

**MINUTES OF THE ANNUAL MEETING
BOARD OF DIRECTORS
SEQUOIA HEALTHCARE DISTRICT
February 6, 2008**

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

Mr. Mahadevan, Interim
Executive Director
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 on non-agenda items.
President Kane announced that the Consent Calendar would follow agenda item 5.a.

**5.a. Accept the District's Annual Audit For the Period Ending June 30, 2007
As Prepared By the CPA Firm Maze & Associates - Mr. Mahadevan**

Mr. Mahadevan introduced Mr. Tim Krisch of Maze & Associates to discuss the audit and answer any questions the board may have.

Mr. Krisch of Maze & Associates informed the Board that the District received an unqualified audit opinion for 2007. The District is in a very solid financial position and no material weaknesses were found. Policies and procedures established by the Board are being followed.

Director Hickey, citing note 8, questioned the amounts of funding the pension plan for 2006 and 2007. Mr. Krisch will research the amounts.

A copy of the audited financial statements is maintained in the District office files and included as part of these minutes.

Motion: To accept the annual audit for the period ending June 30, 2007.

By: Director Faro

Seconded by: Director Horsley

Vote: 5-0

Motion Passed

3.a. - 3.b. Consent Calendar

Motion: To approve the Consent Calendar, Items 3.a (December 5, 2007 Meeting Minutes), and 3.b. (November and December 2007 Financial Statements).

By: Director Horsley

Seconded by: Director Faro

Vote: 5-0

Motion Passed

4. Interim Executive Director Report

In addition to his report in the board packet, Mr. Mahadevan will forward the directors a letter from Youth and Family Enrichment Services, announcing they will be presenting the District with an award on April 2, and a letter from Ms. Vaskelis reporting that under the Development Agreement, Sequoia Hospital has established a Physician's Advisory Council.

5.b. Approve Recommendation From Community Grants Review Committee: Organizations From Which To Invite Full Proposals.

Director Horsley stated that the Grant Review Committee is recommending a \$25,000 grant to Youth Intervention Program Agency which provides adolescents with an effective alternative to substance abuse. In addition, the Committee is recommending that the 15 remaining agencies with requests totaling \$1,167,400 be asked to submit full proposals.

The Board discussed the submittal process for grants of less than \$25,000 which, according to the process posted on the District website, allows for two submittal periods during the 2007-2008 fiscal year. The Board discussed whether the submittal process should require that all applications be processed in the same manner, regardless of amount.

Motion: To approve a \$25,000 grant for the El Centro de Libertad program.

By: Director Faro

Seconded by: Director MacNaughton

Vote: 3-2 with Directors Hickey and Kane opposed.

Motion Passed

Motion: To approve the Grant Review Committee's recommendations to request full proposals from the 15 organizations as presented.

By: Director Faro

Seconded by: Director Horsley

Vote: 4-1 with Director Hickey opposed.

Motion Passed

5.c. Appoint Dev Mahadevan as Sequoia Hospital Rebuild Project Observer Pursuant to the Terms of the Development Agreement approved 1/30/07.

Motion: To appoint Dev Mahadevan as Sequoia Hospital Rebuild Project Observer.

By: Director Horsley

Seconded by: Director Faro

Vote: 5-0

Motion Passed

6. Strategic Planning Update: Approve Selection of Strategic Planning Consultant and Estimated Expenses Not to Exceed \$100,000.

Director Faro reported that the subcommittee interviewed three firms and their recommendation is the Camden Group. The Board discussed the timing of the strategic planning process and the need for an outside consultant.

Motion: To enter an agreement with The Camden Group for strategic planning consulting services not to exceed \$100,000.

By: Director Horsley

Seconded by: Director Faro

Vote: 3-2 with Directors Hickey and MacNaughton opposed.

Motion Passed

7. Adjourn

Motion: At 5:55 PM, adjourn meeting.

By: Director Faro

Seconded by: Director Horsley

Vote: 5-0

Motion Passed

The next regularly scheduled meeting of Sequoia Healthcare District's Board of Directors is Wednesday, April 2, 2008, 4:30pm, Sequoia Room, Sequoia Hospital.

Respectfully Submitted,

Don Horsley, Secretary