

**Tahoe Forest Hospital District
Citizens Oversight Committee Meeting Minutes
Wednesday May 4 2011, Eskridge Conference Room**

ATTACHMENT 1

Members Present: Paul Kucharski, Dale Chamblin, Gary Boxeth, Andrea Baltzegar, Sherrin Fielder, Paul Leyton, Larry Mace, Mark Tanner (arrived at 6:51)

Members excused or absent: Gerald Herrick, Caroline Ford, Gary Davis

District Board representatives: Roger Kahn, John Mohun

Staff Present: Maia Schneider, Rick McConn, Bob Schapper

Guests present:

Topic / Agenda item	Discussion	Action steps/ Responsible party
I. Call to Order	Paul Kucharski called meeting to order at 6:02 PM	
II. Roll call	<i>Please see above</i>	
III. Items not on the agenda/clear the agenda	None	
IV. Input from the audience	None	
V. Standing items: - Meeting minutes - Financial report - MC Budget reports - Facilities update	<p>1. Gerald Herrick requested via email to Paul K to add to the minutes under item 9 “letter to be drafted by Paul K and Gerald Herrick.” Minutes to be edited and resubmitted for adoption at next COC meeting</p> <p>2. Table District financials until Crystal Betts can attend COC meeting</p> <p>3. Rick McConn distributed the Facility Development Plan packets. He explained that this is a condensed version of the Board of Directors’ complete construction binder which includes project cost summaries for each project. Rick reviewed how to read the packet documents as well as the short summaries that will be distributed quarterly to the COC after the Board has adopted them. Paul Leyton offered a suggestion regarding formatting on regulatory versus non-regulatory items as well as a suggestion on formatting of “completion percentage” categories. Discussion followed with questions and clarifications on the report between COC members and staff/Board members. Sherrin Fielder asked about changes to the development plan which are outside of the Measure C budget and how those would be paid? Staff explained that any additional expenses due to owner-directed changes would be covered through operating revenues and/or borrowing at the Board’s direction. Dale Chamblin asked whether it was possible to come in under the total \$98.5 million, and whether the District might weigh the political ramifications of being under budget versus the operational benefits of certain changes? Bob Schapper replied that all facilities decisions would be focused on doing the right thing for the hospital and community, and differences would be covered through other revenues. Roger Kahn explained</p>	Maia to revise minutes and resubmit

	<p>it's a double-edged sword; if we do the right thing and spend more money making each project the best and state-of-the-art for a hospital of our size, we might still upset some people who would accuse us of over-spending. But the Board is committed to building these projects the right way and the best way for our community. Paul L commented that the COC should support the District Board in this thinking, and that this can be communicated to the community effectively. Dale C added that you can't make everyone happy. Roger replied that he would appreciate the COC's support.</p> <p>Rick concluded his presentation on the plan documents by stating that the numbers contained therein are under constant scrutiny and refinement. We are working as hard as we can to come as close as we can to the \$98 million. Wherever there are cost savings to be had we will find them. This is not a static document and will be under continual revision. Rick also mentioned the very detailed "Schedule of Values" (SOV) documents that will also be shared with the COC quarterly after BoD adoption. Paul L asked if preparation of the documents was part of Geney-Gassiot's job; Rick replied yes, its part of their contract.</p> <p>Rick started his facilities update with an update on the Cancer Center. We are still on the timeframe to be complete and begin move-in in March 2012 and expect to be fully operational in July, 2012. Central Energy Plant rec'd OSHPD approval on final two packages and we believe we are first at least in Nor Cal to have approval on modular buildings. South Building (women and family) will enter design development phase very soon. Dietary is in OSHPD for approval. Skilled Nursing is under construction. Pharmacy is underway and scheduled to be completed mid-August. Regarding OSHPD, they have a 90 day review period mandate. However, they often meet those deadlines but with incomplete reviews, so you would have several rounds of comments and questions which delay approval. Furloughs and departure of key employees at OSHPD are compounding the delays. We have pushed at the top levels of OSHPD and while they are imperfect, they really worked with us on the two projects recently approved. They understand our short construction season and as much as they can, they've responded to that.</p>	
<p>VI. Finance Sub Committee report</p>	<p>Sherrin reported that three billing cycles were reviewed at their last meeting. We learned what a "HazUS" study was and we added a couple of items on the pending list. We won't meet in May due to the Memorial Day holiday so our next meeting is June 24. Sherrin called for guest COC member for that meeting. Paul Leyton volunteered.</p>	
<p>VII. Communications subcommittee report</p>	<p>Paul L: nothing to report. Paul K received a letter from a member that requests better communication on the web site. Paul L said that he would work with another COC member on updating the web site. Paul K to refer one member to Paul L.</p>	
<p>VIII. Letter to District Board</p>	<p>Paul K recounted the last COC member-only meeting and the discussion held that resulted in the decision to submit comments to Paul K by April 15. Those comments were to be compiled by Paul K and Gerald H to draft a letter to the BoD but Paul has only received two comments. Paul K asked again for the COC membership to submit their comments. He outlined the concerns that had been shared at that meeting:</p> <ol style="list-style-type: none"> 1. Was COC created only to appease the community? 2. Are we going to be looking at whether dollars were spent only on MC projects, or is it 	<p>Paul submitted hard copies of the emailed comments for the COC's review</p>

