from now on.

The C-arm money due the District is from July of 2015, when the money was incorrectly pulled from the District account by Farnum. July 2015 SWMC took over the C-arm. This \$3,300 should have been the responsibility of SWMC and she requested that this money also be approved for reimbursement from the SWMC pass though account.

Motion to authorize deduction of both the monthly bank charges and the onetime 2015 C-arm payment of \$3,300 from the SWMC pass through account made by Director Horn, Seconded by Member Cary, which motion passed unanimously.

6. Reconsideration of the Time/Date Calendar for 2018.

Director Thomas stated a request was made to have the Finance meetings changed to Wednesday. After discussion it was decided to hold the meetings the third Wednesday of the month beginning at 3:00 p.m., which directly follows the Governing Body Finance Committee meeting.



Motion to approve changing the regular Finance Committee meetings to the third Wednesday of the month with a starting time of 3:00 p.m. made by Director Horn, seconded by Member Coffman, which motion passed unanimously.

The February meeting will be the fourth Wednesday of the month following the Governing Board Finance Committee meeting.

7. Discussion, Consideration and Possible Action on the Hospital Electrical Panel Replacement Contract/Payment.

Director Horn made a request that the license for legal right for Ownership of Instruments of Service be the right of the District. The indemnification clause is one sided and should be reciprocal, and on the last page they are listing Sonoma West Medical Center as the legal owner of the facility which is incorrect. Both Alanna and Gail will follow up to see if an amendment can be made to the contract and report at the next Finance meeting.

Director Horn also requested that going forward contracts for the hospital that involve payment from the District should be given the District Finance Committee for approval before being signed.

No action was required on this item.

8. Cell Tower update.

Ms. Brogan stated that the cell tower payments are now up to date, with both December and January's payment being received.

9. Discussion, Consideration and Possible Action on Reserve Account for the District.

This item was discussed under item 4.

10. Discussion, Consideration and Possible Action on Setting Up a Reserve Account for Prime Grant Funds.

Ms. Brogan stated that Mr. Peleuses stated this needs to be approved by the Governing Body and that a resolution is being drafted to that effect and will sequester the Prime Grant funds to only be used for the Prime Grant elements.

Motion for the Governing Board to set up a reserve account for the Prime Grant funds made by Director Horn, seconded by Member Coffman, which motion passed unanimously. (It was verified on the audio recording, per the request of Director Horn in the February meeting that the Governing Body was to set up a reserve account for the Prime Grant funds).

In the March Finance Committee meeting correction was requested By Director Horn and confirmed by Ms. Brogan that SWMC was to set up a reserve account for the Prime Grant funds, not the Governing Body.

ADJOURNMENT

There being no further business the meeting was adjourned at 4:46 p.m.

Respectively Submitted
Janet Harris
Clerk of the Board



SPECIAL PALM DRIVE HEALTH CARE DISTRICT FINANCE COMMITTEE

Minutes

Purpose: Palm Drive Health Care District Finance Committee Meeting

Date/Time: March 21, 2018, 3:30 p.m.

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

Call to Order by Director Thomas, Treasurer

ROLL CALL

- Gail Thomas, PDHCD Board TreasurerPresent**
- Jim Horn, PDHCD Board MemberPresent**
- Rob Cary, MemberPresent**
- John Moise, MemberAbsent**
- Randy Coffman, Member Absent**

Administrative Staff/Others Present

- Alanna Brogan, Executive Director**
- Geni Houston, Elephant Ear Systems**
- William Arnone, Legal Counsel**

APPROVAL OF THE AGENDA

Motion to Approve: The motion to approve the agenda as published by Director Horn, with a second by Rob Cary , which motion passed with Director Thomas voting Yea.

PUBLIC COMMENTS

Public comments were requested and received.

CONSENT CALENDAR

Director Horn requested the following revisions to PDHCD Finance Committee Meeting Minutes of February 22, 2018: Correct start time to 3:30 p.m. On page 4, #3- addavailable for PDHCD to “refinance bonds on a taxable basis in order to attain compliance with the bond regulations.” Change the second sentence by deleting “ on a taxable bases, to “using an underwriter. On page 4, #4, change the bond rating to CCC+.

Director Horn also requested verification of the January 22, 2018 minutes that were tabled pending verification of the Prime reserve account. Ms. Brogan stated that this was verified on tape that the Governing Board was to set up a reserve account. It was decided that the January minutes need to come back for correction as SWMC, not Governing Board, is to set up a reserve account for the Prime Grant Funds.

Motion to Approve: The motion was made by Director Horn to approve the February 22, 2018 minutes with corrections, seconded by Director Thomas. Rob Cary abstained due to his absence at the last meeting. This motion passed with yea votes from Directors Thomas and Horn.

