

MINUTES OF SPECIAL MEETING
BOARD OF DIRECTORS
SEQUOIA HEALTHCARE DISTRICT
May 22, 2007

Sequoia Room, Sequoia Hospital, 170 Alameda de las Pulgas, Redwood City, CA 94062

<u>Directors Present</u>	<u>Directors Absent</u>	<u>Also Present</u>
Director Faro Director Hickey Director Horsley Director Kane Director MacNaughton	None	Ms. Scott, CEO Mr. Hudak, Legal Counsel Ms. Johnson, Recorder

1. Call to Order

By: Board President Kane
Time: 4:35pm

2. Public Comment/Non-Agenda Items

An audience member spoke to the description of the agenda items.

Director MacNaughton arrived at 4:37pm.

3.a. Approve HFS Consulting Contract

President Kane explained that as Sequoia Hospital's rebuild project becomes imminent and as part of the due diligence prior to any outlay of District funding towards Sequoia Hospital's project, the services of HFS are being sought for an independent analysis of the reasonableness of CHW's financial assumptions for the project.

Motion: To approve the HFS Consulting Contract for an amount not to exceed \$30,000.
By: Director MacNaughton
Seconded by: Director Horsley
Vote: 4-1 with Director Hickey opposed
Motion Passed

3.b. Approve Goldman Sachs Consulting Contract

Director Faro joined the meeting at 4:50.

A member of the audience asked what the hourly rates were for Goldman Sachs and how were they chosen. Board President Kane said this was a fee-based project.

Director Hickey asked that the record reflect that, in his opinion, all items as described on the agenda do not comply with the Brown Act as they are too brief. Legal counsel responded that there is adequate description of this item to inform the public of the general nature of it and the Board can proceed with its consideration the item.

Director MacNaughton explained that the expertise of Goldman Sachs is warranted to ensure proper safeguards so as not to obligate District monies to a point that is irresponsible to the taxpayers of the district.

Motion #1: To approve the Goldman Sachs Consulting Contract for an amount not to exceed \$250,000.
By: Director Horsley
Seconded by: Director MacNaughton

Motion #2: Table item until the next regularly scheduled meeting on June 6.

By: Director Hickey

There was no second to the motion.

Motion Failed

Vote on Motion #1: 4-1 with Director Hickey opposed

Motion Passed

3.c. Approve Budget Amendments for Hospital Rebuilding Project

Motion: To approve amending the 06-07 budget to adjust the Hospital Replacement Project expense line item as per the amounts for the services of HFS and Goldman Sachs and an additional \$164,000 for legal expenses pertaining to the Hospital Replacement Project.

By: Director Faro

Seconded by: Director Horsley

Vote: 4-1 with Director Hickey opposed

Motion Passed

3.d. Adjourn to Closed Session Under Government
Code Sections 54957 and 54957.6

At 5:10 PM

Motion: To adjourn to closed session

By: Director Faro

Seconded by: Director Horsley

Vote: 5-0

Motion Passed

3.e. Reconvene to Open Session

At 5:45 the meeting was reconvened by President Kane. No action was taken in Closed Session.

4. Adjourn

Motion: At 5:45 PM, adjourn meeting.

By: Director Faro

Seconded by: Director Horsley

Vote: Unanimous

Motion Passed

The next regularly scheduled meeting of Sequoia Healthcare District's Board of Directors is Wednesday, June 6, 4:30pm, Sequoia Room, Sequoia Hospital.

Respectfully Submitted,

Don Horsley
Secretary