	<p>part of our charge to review whether the funds were spent appropriately?</p> <ol style="list-style-type: none"> 3. Is the credibility of the Board the only reason the COC was formed? 4. Why is staff slow in getting materials to the COC? 5. Is the COC is only an “after the fact” group to only review the receipts and invoices? 6. The Board of Directors Finance Committee should have a standing invitation to the COC any time they are reviewing the MC projects and expenditures <p>Paul K suggested that its time to refine the COC’s mission through an update to the bylaws. The comments provided tonight (note: attached to these minutes as an addendum) will partially inform the modifications we are requesting to the bylaws. Paul K wants to hold off on drafting a letter until all COC members have submitted their comments.</p> <p>Paul L added that the Board should review all change orders in a more detailed way, and that the COC should be the body that approves change orders prior to their completion, thereby saving the Board a step. Paul L commented that the broad language approved in the existing bylaws gives license to the COC to do more than what they’re doing.</p> <p>Roger commented that he would like to see the letter to the Board before providing an opinion on changing the bylaws. Roger said the initial intent was to limit the role of the COC to ensuring the funds are spent according to the ballot language, and he’s not certain that should change. Paul K said that with all due respect the COC feels that this should change and the role of the COC should be broadened.</p> <p>John Mohun stated that he understands the exposure that COC members share, and the risk to their reputations in the community. He suggested that the COC and Board work with an independent facilitator to review past agendas and minutes, look at the current situation, and provide the responsibility and authority that the COC needs. Your job is not only to review the expenditures, but also to ask “how can we make this better?” It’s not to control the Board or staff, but it is to be advisory. It’s imperative that you get somebody to help you do that. You should not be thinking of yourselves as “rubber stamp” and it’s shocking that we have this disconnect.</p> <p>The agreed next step is to get this item on the Board agenda and ask for funds to hire a consultant. Paul L asked about the costs of hiring a consultant. John explained that he has already looked into this possibility and the initial costs would be minimal. Sherrin stated that no matter what the results were, both parties would have to agree up front that the outcome would be honored by all.</p>	
IX. Set remaining meeting dates for 2011	Roger clarified the months that the quarterly reports the COC gets would be available. For now the COC wants to meet monthly on the first Wednesday of each month @ 4:30 PM. Date is most important driver, not access to food, so whatever conference room is available on those dates is best. Later the COC may decide to move to a quarterly schedule.	
X. Updates from TFHD Board representatives	Paul K commended John for how quickly he got up to speed as a Board member. John stated that the Board is looking for a partnership with the COC, so hopefully we will get some direction to facilitate and make your jobs easier. Roger added that we value the COC, we really want to have	

	your support, and we want to see how the roles may work better together. Paul L said the Board reps should be a part of the facilitated dialogue.	
XI. Next scheduled meeting: topics, tasks	Sherrin Fielder to make a presentation on the invoice selection process for the finance subcommittee. Next meeting Wednesday, June 1 @ 4:30 PM. Location TBD	

Adjourned at 7:03 PM