DISCUSSION/ACTION ITEMS

1. Review of PDHCD January Financials and Budget Overview

Geni Houston reviewed financial information provided in the agenda packet which included the changes that were discussed and approved last month

Motion to Approve: The motion was made by Director Horn with a second by Rob Cary, to approve the PDHCD February Financials, which motion passed unanimously.

2. Bond Refinancing Update- Gary Hicks Contract

Ms. Brogan stated that there was no update on the bond refinancing. She reviewed the Gary Hicks contract that was included in the agenda packet stating that basically Mr. Hicks has not been paid since beginning the bond refinancing and is now asking for \$25,000 now with the remaining \$112,500 fee and expenses payable upon closing of the bonds.

Discussion ensued with the recommendation to delete "from proceeds of the bonds" on page 2, Section II (a), forth sentence.

Motion to approve the contract with suggested change made by Director Horn, seconded by Director Thomas which motion passed with a YEA vote from Rob Cary.

3. District Insurance Contracts

Storage Tank Third Party Liability 2018-2019

Director Horn requested that page 2 of 5, item #4 of the policy be corrected to "Yes" as the storage tank do supply remote generators.

After discussion a recommendation was made to verify whether the water tank needed to be included in the insurance policy also on page 2 of 5, item # 3.

HARPP 2018-2019 Property Insurance

Ms. Brogan introduced the policy that was included in the agenda packet.

Director Horn requested that the year the hospital was built be correctly reflected, 1974.

After discussion it was recommended that Ms. Brogan follow up with the carrier on the following:

- Should the hospital should be insured on assessed value vs. replacement cost and the amount of replacement.
- Verification that the other two unattached buildings on the property are also included in the coverage
- Verification on Oxygen tanks coverage.

It was decided that the Enhanced Cyber Coverage is not necessary.

No action taken at this time.

Beta Health Care 2018-2019 -Directors & Officers Liability and Employment Practices Liability.

Director Horn requested, page 56, Item 8 be entered as Yes.

After discussion Director Horn moved to accept this policy, seconded by Rob Cary, which motion passed with a YEA vote by Director Thomas.

4. Insurance Update for Fire Damage

Ms. Brogan stated that Alliant should reimburse bills incurred less deductgible.

5. Helicopter Pad Liability Insurance

Ms. Brogan stated that the District has in the past and currently covers the liability insurance as required by the Laguna Agreement.

ADJOURNMENT

There being no further business to conduct, the meeting was adjourned at 4:30 p.m. by Director Thomas, Treasurer.

Respectfully submitted by:
Janet Harris

CHRISTINE 3/23/18

**Sierra Pipeline, Inc.
7324 Wilton Avenue
Sebastopol, CA 95472
Contractor's License # 812228
LTO # A 11014**

knechtle@comcast.net

22 March 2018

**Sonoma West Medical
Attn: James Loera**

Scope of work: Sewer line repair

Demolition and off haul existing concrete

Excavate for sewer repair

Repair broken pipe

Backfill and compact trench

Preparation for concrete replacement

Pour new concrete at trench line

Trench shoring for 12' deep trench

This proposal includes mobilization of all equipment required to complete the project in and out of the site

Estimated price \$8,300.00

Note:

Please feel free to contact me with any questions you may have.

Thank you,
Steve Knechtle
707-529-3698

**Sierra Pipeline, Inc.
7324 Wilton Avenue
Sebastopol, CA 95472
Contractor's License # 812228
LTO # A 11014**

8 April 2018

Sonoma West Medical
Attn: Steve

Scope of work: Installation of double check / abandon vault

Saw cutting and demo of a.c.
Excavate to existing transite water line
Cut in and install above ground double detector check
Backfill / compact and pour concrete pad
Install 6 bollards for protection
Total \$18,900.00
Abandon existing in ground vault
Remove flapper valve in single check
Backfill / compact
Install 2 valve risers with g-5 boxes
Encroachment permit
Total \$4,700.00

This proposal includes mobilization of all equipment required to complete the project in and out of the site

Estimated price \$23,600.00

Note:

Please feel free to contact me with any questions you may have.

