

**MINUTES OF MEETING
BOARD OF DIRECTORS
SEQUOIA HEALTHCARE DISTRICT
October 5, 2005**

Present: Mr. Faro
Mr. Hickey
Ms. Kane, President
Mr. MacNaughton
Dr. Oblak

Also present: Ms. Scott, CEO
Ms. Greenberg, Counsel
Ms. Johnson, Recorder

Absent: None

CALL TO ORDER:

President Kane called the meeting to order at 4:30 PM in the Sequoia Room at Sequoia Hospital.

PUBLIC COMMENT:

Stephani Scott introduced members of the District's Community Grants Committee and thanked them for their willingness to give of their time.

President Kane read the following statement from the League of Women Voters of South San Mateo County: "To the Board, We thank you for reporting on the status of the surplus buildings and for bringing forward the policy for grantmaking. We understand the difference in the earlier policy draft and the current one related to only Policies of the Board vs. administrative implementation. We will continue to monitor how this policy is implemented with the newly restored round of grants and with the annual policy determination of what you plan to do. Signed, Linda Craig, Vice President, League of Women Voters of South San Mateo County."

CONSENT CALENDAR:

Director Hickey requested the removal of all items from the consent calendar.

President Kane, citing time constraints, moved agenda item 4. Discussion Of Items Removed From Consent Calendar, to follow agenda item 6.c.

OLD BUSINESS:

5.a. Approve Amendment To Policies And Procedures To Include Policy No. 24: Community Grants.

Director Faro offered a motion to approve Policy 24 as presented. Director Oblak seconded the motion. Director Hickey suggested that paragraph 24.1 be changed to read, "Under the law, Sequoia Healthcare District, with voter approval, may provide assistance to health care programs, services, facilities..." Ms. Greenberg reported that the wording of 24.1 is from the Health and Safety codes cited in the paragraph. Ms. Greenberg clarified that, as cited in 24.1 voter approval is not a requirement of the law and that as elected officials the Board has the authority to make grants. Director Faro called the question. The Board voted to adopt Policy 24, as presented, by a 4-1 vote with Director Hickey opposed.

5.b. Medical Office Buildings Update.

Ms. Scott said the information, included in the CEO's report, was provided in response to a request from the League of Women Voters for an update on the status of the disposition of the District's medical office buildings. Ms. Linda Craig also received a copy of the update. Ms. Scott asked if there were questions. There were none.

NEW BUSINESS:

6.a. Sequoia Healthcare District Employees Pension Plan.

i. Approve Resolution 05-1 To Fund Plan (Not To Annuitize The Plan) As Recommended By Its Enrolled Actuary And Pension Plan Committee In the Amount of \$3.026 Million For Plan Year 2005 And Formally Request From SHS Reimbursement In the Same Amount.

Ms. Scott reported that the funding of the Plan is based upon an actuarial analysis and the recommendation of the Pension Plan Committee. Director Hickey stated that the Plan should be annuitized and transferred to SHS. Ms. Vaskelis stated that CHW/SHS are not interested in annuitizing the Plan at this time and if the District Board chose to annuitize the Plan, or make other changes to which CHW/SHS do not agree, the Plan could revert as a financial obligation to the District. Ms. Scott noted that the Pension Plan is a government plan and cannot be transferred from the District. Director Faro offered a motion to waive the reading of Resolution 05-1, which was seconded by Director MacNaughton and unanimously passed. Director Faro offered a motion to approve Resolution 05-1. Director Oblak seconded the motion. Roll call vote:

AYES: Directors Faro, Kane, MacNaughton, Oblak

NOES: Director Hickey

ABSTAIN: None

ABSENT: None

ii. Approve Resolution 05-2 To Amend Plan To Recognize Participant Employment With Facilities No Longer A Member Of The CHW Bay Region

Director Faro offered a motion to waive the reading of Resolution 05-2, which was seconded by Director MacNaughton and unanimously passed. Ms. Scott reported that adoption of this resolution would allow continued vesting for participants who were former CHW Bay Area Region employees and are now employed by another facility that is no longer affiliated with CHW. Director Faro offered a motion to approve Resolution 05-2. Director MacNaughton seconded the motion. Roll call vote:

AYES: Directors Faro, Kane, MacNaughton, Oblak

NOES: Director Hickey

ABSTAIN: None

ABSENT: None

6.b. Approve Resolution 05-3 Clearing Escheat Liability And Requesting Unclaimed Property Claim Reimbursement From Sequoia Health Services.

Ms. Scott reported that the process of clearing the Escheat liability account began in July and 38 claims totaling \$13,038.56 have been paid. Approval of Resolution 05-3 will clear the Escheat Liability from the District's Balance Sheet and request reimbursement from SHS for claims the District paid. Director Hickey offered a motion to waive the reading of Resolution 05-3, which was seconded by Director Faro and unanimously passed. Director Oblak offered a motion to approve Resolution 05-3. Director Faro seconded the motion. Roll call vote:

AYES: Directors Faro, Hickey, Kane, MacNaughton, Oblak

NOES: None

ABSTAIN: None

ABSENT: None

6.c. Approve \$77,452 In Matching Funds To Partner With Sequoia Hospital's Community Grants Program.

