

MEMORANDUM

DATE: January 14, 2010

TO: Tahoe Forest Hospital District Board of Directors

FROM: Caroline Ford, Chair
Measure C Citizens Oversight Committee (COC)

SUBJECT: 2009 Annual Report

This annual report is submitted as part of the Measure C Citizens Oversight Committee (COC) compliance with bylaws established by the District Board. The COC, according to the bylaws, shall provide to the Tahoe Forest Hospital District Board in public session, an annual written report which shall contain the following:

- A statement indicating whether the District is in compliance with the letter and intent of Measure C; and
- A summary of the Committee's proceedings and activities for the preceding year.

The 2009 COC annual report is as follows:

The COC was apprised early in the year of the District Board's February 12th approval of the master campus conceptual plan. Freeman White was contracted to provide planning on the following projects: Cancer Center; Emergency Department and Birthing Center; the remodel of Surgery/Decontamination areas; relocation of the Billing and Business offices; and the expansion of the Central Plant.

James Jepson and David Wolffe of Freeman White met with the COC at their May meeting to review current master campus plan projects, the planning schedule, current on-site conditions, and financial projections of Measure C funds to come in below the \$95 million (after debt retirement) fund.

The COC financial subcommittee, chaired by Sherrin Fielder, is comprised of Gary Boxeth, Gerald Herrick and Dale Chamblin. The COC reviewed a monthly report from the subcommittee that included the most recent review of Measure C funds. The subcommittee review includes a monthly balance sheet and profit and loss statement, provided by Tahoe Forest Hospital District; in addition, project invoices are selected monthly for analysis; back-up documentation is requested and reviewed for large invoices, new vendor invoices, plus a random selection from all invoices. Sherrin has created a tracking document for contingency items as well as other expenditures. The COC, during 2010, will rotate each of their members to a monthly meeting of the finance subcommittee so that each member has working knowledge of how the finance review process works and be able to convey the review process to the public if requested. This will also ensure COC continuity as subcommittee chairs rotate.

COC members attended an orientation session October 13th at Geney Gassiot in Reno to better understand the process in place for project management and construction services of Measure C projects contracted by the District. The COC reviewed the Geney Gassiot contract, and, after a PowerPoint presentation, were provided understanding of the risk management procedures in place and associated with oversight of all Measure C projects. The COC members, through this meeting and their subsequent full committee discussion, were able to identify how project issues were monitored for cost and schedule variances. The COC affirmed that “check and balance” strategies were in place to detect problems and to intervene during any phase of the project(s) including preconstruction prevention strategies. Geney Gassiot’s application of software to monitor construction sequencing and 3-D visualization provided unique opportunities to troubleshoot potential problems. The COC recognizes how the District Board would be apprised of cost and schedule expectations and variances of Measure C projects.

Two new District Board members were added to the COC during 2009 as liaison to the Committee: Larry Long and Roger Kahn. Their presence has enabled the COC to bring forward questions and request clarification on Measure C issues and receive responses during regularly scheduled meetings thereby averting delays by having questions filter to the District Board during their normal business meetings. The Chair has added a standing agenda item for the COC to have the District Board members comment or update the COC on Measure C issues.

The COC received a monthly facilities update from Rick McConn and a monthly fiscal update from Crystal Betts. The COC members were able to review and question staff regarding issues related to all Measure C Projects.

During the course of 2009 all COC member terms were reviewed to address staggering terms of members for the balance of 2009 and 2010, and COC officers were selected for the 2010 year. The current committee now consists of ten members with staggered one- and two-year appointments. The new Chair is Caroline Ford; the new Vice-Chair is Paul Kucharski. Additionally, the terms of office were reviewed and bylaws amended upon District Board approval, to include one year officer terms instead of the previous two year cycle. It is noted in this report that the majority of COC activities for 2009 were under the chairmanship of Randy Hill who has provided leadership, direction and support for the COC and to the District since inception of the COC in 2007. Mr. Hill’s guidance for oversight activities is appreciated by the COC and staff.

Paul Leyton and Paul Kucharshi revitalized the COC Communications Committee to address: review and update of the website, a COC statement to be extended for the District’s outreach activities regarding the Master Campus Plan, and updates for the Frequently Asked Questions document. Their work with the COC members has resulted in the completion of these activities.

The COC, based on their review and analysis of financial and project management of work on behalf of Measure C funds, finds that the Tahoe Forest Hospital District is in compliance with the letter and intent of Measure C funding, in summary “To maintain a

full service hospital in our community; expand and enhance the Emergency Room to ensure access to lifesaving care; maintain critical medical services including pediatrics, maternity, long term care for seniors and cancer care; and upgrade facilities that are outdated or do not meet state-mandated earthquake safety standards...”

Respectfully submitted on behalf of the COC,

Caroline Ford
Chair

Members
Paul Kucharshi, Vice-Chair
Randy Hill
Paul Leyton
Sherrin Fielder
Gerald Herrick
Gary Boxeth
Dale Chamblin
Mark Tanner
Gary Davis