Thank you,
Mason Knechtle
707-481-0608

//

7:43 AM

04/13/18

Accrual Basis

Palm Drive Healthcare District

Balance Sheet

As of March 31, 2018

	Mar 31, 18	Feb 28, 18	\$ Change
ASSETS			
Current Assets			
Checking/Savings			
Cash			
1000-00 · EB Operating 4276	1,005,452.39	1,101,656.93	-96,204.54
1002-02 · EB Bkpcy Con 6292	300,739.98	275,639.98	25,100.00
1001-00 · EB SWMC Clear 9508	1,489.62	11,178.37	-9,688.75
Total Cash	1,307,681.99	1,388,475.28	-80,793.29
Restricted Cash			
1009-12 · WF 8805 2010 Secured	10,390.66	10,381.02	9.64
1009-23 · WF 8300 2005 Bond	2,006,016.36	2,004,090.95	1,925.41
1009-50 · WF 8801 2010 Reserve	983,439.85	982,527.78	912.07
1008 · SoCo Sequestered Funds	300,000.00	300,000.00	0.00
1900 · GO Bond Reserve SCAO (Non Cash)	697,592.97	697,592.97	0.00
Total Restricted Cash	3,997,439.84	3,994,592.72	2,847.12
Total Checking/Savings	5,305,121.83	5,383,068.00	-77,946.17
Accounts Receivable			
1020-01 · AR Patients	0.00	8,917.53	-8,917.53
Total Accounts Receivable	0.00	8,917.53	-8,917.53
Other Current Assets			
1062 · Property Tax Receivable	-77,837.38	-103,785.38	25,948.00
1069-01 · Parcel Tax Receivable.	247,641.55	-19,314.45	266,956.00
1107 · Prepaid Deposits	7,972.61	10,494.91	-2,522.30
Total Other Current Assets	177,776.78	-112,604.92	290,381.70
Total Current Assets	5,482,898.61	5,279,380.61	203,518.00
Fixed Assets			
Property Plant & Equipment			
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	1,338,700.57	1,338,700.57	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	-2,871,863.20	-2,828,488.20	-43,375.00
1275-00 · Accum Dep Fixed Equip	-8,964,781.96	-8,898,695.96	-66,086.00
1271-00 · Accum Dep Hosp Bldg	-2,579,712.32	-2,561,614.32	-18,098.00
1260-00 · Accum Dep Land Impr	-34,493.18	-34,493.18	0.00
Total Property Plant & Equipment	5,076,163.09	5,203,722.09	-127,559.00
Total Fixed Assets	5,076,163.09	5,203,722.09	-127,559.00
TOTAL ASSETS	10,559,061.70	10,483,102.70	75,959.00
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
2020 · Post Petition AP	43,784.38	30,781.87	13,002.51
2020-99 · Pre-Petition Liabilities			
2021-00 · Pre Petition Trade Payables	6,994,325.13	6,994,325.13	0.00
2030-00 · Wages & Benefits	1,299,276.33	1,299,276.33	0.00
Total 2020-99 · Pre-Petition Liabilities	8,293,601.46	8,293,601.46	0.00
Total Accounts Payable	8,337,385.84	8,324,383.33	13,002.51
Other Current Liabilities			
2040 · SWMC AR Held	1,489.62	11,051.59	-9,561.97
2014-10 · Accrued Bond Interest Pay	780,156.57	677,951.32	102,205.25
2063-10 · Cost Report Liability Medicare	217,323.02	222,640.86	-5,317.84

Balance Sheet

As of March 31, 2018

	Mar 31, 18	Feb 28, 18	\$ Change
2064 · Unearned Revenue - GO Bond	697,592.97	697,592.97	0.00
Total Other Current Liabilities	1,696,562.18	1,609,236.74	87,325.44
Total Current Liabilities	10,033,948.02	9,933,620.07	100,327.95
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
Total Long Term Liabilities	19,805,000.00	19,805,000.00	0.00
Total Liabilities	29,838,948.02	29,738,620.07	100,327.95
Equity			
32000 · Retained Earnings	-19,503,279.95	-19,503,279.95	0.00
Net Income	223,393.63	247,762.58	-24,368.95
Total Equity	-19,279,886.32	-19,255,517.37	-24,368.95
TOTAL LIABILITIES & EQUITY	10,559,061.70	10,483,102.70	75,959.00

Palm Drive Healthcare District
Profit & Loss Budget vs. Actual Reporting Month
 March 2018