Ms. Scott reported that Sequoia Hospital has \$77,452 available for its community grants program. Generally the Hospital's grant awards range from \$5,000 to \$25,000. Participation from the District would allow the District to participate to a greater degree in reaching more segments of the community. Ms. JoAnn Kemist, Vice President of Sequoia Hospital's Development and Community Relations, informed the Board that since 1996, members of the Hospital's Community Advisory Council, in which Ms. Scott participates, select grant priorities based on the most current Community Benefits Study.

This year the focus is on youth and seniors in the underserved areas. Director Hickey stated that the District should not be in the business of philanthropy and he encourages private donations. Ms. Scott explained that the funds would not go to Sequoia Hospital but to community non-profit agencies. Director Faro offered a motion to approve contributing funds of up to \$77,452 to Sequoia Hospital's Community Grants Program. Director MacNaughton seconded the motion, which passed by a vote of 4-1 with Director Hickey opposed.

DISCUSSION OF ITEMS REMOVED FROM THE CONSENT CALENDAR

Director MacNaughton commended Ms. Scott for her work and communication with the Grand Jury, stating that it benefited the Board and the community as a whole.

Item 3.a (Minutes of June 1, 2005). Citing the reference to ERAF in the June 1st minutes, Director Hickey stated that Ms. Scott had supported this legislation and the notation that she had not should supported it should be deleted. Director Faro offered a motion to approve the June 1, 2005 minutes as amended. Director Hickey seconded the motion, which unanimously passed.

Item 3.b (Minutes of August 3, 2005) show Director Faro's absence as "excused" and Director Hickey asked that the minutes indicate that Director Faro was out-of-state. Director Oblak offered a motion to approve the August 3, 2005 minutes as amended. Director MacNaughton seconded the motion, which unanimously passed.

Item 3.c. (Minutes of August 23, 2005) Director Hickey questioned why a comment regarding Ms. Scott's calendar was not included in the minutes. President Kane responded that Ms. Scott's calendar was not an agenda item for the August 23rd meeting, nor is it on the agenda for today's meeting, and offered to privately discuss the matter with Director Hickey. Director Faro moved to approve the August 23, 2005 minutes as presented. Director Oblak seconded the motion, which unanimously passed.

Item 3.d. (Financial statements for May, June, July and August, 2005). Director Hickey requested the financial information on a spreadsheet to more easily track changes in monthly figures. Ms. Scott explained that the District's accounting has traditionally been on a cash basis month-to-month but an accrual basis yearly. Next fiscal year it will be on a full accrual basis which will present a more precise picture of the District's monthly financial situation. In the interim, she will include a spreadsheet as part of the Board packet. Director MacNaughton offered a motion to accept the financial statements for May, June, July and August 2005. Director Hickey seconded the motion, which unanimously passed.

At 5:30 Director Faro left the meeting.

Item 3.e. (CEO's Report of September 27, 2005). Director Hickey, citing the Medical Office Buildings Update stated that 2900 Whipple should be transferred to SHS. Director MacNaughton responded that it is too soon to decide as to the disposition the property. Director Hickey suggested that 525 Veterans Boulevard be gifted to SHS.

Referring to the update on the Nursing Education Program in the CEO report, Director Hickey said that a separate expense accounting of the program needs to be made if it is taking up more staff time. Ms. Scott responded that her participation in the program is part of her overall responsibilities and there is no added expense for her time.

Referring to the Community Grants update in the CEO report, Director Hickey inquired as to the whereabouts of the agreement with Diana Haigwood. Ms. Scott replied that the agreement is with the District's records and files.

Referring to the Community Advisory Panel update, Director Hickey asked if Ron Crates and Rosa Perez were still members. Ms. Scott confirmed that Dr. Crates and Ms. Perez are still on the Panel.

Referring to the responses to the 2004-2005 Civil Grand Jury reports, Director Hickey said they were sent without Board approval. Ms. Scott noted that the responses were on the August 3rd agenda for Board review, but since business could not be conducted at that meeting and the responses were due August 9 and September 6, respectively, they were signed by President Kane and Ms. Scott and forwarded to the Grand Jury. Director Hickey informed the Board that he would be sending a letter to the judge posing his views as a minority member of this Board. Director Hickey will forward his letter to President Kane to be submitted on District letterhead with a cover letter to the Grand Jury from President Kane.

Director Hickey offered a motion to accept the CEO's report of September 27, 2005. Director MacNaughton seconded the motion, which was unanimously passed.

7. ADJOURN:

Upon a motion duly made and seconded, President Kane adjourned the meeting at 5:40 PM. The next regularly scheduled meeting of the Sequoia Healthcare District Board of Directors is Wednesday, December 7, 2005, 4:30pm, Sequoia Room, Sequoia Hospital.

Respectfully Submitted,

John B. Oblak, Ph.D.
Secretary