

**MINUTES OF A SPECIAL MEETING  
BOARD OF DIRECTORS  
SEQUOIA HEALTHCARE DISTRICT  
June 5, 2002**

**Present:**

Mr. Faro, President  
Ms. Kane  
Mr. MacNaughton  
Dr. Shefren

**Also present:**

Mr. Gibson, CEO  
Ms. Johnson, recorder  
El Don A. Corl, resident  
Melanie Carroll, reporter

**Absent:**

Ms. Montalvo

---

**CALL TO ORDER:**

President Faro called the meeting to order at 4:45 PM in the Board Room at Sequoia Hospital.

**PUBLIC COMMENT:**

There was no public comment.

**CONSENT CALENDAR:**

On a motion offered by Director Shefren and seconded by Director MacNaughton, the Consent Calendar was approved as presented.

**NEW BUSINESS:**

**Resolution 02-4, Healthcare District Elections for 2002**

Director Shefren moved to waive reading of the resolution. Director MacNaughton seconded the motion which unanimously passed. Director Shefren then offered a motion to approve the resolution determining the date and adopting provisions for the 2002 Healthcare District General Election. It was noted that successors shall be chosen for the three offices as members of the Board of Directors. All three offices will be for four year terms. Director MacNaughton seconded the motion which passed by roll call vote as follows: Ayes: Director Faro, Director Shefren, Director Kane, Director MacNaughton  
Noes: Noes Abstain: None Absent: Director Montalvo

**Sequoia Hospital Foundation Report on Matching Funds:**

Mr. Gibson reported that as of May 16, the Foundation had raised \$842,000 in "qualified monies" and expects to raise the balance by June 30th. Ms. Keys' report notes that the new linear accelerator was almost totally funded by the Foundation with the largest single gift coming from the District Matching Grant. In addition the new magnetic resonance imaging system for Sequoia Hospital was recently installed and is serving patients. The District's contribution to this project will be recognized at the dedication. Director MacNaughton approved the matching grant up to \$1 million for the fiscal year 2001-2002. Director Shefren seconded the motion which unanimously passed.

**Sequoia Hospital Foundation Request for Matching Grant for FY 02-03:**

The second part of Ms. Keys' report requested approval to continue the matching grant of up to \$1 million for 2002-2003. Director Shefren acknowledged that the Matching Grant program has been very successful for the Foundation's fund raising efforts. However, he asked if the decision to approve the matching grant should not be deferred until the District's Strategic Plan is completed to insure that the programs funded by the Foundation grant coincide with the goals set forth in the Plan. Instead of deferring the request, Director MacNaughton offered a motion to approve the matching grant for FY 02-03 with the stipulation that the Foundation identify the projects for which the District funds will be used. Director Kane seconded the motion which unanimously passed.

**Resolution 02-5, Sequoia Hospital District Pension Plan**

Director Shefren moved to waive reading of the resolution. Director Kane seconded the motion which unanimously passed. Mr. Gibson reported on the recent annual review of the District Pension Plan which has approximately 1,200 enrollees and \$49 million assets. In 1996 the Plan was frozen in terms of new enrollees. For the period 1996-2000 the Plan experienced a rate of return on assets greater than 7% per year which has been actuarially sufficient to meet the Plan's payout projections and no contributions were required. However, the Plan's actuary recommended that it be funded by \$1.9 million due to the downturn of the economy. The District has fiduciary oversight of the Plan, but as stipulated in the Assignment of Assumption Agreement with Sequoia Health Services, it is the Hospital's responsibility to reimburse the District for contributions made to the plan. Director Shefren asked how the District could discontinue its management of the plan. Mr. Gibson replied that the Plan would have to be terminated which would require funding up to the maximum amount due to the enrollees. Therefore, terminating the Plan is not a reasonable option. Director Shefren offered a motion to approve Resolution 02-5. Director Kane seconded the motion which passed by roll call vote as follows:

Ayes: Director Kane, Director MacNaughton, Director Shefren

Noes: None

Abstain: Director Faro, citing his participation in the Plan.

Absent: Director Montalvo

**Resolution 02-6, Sequoia Health Services to Reimburse Sequoia Healthcare District \$1.9 Million for Funding the Pension Plan**

Director Shefren moved to waive reading of the resolution. Director Kane seconded the

motion which unanimously passed. Director Shefren then offered a motion to approve the resolution which makes a formal demand to Sequoia Health Services for reimbursement of the District's contribution to the Sequoia Healthcare District Employees Pension Plan in the amount of \$1.9 million. Director Kane seconded the motion which passed by roll call vote as follows:

Ayes: Director Faro, Director Kane, Director MacNaughton, Director Shefren

Noes: None

Abstain: None.

Absent: Director Montalvo

**ADJOURN:**

At 5:00 PM, President Faro adjourned the meeting.

Respectfully submitted,

Gerald Shefren, M.D.

Secretary