	Mar 18	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	3,500.00	3,500.00	0.00
Misc Revenue	789.00	2,000.00	-1,211.00
Interest Income	2,847.12	200.00	2,647.12
Total 4000 - Revenue	<u>300,040.12</u>	<u>298,604.00</u>	<u>1,436.12</u>
Total Income	<u>300,040.12</u>	<u>298,604.00</u>	<u>1,436.12</u>
Gross Profit	<u>300,040.12</u>	<u>298,604.00</u>	<u>1,436.12</u>
Expense			
Operating Expenses			
Staff Expenses			
Salaries & Wages	15,376.00	18,316.67	-2,940.67
Payroll Tax Expense	1,571.87	1,401.23	170.64
Employee Benefits	0.00	1,079.50	-1,079.50
Worker's Compensation	0.00	183.17	-183.17
Total Staff Expenses	<u>16,947.87</u>	<u>20,980.57</u>	<u>-4,032.70</u>
Professional Services			
Accounting	35,915.00	0.00	35,915.00
Bookkeeping	2,500.00	2,500.00	0.00
Legal Fees General	12,600.47	10,000.00	2,600.47
Legal Bankruptcy	13,251.81	15,000.00	-1,748.19
Professional Fees Other	0.00	5,000.00	-5,000.00
Total Professional Services	<u>64,267.28</u>	<u>32,500.00</u>	<u>31,767.28</u>
Office Expenses (H)			
Bank Charges	0.00	200.00	-200.00
IT / Computer Expense	532.16	300.00	232.16
Licenses and Fees	0.00	100.00	-100.00
Supplies	967.90	250.00	717.90
Utilities (Tel/PGE)	254.96	300.00	-45.04
Total Office Expenses (H)	<u>1,755.02</u>	<u>1,150.00</u>	<u>605.02</u>
Directors Expense (H)			
Cont Education	90.05	2,789.18	-2,699.13
Ins Exp D&O/Property	2,522.30	5,085.00	-2,562.70
Total Directors Expense (H)	<u>2,612.35</u>	<u>7,874.18</u>	<u>-5,261.83</u>
Total Operating Expenses	<u>85,582.52</u>	<u>62,504.75</u>	<u>23,077.77</u>
Contractual Payments			
Bankruptcy Contingency	0.00	25,100.00	-25,100.00
Medical Records	5,299.80	5,500.00	-200.20
Building Maintenance	3,128.00	10,000.00	-6,872.00

Palm Drive Healthcare District
Profit & Loss Budget vs. Actual Reporting Month
 March 2018

	Mar 18	Budget	\$ Over Budget
Interest Exp Cost Report or CMS	334.50	488.00	-153.50
Total Contractual Payments	8,762.30	41,088.00	-32,325.70
Community Health Services			
West County Community Services	0.00	166.66	-166.66
General Community Health	0.00	2,500.00	-2,500.00
Sponsorship	0.00	1,000.00	-1,000.00
Senior Centers	300.00	0.00	300.00
Total Community Health Services	300.00	3,666.66	-3,366.66
Non - Operating (Revenue) / Exp			
NonOp Inc/Exp Parcel Tax Refund	0.00	2,066.66	-2,066.66
Exp - Bond Interest Exp	102,205.25	102,205.25	0.00
Total Non - Operating (Revenue) / Exp	102,205.25	104,271.91	-2,066.66
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	324,409.07	339,090.32	-14,681.25
Net Ordinary Income	-24,368.95	-40,486.32	16,117.37
Net Income	-24,368.95	-40,486.32	16,117.37

Palm Drive Healthcare District
Profit & Loss Budget vs. Actual YTD
 July 2017 through March 2018

	<u>Jul '17 - Mar 18</u>	<u>Budget</u>	<u>\$ Over Budget</u>
Ordinary Income/Expense			
Income			
4000 - Revenue			
Parcel Tax Revenue CY Attached	1,688,067.00	1,688,067.00	0.00
Parcel Tax Revenue Detached	714,537.00	714,537.00	0.00
Property Tax Revenue CY	233,532.00	233,532.00	0.00
Prime Grant/IGT Income	0.00	750,000.00	-750,000.00
CMSP Income	250,384.88		
Cell Tower	34,000.00	51,500.00	-17,500.00
Misc Revenue	20,402.27	18,000.00	2,402.27
Interest Income	18,516.45	1,800.00	16,716.45
Total 4000 - Revenue	<u>2,959,439.60</u>	<u>3,457,436.00</u>	<u>-497,996.40</u>
Total Income	<u>2,959,439.60</u>	<u>3,457,436.00</u>	<u>-497,996.40</u>
Gross Profit	<u>2,959,439.60</u>	<u>3,457,436.00</u>	<u>-497,996.40</u>
Expense			
Operating Expenses			
Staff Expenses			
Salaries & Wages	147,659.00	164,850.03	-17,191.03
Payroll Tax Expense	16,506.82	12,611.07	3,895.75
Employee Benefits	4,156.88	9,715.50	-5,558.62
Worker's Compensation	0.00	1,648.53	-1,648.53
Total Staff Expenses	<u>168,322.70</u>	<u>188,825.13</u>	<u>-20,502.43</u>
Professional Services			
Accounting	42,780.00	28,000.00	14,780.00
Bookkeeping	21,160.91	19,500.00	1,660.91
Legal Fees General	116,794.21	145,000.00	-28,205.79
Legal Bankruptcy	56,142.71	238,000.00	-181,857.29
Professional Fees Other	6,898.41	45,000.00	-38,101.59
Total Professional Services	<u>243,776.24</u>	<u>475,500.00</u>	<u>-231,723.76</u>
Office Expenses (H)			
Bank Charges	-2,420.66	9,600.00	-12,020.66
IT / Computer Expense	9,364.05	4,700.00	4,664.05
Licenses and Fees	25.00	900.00	-875.00
Rent	0.00	7,650.00	-7,650.00
Storage	2,001.24	2,520.00	-518.76
Supplies	2,642.55	2,250.00	392.55
Utilities (Tel/PGE)	3,276.16	2,700.00	576.16
Total Office Expenses (H)	<u>14,888.34</u>	<u>30,320.00</u>	<u>-15,431.66</u>
Directors Expense (H)			
Cont Education	11,061.61	12,504.18	-1,442.57
Ins Exp D&O/Property	22,700.70	29,853.00	-7,152.30
Total Directors Expense (H)	<u>33,762.31</u>	<u>42,357.18</u>	<u>-8,594.87</u>
Total Operating Expenses	<u>460,749.59</u>	<u>737,002.31</u>	<u>-276,252.72</u>

