

TAHOE FOREST HOSPITAL DISTRICT MEASURE C GENERAL OBLIGATION BOND
CITIZENS OVERSIGHT COMMITTEE MEETING HELD ON TUESDAY, JANUARY 22,
2008 AT 4:00 PM IN THE ADMINISTRATIVE CONFERENCE ROOM

MEMBERS Randy Hill, Leisa Peterson, John Moise, Mark Tanner, Paul Leyton,
PRESENT: Caroline Ford

OTHERS Steve Gross, Sherrin Fielder, Robert Schapper, Jeanne McAuliffe
PRESENT:

Call to Order/Roll Call

Mr. Hill called the meeting to order at 4:05 PM. Caroline Ford is on her way from Reno. He introduced Sherrin Fielder who is before the Board of Directors tonight to be appointed as the CPA member of this committee.

Clear the Agenda/Items Not On The Posted Agenda

None.

Briefing on the Ralph M. Brown Act: Steve Gross, Porter Simon

Mr. Gross was introduced. He is legal counsel for TFHD. He presented a condensed version of the Brown Act, highlights as follows:

- The Brown Act is the open meeting law for the State of California.
- It is very specific with its requirements. Only topics listed on the agenda may be discussed at the meetings. There are specific timeframes for posting agendas, which he reviewed later in the meeting;
- There is a question as to whether or not this committee is governed by the Brown Act. Generally, governing bodies are subject to the Brown Act; special districts, cities and other public agencies.
- This committee has no independent decision making authority on its own. However, the Bylaws of this committee that was approved by the District Board of Directors specifies that this committee is governed by the Brown Act.
- The intent of the Board is to have transparency on how business is conducted here. Right now, unless there is a change to the Bylaws, this committee is governed by the Brown Act.
- The law requires that this committee meet in open session. Whenever there is a quorum, which in this case is 5 members, of the committee, then the Brown Act must be followed.
- What constitutes a meeting? Anytime any of you are talking, whether by telephone, electronically or in person, if you are deliberating about a decision to be made by the committee.
- A serial meeting is when members of the committee contact other members of the committee and transmit information among themselves. E-mail is a real easy way to violate the Brown Act by sending an e-mail to one member of the committee and copying the others.

A question was asked about if a simple hand-out is available with dos and don'ts regarding the Brown Act. Mr. Gross responded that he will check to see if there is something already put together, if not, he will put something together for the committee.

- Teleconference meetings: Members of the committee can join the meeting via telephone call, but there are specific rules. Be sure to coordinate with the chair or the staff liaison prior to joining a meeting by telephone. The location of any committee member must be accessible to the public, an agenda has to be posted at that location and a speaker phone must be available. If you are outside the boundaries of the District, you cannot vote.
- Agendas must be posted 72 hours in advance of regular meetings. Only the items on the agenda can be discussed at the meeting. A special meeting can be called with 24 hours notice.
- There has to be a place on the agenda for public input at your meetings. The public has the right to comment on anything whether it is on the agenda or not.

A question was asked if the committee is able to comment on any input by the public that is not on the agenda. Mr. Gross stated that any discussion should be very brief, thank them for their input, ask clarifying questions or ask staff to do more research and agendize for a later meeting to be discussed.

- Closed sessions: The Brown Act states that you can only meet in closed session to discuss: 1) litigation or potential litigation; 2) real estate transactions; a negotiator has to be identified, what is under discussion (price and terms); 3) personnel action, which won't be applicable to this committee; 4) Q & A Issues, which also is not applicable to this committee, i.e., (appointments to the Medical Staff; and 5) Trade Secrets discussions, which is unique to Healthcare Districts.

The committee went around the table introduced themselves and shared a bit about their background with the group.

Scope and Limitations of Roles and Responsibilities (Bylaws)

Mr. Hill stated:

- He has read these Bylaws quite a few times.
- He believes the role of this committee is pretty clear.
 - ✓ He believes it is an auditing role to make sure that the Measure C funds are spent according to the expectations of the community.
 - ✓ It is also one of communicating to the community how the money is being spent, so the issue of transparency is out there.
 - ✓ He opened the meeting up for discussion about what everyone thinks the role of this committee is.

Discussion was held about what each member believes the purpose and role is of this committee.

Mr. Leyton offered that he saw the role and responsibilities as being more prospective in nature and that the committee should be perhaps more involved in an advisory role.

It was suggested that the committee have a discussion with Mr. Schapper and the Board of Directors about what their role is and what the Board expects of the committee.

Mr. Schapper joined the meeting.

Mr. Gross was asked a question about the personal liability of the members of this committee. Mr. Gross responded:

- ✓ The role of this committee is in an advisory capacity.
- ✓ Sometimes that role will be black and white, other times it won't be so clear.
- ✓ The job of this committee is to be sure that monies spent are appropriate according to Measure C; and to report to the Board and to the community.
- ✓ You act as volunteers of the Hospital and would be covered should there be a liability issue.
- ✓ You are not involved in making decisions for the District, so liability should not be a problem.

Mr. Hill introduced Mr. Schapper, the CEO of the Hospital. He informed Mr. Schapper that the discussion being held at this time is concerning the role and responsibility of this committee. He asked Mr. Schapper for input regarding this.

