

MINUTES OF ANNUAL MEETING
BOARD OF DIRECTORS
SEQUOIA HEALTHCARE DISTRICT
February 7, 2007

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

Directors Present

Director Faro
Director Hickey
Director Horsley
Director Kane
Director MacNaughton

Directors Absent

None

Also Present

Ms. Scott, CEO
Mr. Hudak, Legal Counsel
Ms. Johnson, Recorder

1. Call to Order

By: President Kane
Time: 4:30pm

2. Public Comment/Non-Agenda Items

There was no public comment.

3.a. - 3.b. Consent Calendar

Director Hickey requested removal of all Consent Calendar items. Following discussion, individual motions were made for items removed from the Consent Calendar.

Motion: To approve December 6, 2006 Minutes (item 3.a. on the Consent Statement) as amended to reflect that Director Hickey's statement relative to the minutes of the August 9th Board meeting alleged that the District's budget (which was adopted on June 13, 2006 and ratified on September 20, 2006) was not validly adopted.

By: Director Faro
Seconded by: Director Horsley
Vote: 5-0.
Motion Passed

Motion: To approve November and December 2006 Financial Statements, item 3.b. on Consent Calendar.

By: Director Hickey
Seconded by: Director Faro
Vote: 5-0
Motion Passed

4. CEO Report

Ms. Scott informed directors that their annual Form 700s are due April 2 and will be mailed to them soon.

Ms. Scott gave a report on the cost and equipment needed to put audio recordings of Board meetings on the web site. President Kane will discuss this further with the website and technology representatives prior to making a recommendation.

5. a. Accept Annual Audit for the Period Ending June 30, 2006
As Prepared By the CPA Firm Maze & Associates

Mr. Tim Kirsch of Maze & Associates informed the Board that the District received an unqualified audit opinion for 2006. The District is in sound financial position and no material weaknesses were found. The financials the Board receives on a bimonthly basis are accurate.

Motion: To accept the annual audit for the period ending June 30, 2006.

By: Director Faro

Seconded by: Director MacNaughton

Vote: 4-1 with Director Hickey opposed.

Motion Passed

5. b. Pursuant To Policies 4.5 and 6.5 Nominate and Appoint Slate of Board Officers for
Two-Year Terms - President Kane

Motion #1: Nomination and appointment of Kathleen Kane as President, Malcolm MacNaughton as Vice President, Don Horsley as Secretary/Treasurer to be appointed for two year terms ending February 4, 2009.

By: Director Faro

Seconded by: Director Horsley

Motion #2: Nomination and appointment of Jack Hickey as President.

By: Director Hickey

Seconded by: There was no second to the motion.

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

Motion Passed

5. c. Approve Budget Amendments

Ms. Scott reviewed the budget amendments for board expense, election fees, and property maintenance for the medical office building.

Motion: To accept budget amendments as presented.

By: Director Horsley

Seconded by: Director Faro

Vote: 5-0

Motion Passed

5. d. Receive State of the District Report

Ms. Scott described the present state of the District and the challenges facing it. A copy of Ms. Scott's presentation of current issues facing the District and the status of objectives towards the District's goals is available with the original of these minutes.

6. Adjourn

Motion: At 5:40 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, April 4, 4:30pm, Sequoia Room, Sequoia Hospital.

Respectfully Submitted,

Don Horsley
Secretary