Palm Drive Healthcare District
Profit & Loss Budget vs. Actual YTD
 July 2017 through March 2018

	<u>Jul '17 - Mar 18</u>	<u>Budget</u>	<u>\$ Over Budget</u>
Contractual Payments			
Bankruptcy Contingency	0.00	325,900.00	-325,900.00
CMSP Cost Report *	50,076.98	0.00	50,076.98
Medical Records	48,121.09	40,500.00	7,621.09
Prime Grant/IGT Contract Exp	0.00	375,000.00	-375,000.00
Prime Grant/IGT to SWMC	0.00	375,000.00	-375,000.00
Building Maintenance	97,847.70	210,000.00	-112,152.30
Interest Exp Cost Report or CMS	3,578.18	4,392.00	-813.82
Total Contractual Payments	199,623.95	1,330,792.00	-1,131,168.05
Community Health Services			
West County Community Services	0.00	1,500.02	-1,500.02
General Community Health	288.60	13,399.98	-13,111.38
Sponsorship	0.00	6,000.00	-6,000.00
District Comm Services Various	645.58	0.00	645.58
Bodega Bay Fire Services	0.00	22,000.00	-22,000.00
West County Health (H) RRARA	3,000.00	3,000.00	0.00
Total West County Health (H)	3,000.00	3,000.00	0.00
Senior Centers	3,550.00	0.00	3,550.00
Total Community Health Services	7,484.18	45,900.00	-38,415.82
Non - Operating (Revenue) / Exp			
NonOp Inc/Exp Parcel Tax Refund	310.00	6,200.00	-5,890.00
Exp - Bond Interest Exp	919,847.25	919,847.25	0.00
Total Non - Operating (Revenue) / Exp	920,157.25	926,047.25	-5,890.00
Depreciation Header			
Dep Exp - Cap Lse Eq	390,375.00	390,375.00	0.00
Dep Exp - Major Mov Eq	594,774.00	594,774.00	0.00
Dep Exp - Bid & Improvements	162,882.00	162,882.00	0.00
Total Depreciation Header	1,148,031.00	1,148,031.00	0.00
Total Expense	2,736,045.97	4,187,772.56	-1,451,726.59
Net Ordinary Income	223,393.63	-730,336.56	953,730.19
Net Income	223,393.63	-730,336.56	953,730.19

**EMPLOYMENT AGREEMENT BY AND BETWEEN
PALM DRIVE HEALTHCARE DISTRICT
AND
ALANNA BROGAN, MS, PHN, RN**

This Employment Agreement (“**Agreement**”) effective as of January 1, 2017 (the “**Effective Date**”), is by and between the Palm Drive Healthcare District, a political subdivision of the State of California (hereinafter referred to as the “**District**”), and Alanna Brogan, an individual (hereinafter referred to as “**Employee**”).