Mr. Schapper:

- Welcomed the members of the committee and thanked them for their interest in the Hospital.
- He stated that he has never worked in a public setting with a community oversight committee before, so this is new for him, as well as it may be for some of the members of the committee.
- Commented that he was looking forward to working with the committee and that he hoped to approach the process in an open manner in a common sense approach.
- Stated that we hope to create a process that the committee will feel provides sufficient information for the committee to validate that the District is responsibly utilizing Measure C funds.
- This committee is to operate as an oversight or audit committee, not as a decision making committee. However, it was stated that we expect that from time to time, that the District will be bringing prospective information to the committee to explain options prior to their potential execution. An example of a dilemma for the District would be: should the addition of new technologies, IT enhanced technologies be a part of this project or separate from this project?
- The Western Addition Project will be reviewed with you.
 - ✓ The scope of the Western Addition Project was not fully understood by the community;
 - ✓ There were about 16 projects that made up the big project called the Western Addition;
 - ✓ During that project, the District made decisions to incorporate technology enhancements that changed some elements of the project;
 - ✓ The District's desire is to be very transparent with the community.

A question was asked about how the \$98 million figure for the bond was arrived at. Mr. Schapper responded:

- There was a planning process that took place over approximately a year's period. This process will be reviewed in more detail at a future meeting of the committee.
- A professional planner was engaged, Rob Eskridge, who is a former District Board member.
- Extensive discussion was held about enhancing services and facilities for the District.
- The District's process identified projects of around \$191 million.

- Then, the District went to the community with two separate surveys to determine what was important to our constituents.
- The District incorporated that feedback along with the seismic mandate and developed a set of facility and service priorities that could be addressed through a bond measure.
- There is a gap between what we would optimally like to do and what we can realistically afford.
- That pretty much describes the process the District went through to arrive at that number.
- A great deal of education will take place over the next few months regarding:
 - ✓ What the District has been doing;
 - ✓ How we are advancing in technologies;
 - ✓ How we have dealt with financing;
 - ✓ OSHPD, what the agency regulates and what our limitations are in the construction process;
 - ✓ Provide a better understanding of SB 1953 and the seismic requirements in which we are subject to compliance.
- The District leadership is very well aware that whatever we do over the next 6-7 years will be the legacy upon which the future leaders will build.
- Together, we represent all the constituents of the District. We take serious our vision of being the best mountain community health system in the nation.

Mr. Hill stated that from his perspective, we'll probably spend the next 3-6 months in education. There is so much to learn. At this point, that is where he sees us going.

Mr. Schapper stated that he will make himself available to any of you to answer questions, clarify issues or discuss anything you want to discuss with him, either at the office or at his home.

COC Development: Randy Hill

Mr. Hill:

- Quickly reviewed the list of further education topics in the attachment in the packet
- Stated that this list is not in any way a complete list. He encouraged the committee that if anyone has anything else they would like added to the list, please do so at any time.

COC Communications: Randy Hill

Mr. Hill stated:

- This topic has already been discussed this evening. A big part of the role of this committee is communication. A communication plan will be developed later.
- Paige Nebeker is the head of the Marketing/Communications Department for the health system. She will attend a future committee meeting and guide the committee through some communication options.

A high level timeline was requested, in order to get an idea of what is expected and when.

Mr. Schapper stated that this will be incorporated into the education process. Our financial advisor, Mr. Gary Hicks, will join the committee at a future meeting and walk the committee through what has been done and the bond timelines.

Mr. Gross interjected another Brown Act item. If you are at a public noticed TFHD Board meeting, you can all participate without worrying about violating the Brown Act. You just can't huddle together after the meeting on the side.

A question was asked if e-mails are public record. Mr. Gross responded that e-mails are public record.

Establish Officers and terms of office for all members

Mr. Hill stated that the Bylaws specify that everyone serve an initial period of two years. At this point, he would like to have the committee elect a Vice-Chair. This is voluntary, but that person would stand in, in the absence of the Chair.

Mr. Tanner asked if anyone would like to nominate themselves. Paul Leyton volunteered to nominate himself.

It was moved by Mark Tanner and seconded by John Moise to elect Paul Leyton as Vice-Chair. Motion carried unanimously.

Establish 2008 Calendar

Mr. Hill suggested that the committee meet monthly.

After some discussion, it was suggested to establish a regular monthly meeting on the 2nd Monday of each month at 4:00 in the WA Lobby Conference Room.

It was moved by Mark Tanner and seconded by Caroline Ford to establish a regular monthly meeting on the 2nd Monday of each month at 4:00 PM. Motion carried unanimously.

Next meeting Topics, Tasks

Mr. Schapper stated:

- There will be a presentation to the committee of the Western Addition Project reconciliation, so that the committee can understand fully what the project looked like and where the challenges were.
- He would like to have an OSHPD representative come and talk to the committee about what works well and what doesn't for them.
- He will have Gary Hicks, the District's financial advisor, come and talk to the committee.

It was requested that the committee get a copy of the actual verbiage of Measure C.

Discussion was held about the order of education topics.

A question was asked about how to handle questions from the media. Mr. Hill referred to the guidelines in the Bylaws. There will also need to be some protocol regarding this, which will be discussed at a future time.

Mr. Hill asked if everyone had a copy of the roster. Is this correct information for each of you?

The next meeting will be on Monday, February 11th at 4:00 PM in the Western Addition Lobby Conference Room.

The meeting adjourned at 6:05 PM.

Randy Hill