

**MINUTES OF REGULAR MEETING
BOARD OF DIRECTORS
SEQUOIA HEALTHCARE DISTRICT
October 10, 2012
Conference Room, 525 Veterans Boulevard
Redwood City, CA 94063**

<u>Directors Present</u> Director Faro Director Griffin Director Hickey Director Kane Director Shefren	<u>Directors Excused</u>	<u>Also Present</u> Mr. Michelson, CEO Mr. Hudak, Legal Counsel Ms. Johnson, Recorder
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1. Call to Order

By: President Griffin
Time: 4:30pm

2. Public Comment/Non-Agenda Items

Director Hickey stated the agenda and board packet items posted on the website should be in a searchable format.

3.a. - 3.c. Consent Calendar

Motion: To approve the Consent Calendar.
By: Director Kane
Seconded by: Director Griffin
Vote: 5-0
Motion Passed

4. CEO/Staff Reports

Mr. Michelson noted that the Administrative Manual presented as part of his report, was expanded from District business procedures with input from our auditors and are being used as the District's day-to-day guidelines.

Mr. Michelson announced that yesterday Don Horsley resigned from the Grants Committee and a replacement is being sought.

The Annual Report to the Community will be mailed out later this month.

Healthy Schools Initiative: Ms. Gabet informed the Board that the PE+ program is off to a good start and is well received in the participating schools.

HeartSafe: Mr. Nielsen announced that last month Foster City Police Department used a District AED to successfully save a life.

5. a. Accept Findings of VTD Agreed Upon Procedures Report

Mr. Michelson introduced Mr. Gharaibeh and Mr. Christian of Vavrinek, Trine & Day, the District's accounting firm. Mr. Gharaibeh noted that emphasis of this quarterly review was to make sure proper safeguards are in place to protect District assets. They reviewed receipts, disbursements and payroll in accordance with the Administrative Manual with two minor exceptions found as noted in their report. VTD has no further recommendations for additional internal controls at this time.

Motion: To accept the findings of VTD's Agreed Upon Procedures report.
By: Director Faro
Seconded by: Director Hickey
Vote: 5-0
Motion Passed

5.b. Accept the District's Annual Audit for the Period Ending June 30, 2012

Mr. Gharaibeh reported that the District received an unqualified opinion which is the highest level of assurance and the District is in a very solid financial position. The internal control report is clean, showing no material weaknesses or deficiencies. Accounting policies established by the Board are being followed by staff.

Director Hickey asked if the budget and program expenses are reviewed. Mr. Gharaibeh replied that the audit reviews the past, therefore the budget is not a matter for review. Program expenditures are vouched for accuracy.

Motion: To accept the June 30, 2012 annual audit.

By: Director Shefren

Seconded by: Director Faro

Roll Call Vote: 5-0

Motion Passed

5.c. Consider Request for Grant of \$15,000 to Samaritan House

Ms. Kitty Lopez reported that Samaritan House's agreement with the physicians group providing radiology services is still being negotiated; however, to insure continuity of care to patients, she is requesting a \$15,000 grant to cover the additional expense of being charged the billed rate by the radiology group.

Motion: To approve a grant of \$15,000 for additional radiology expense from now until the end of December 2012.

By: Director Shefren

Seconded by: Director Kane

Vote: 4-1 with Director Hickey opposed

Motion Passed

5.d. Update on Funding Nursing Program

Mr. Michelson reported that the District is now in year nine of the ten year program and the District's commitment will end with the current nursing class. When the program was started there was a workforce shortage and it was projected that the 40 nurse graduates a year would be hired at Sequoia and other hospitals within the District. None of the May 2012 graduates were hired at Sequoia and information was not readily available as to how many of the graduates were hired by other local healthcare providers. Mr. Michelson would like to let the program partners know what the Board's feelings are regarding the future of the program.

The Board directed staff to arrange for a special meeting/study session to include program partners and, if possible, representatives from other healthcare providers in the District.

6. Adjourn to Closed Session

Motion: Adjourn to Closed Session.

By: Director Griffin

Seconded by: Director Kane

Vote: 5-0

Motion Passed

7. Reconvene to Open Session

The Board reconvened to open session and reported the following:

(a) The salary of the Chief Executive Officer will be increased to \$182,611.55 annually, retroactive to April 1, 2012. This represents a 7% equity adjustment, based on a salary survey, and a 7% merit increase. The vote to approve this increase was 4-1, with Director Hickey opposing.

(b) The severance payment provision in the Chief Executive Officer's contract in the event of termination without cause will be increased to 12 months salary and six months of health insurance. The vote to approve this amendment to the contract was 4-1, with Director Hickey opposing.

8. Adjourn

Motion: At 5:40 PM adjourn meeting.

By: Director Shefren

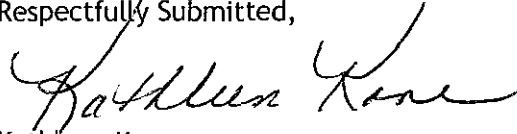
Seconded by: Director Faro

Vote: 5-0

Motion Passed

The next regular meeting of the Board of Directors of Sequoia Healthcare District is scheduled for 4:30 PM, Wednesday, December 5, 2012, District Conference Room, 525 Veterans Blvd., Redwood City, CA.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Kathleen Kane".

Kathleen Kane
Secretary