WHEREAS, District provides community benefit and outreach services to improve the quality of healthcare in its service area, and

WHEREAS, District desires to secure the services of Employee for the purpose of acting as the Executive Director of the District, and

WHEREAS, Employee has been serving under verbal agreements as the Executive Director of the District since August 7, 2015 without a written contract, and the parties now wish to enter into this agreement to memorialize the terms and conditions of Employee’s employment by District,

NOW, THEREFORE, in consideration of the material advantages accruing to the two parties and the mutual covenants contained herein, the District and Employee agree as follows:

AGREEMENT

1. Duties and Term.

Employee will render professional executive management services as the Executive Director of the District. The initial term of this Agreement shall be for *one (1) year* from the Effective Date. Thereafter, this Agreement shall renew on a year-to-year basis on the anniversary of the Effective Date (“**Extended Term**”) until, either, one party gives a notice of non-renewal to the other party not less than 90 days before the end of the then current term, or Employee’s employment is otherwise terminated in accordance with the terms of this Agreement. Employee will at all times faithfully, industriously and to the best of her ability perform all duties that may be assigned to her by the District’s Board of Directors (“**Board**”). In addition, Employee shall perform in the same manner any special duties assigned or delegated to her by the Board pertaining to District operations. All duties will be performed in accordance with applicable Federal, State and local laws/regulations and the District bylaws, rules and regulations.

Employee shall not directly or indirectly acquire, hold or retain any interest in any business competing with or similar to the business of the Employee which in any way creates a conflict of interest. During the term of this agreement the Employee shall not engage or participate in any business that is in competition with the Employer. Employee acknowledges and agrees that the sale, unauthorized use or disclosure of any of the Employer’s confidential information or trade secrets constitutes unfair competition. Employee promises and agrees not to engage in any

unfair competition with Employer, either during the term of this agreement or thereafter.

2. **At-Will Employment.** This employment with the District is voluntarily entered into and shall be considered “at-will.” Employee is free to resign at any time, with or without notice, and with or without cause. Similarly, the District may terminate the employment relationship at any time, with or without notice, and with or without cause, so long as there is no violation of applicable federal or state law. Nothing in this Agreement or in any document or statement shall limit the right of the District to terminate the employment relationship “at-will” at any time, with or without cause. Only the Board of Directors of the District has the authority to make any such agreement altering the “at-will” nature of this Agreement, and then only in writing.

3. **Compensation**

(a) **Base Salary.** In consideration for her services as Executive Director, the District agrees to pay Employee the sum of **124,800** per annum (“**Base Salary**”). Base Salary shall be payable in installments throughout the contract year in accordance with the normal payroll practices of the District.

(b) **Salary Adjustments and Incentive Compensation.** The Board shall conduct an annual evaluation of Employee’s performance. Salary adjustments, if any, will be considered at the annual evaluation by the Board, in its sole and absolute discretion. Employer will pay, as incentive compensation, an amount up to 2% of Employee’s base annual salary based on criteria established by the Board. The criteria for, and amount of, incentive compensation payable to Employee shall be established by the Board in its sole and absolute discretion.

4. **Benefits**

(a) **Paid Time Off (PTO) and Leave of Absence (LOA).** Employee will be entitled to 10 days of PTO per year. In addition, Employee shall advise the Board President in advance of her desired schedule for PTO and LOA, which schedule shall be approved by the Board President unless it imposes an unreasonable burden on the District.

(b) **Health Benefits.** Health Benefits are waived by the Executive Director for the purposes of this Agreement.

(c) **Expenses.** During the term of this Agreement, District will reimburse Employee for Employee’s reasonable out-of-pocket expenses incurred in connection with District’s business. The Board President will approve these documented expenses including:

- Continuing Education: registration fees, travel expenses, food, and lodging while away from the District offices. This shall include, but not be limited to, Employee’s attendance at ACHD and other associations deemed useful to the performance by Employee of her job duties for not more than eight (8) days per year. Expenses shall be reviewed and approved by the Board President, or a board member designated by the President.

- Mileage incurred for District business will be reimbursed based on IRS current allowance.
- Automobile Expense: The District will pay \$250/month for automobile expense.
- Phone: District will reimburse reasonable cell phone costs in accordance with District policy.

(d) **Retirement:** If and when the District adopts a retirement plan, and effective upon plan adoption, Employee shall participate in the plan at the most advantageous level offered to any District employee.

5. **Severance Compensation**

(a) **Termination by District Without Cause; Pay in Lieu of Notice.**

In the event Employee's employment is terminated by the District for any reason other than: (1) "For Cause" (as defined in Section 5d below); or (2) due to the death of the Employee, Employee will be paid, subject to Employee signing a full release in a form prepared by District, a severance payment equal to the Employee's Base Salary for the period commencing on the date that Employee's employment is terminated and extending for a period equal to the lesser of Ninety (90) days or the remainder of the then current Term, subject to the limitations of this section (**the "Severance Pay"**). The Severance Pay will be paid on the same dates specified in Paragraph 3(a) for payment of Employee's Base Salary. If Employee goes to work, or contracts to provide services, for another entity engaged in providing health care services during the period in which Severance Pay is being paid by the District, regardless of length of time she is employed, or performs services for such other entity, Employee shall not be entitled to any further Severance Pay under this Agreement.

(b) **Termination by District for Cause.**

In the event Employee's employment is terminated by the District "For Cause" (as defined in Section 5d below), Employee shall not be entitled to any Severance Pay.

(c) **Termination by Employee for any Reason; No Severance; Ninety-Day Notice Requested**

In the event Employee terminates her employment with District for any reason, Employee or Employee's estate will not be entitled to any Severance Pay. Employee is requested to give District ninety (90) days' prior written notice of his intent to terminate this Agreement for any reason, except in the event of Employee's death.

(d) **Definitions.** For purposes of this Agreement, the following terms have the following meanings:

"For Cause" means termination by District of Employee's employment by reason of: (i) Employee's serious abuse such as fraud, embezzlement, misappropriation of District property, willful dishonesty towards, or deliberate injury or attempted injury to, the District; (ii)

Employee's material breach of this Agreement, including, but not limited to, performing services for a competitor during the term of this Agreement; (iii) Employee's intentional misconduct with respect to the performance of Employee's duties under this Agreement; or (iv) Employee's repeated failure to perform the essential functions of her job in a satisfactory fashion; provided, however, that no such termination will be deemed to be a termination For Cause unless the District has provided Employee with written notice of what it reasonably believes are the grounds for any termination For Cause and Employee fails to take appropriate remedial actions during the ten (10) day period following receipt of such written notice.

6. **Withholding Taxes.** The District will withhold from any monies payable pursuant to this agreement all Federal, State, City or other taxes and withholdings as may be required by any law, governmental regulation or ruling.

7. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties and contains all of the agreements between them with respect to the subject matter hereof. It also supersedes any and all other agreements or contracts, either oral or written, between the parties with respect to the subject matter hereof.

8. **Amendments.** The terms and conditions of this Agreement can be amended at any time by mutual agreement of the parties, provided that before any amendment shall be valid or effective, it shall have been reduced to writing, approved by the District, and signed by the President of the Board and Employee.

9. **Severability.** The invalidity or unenforceability of any particular provision of this contract shall not affect its other provisions, and this contract shall be construed in all respects as if such invalid or unenforceable provisions have been omitted.

10. **Mediation and Arbitration.** In the event of any dispute or controversy between the parties hereto regarding this Agreement, the parties shall make a good faith effort to resolve such controversy of dispute in the first instance through mediation. Upon written demand by either party, a mutually agreeable mediator will be selected to assist the parties in resolving as much of the dispute in the first instance mediation. Upon written demand by either party, a mutually agreeable mediator will be selected to assist the parties in resolving as much of the dispute or controversy as possible. The parties shall share the cost of the mediator. Any remaining unresolved issues will be submitted to binding arbitration in accordance with the rules of the American Arbitration Association at a location in Sonoma County, California.

11. **Notice.** All notices and other communications under this Agreement must be in writing and must be given by personal delivery, facsimile, electronic mail, or first class mail, certified or registered with return receipt requested, and will be deemed to have been duly given upon receipt if personally delivered, three (3) days after mailing, if mailed, or twelve (12) hours after transmission, if delivered by facsimile or electronic mail, to the respective persons named below:

If to District:

Palm Drive Health Care District
Attention: President, Board of Directors
612 Petaluma Avenue
Sebastopol, CA 95472

If to Employee:

Alanna Brogan
5931 Monte Verde Dr.
Santa Rosa, CA 95409

Any party may change such party's address for notices by notice duly given pursuant to this Section.

11. **Governing Law.** This Agreement shall be construed and enforced under and in accordance with the laws of the State of California with venue in Sonoma County.

PALM DRIVE HEALTH CARE DISTRICT

EMPLOYEE

By: Dennis Colthurst, Board President
Date: _____, 2017

Name: Alanna Brogan
Date: _____, 2017



TO : DRA **VIA EMAIL**

REGARDING : Palm Drive Health Care District
612 Petaluma Avenue
Sebastopol, CA 95473

DATE: 03/30/2018

BINDER CONFIRMATION

POLICY NUMBER: TXENYB12459218

POLICY FORM: Storage Tank Third Party Liability, Corrective Action and Cleanup Policy
Claims-Made - ES-TX(1/07) R2

ISSUING COMPANY: Liberty Surplus Insurance Corporation (LSIC), AM Best Rated A, XV
175 Berkeley Street
Boston, MA 02116

INSURING AGREEMENTS: 1.a Third Party Bodily Injury and Property Damage.
1.c Cleanup of Pollutants Due to Aboveground Storage Tank Releases.

POLICY PERIOD: 03/31/2018 to 03/31/2019

RETROACTIVE DATE: See Tank Schedule

LIMITS OF LIABILITY: \$ 1,000,000 Per Each Pollution Incident
\$ 1,000,000 Aggregate Limit
\$ 1,000,000 Aggregate Claims Expense Limit

DEDUCTIBLE: \$ 5,000 Each Incident.

TERRORISM: Rejected

POLICY PREMIUM: \$ 2,128 Base Premium
DECLINED Certified Acts of Terrorism Premium
DECLINED Non-certified Terrorism Premium
\$ 2,128 Total Premium

The Insurer is a surplus lines insurer, is not licensed by the State and is subject to limited regulation. In the event of insolvency of the Insurer, the insurance is not covered by the State's guaranty fund. This policy may be subject to surplus lines taxes, stamping fees, surcharges, and certain surplus lines reporting requirements mandated by state regulations. The Surplus Lines Broker is responsible for the disclosure of all related taxes, surcharges, and fees. The Surplus Lines Broker is also responsible for the applicable surplus lines reporting requirements including but not limited to the submission of diligent search forms.

Liberty International Underwriters is a marketing name for the broker distributed specialty lines insurance products of Liberty Mutual Insurance.

COVERED LOCATIONS & STORAGE TANKS:

Loc. #	Location Name	Street Address	City	State	Postal Code					
1	Sonoma West Medical Center	501 Petaluma Avenue	sebastopol	CA	95472					
Loc. #	Tank #	Tank ID	UST/AST	Year Installed	Capacity Gallons	Construction	SW/DW	Contents	Retro. Date	Deductible
1	1	1	AST	1991	1,000	Vaulted	DW	Diesel	03/31/2005	\$5,000
1	2	2	AST	1991	3,200	Plastic	SW	Other	03/26/2018	\$5,000

ADDITIONAL TERMS AND CONDITIONS WILL APPLY:

1. Service of Suit Clause - California SC-7 - (05/16)
2. U.S. Economic And Trade Sanctions Endorsement OFAC - (08/09)
3. Schedule of Covered Locations and Storage Tanks (with Deductible & Retroactive Date) Amendatory Endorsement E-TX-16 - (06/10)
4. Biological Contaminants Exclusion E-TX-8 - (01/04)
5. Cancellation - Minimum Earned Premium (25.0%) E-TX-4 - (07/02)
6. Loading and Unloading Coverage Extension E-TX-3 - (07/02)
7. Bodily Injury and Property Damage Coverage Extension Endorsement E-TX-2 - (12/14)
8. AST Pipeline Exclusion E-TX-11 - (3-09)
9. Financial Assurance Amendatory Endorsement E-TX-13 - (5/10)
10. The applicable Terrorism Coverage Extension or Exclusion Endorsements.
TRIA Coverage : TRIA is rejected
 - Exclusion of Certified Acts of Terrorism. TRIA-ENV-E002-0315
 - Exclusion of Terrorism. TRIA-ENV-E003-0315

LIU Environmental reserves the right to perform an Environmental Site Survey during the policy period. This survey will be at LIU Environmental's own expense.

Premium is due in full within 30 days of the effective date to Liberty Surplus Insurance Corporation. It is your responsibility to collect and pay all applicable taxes and fees.

Thank you for giving us the opportunity to work with you on this account.

Best regards,

LIU Environmental



DEALEY, RENTON & ASSOCIATES
Insurance Brokers

PO Box 12675
Oakland, CA 94604-2675
Tel 800-545-3090

-----**INVOICE**-----

Palm Drive Health Care District
612 Petaluma Ave.
Sebastopol, CA 95472

Invoice Date 04/10/18
Invoice No. 172619
Bill-To Code PALMDRIVE
Client Code PALMDRIVE
Inv Order No. 1*177962

Named Insured: Palm Drive Health Care District

Amount Remitted: \$

Please return this portion with your payment.

Make checks payable to: Dealey, Renton & Associates

Effective Date	Policy Period	Coverage Description	Transaction Amount
03/31/18	03/31/18 to 03/31/19	Liberty Surplus Insurance Corporation Policy No. TXENYB12459218 *Renewal - General Liability	2,128.00
		Company Broker Fee - General Liability	500.00
		SLA Tax & Fee/Broker - General Liabili	68.10
		Thank you for your business.	
		Invoice Number: 172619 Amount Due:	2,696.10

*Premiums Due and Payable on Effective Date