



BOARD OF DIRECTORS' MEETING

AGENDA

THURSDAY, FEBRUARY 2, 2017

CLOSED SESSION 5:45 P.M.

REGULAR SESSION 6:00 P.M.

COMMUNITY MEETING ROOM

177 First St. W., Sonoma, CA

<p>In compliance with the Americans Disabilities Act, if you require special accommodations to participate in a District meeting, please contact Interim District Clerk Vivian Woodall at (707) 935.5005 at least 48 hours prior to the meeting.</p>	RECOMMENDATION	
AGENDA ITEM		
1. CALL TO ORDER	<i>Hohorst</i>	
2. PUBLIC COMMENT ON CLOSED SESSION	<i>Hohorst</i>	
3. CLOSED SESSION <ul style="list-style-type: none"> Calif. Government Code § 54956.9(d)(2): Conference Regarding One Matter of Potential Litigation 	<i>Hohorst</i>	Action
4. REPORT OF CLOSED SESSION	<i>Hohorst</i>	Action
5. PUBLIC COMMENT SECTION	<i>Hohorst</i>	
6. UPDATE ON BROWN ACT COMPLAINT	<i>Hohorst</i>	Inform
7. CONSENT CALENDAR <ul style="list-style-type: none"> A. Board Minutes 12.01.16 B. Board Minutes 01.05.17 C. Executed Policies & Procedures D. Medical Staff Credentialing Report 	<i>Hohorst</i>	Action
8. LETTER REQUESTING PROPOSALS TO DEVELOP THE SOUTH LOT	<i>Mather</i>	Action
9. FINANCIAL REPORT DECEMBER 31, 2016	<i>Jensen</i>	Inform
10. ADMINISTRATIVE REPORT JANUARY 2017	<i>Mather</i>	Inform
11. COMMITTEE REPORTS <ul style="list-style-type: none"> Finance Committee: 2017 Work Plan 	<i>Nevins</i>	Inform/Action
12. BOARD COMMENTS	<i>Board Members</i>	Inform
13. ADJOURN	<i>Hohorst</i>	

7.

CONSENT



BOARD OF DIRECTORS' MEETING
MINUTES
 THURSDAY, DECEMBER 1, 2016
 CLOSED SESSION 5:00 PM
 REGULAR SESSION 6:00 P.M.

COMMUNITY MEETING ROOM
 175 First Street West Sonoma CA

	RECOMMENDATION	
MISSION STATEMENT The mission of SVHCD is to maintain, improve and restore the health of everyone in our community.		
1. CALL TO ORDER Joshua Rymer is excused.	Hirsch	
2. PUBLIC COMMENT ON CLOSED SESSION	Hirsch	
3. CLOSED SESSION <ul style="list-style-type: none"> • <u>Calif. Government Code & Health and Safety Code § 3210</u>: Trade Secrets Regarding Business Strategy • <u>Calif. Government Code § 54956.9(b)(3)(C)</u>: Conference Regarding Potential Litigation 	Hirsch	Action
4. REPORT OF CLOSED SESSION	Hirsch	Action
<p>Potential uses of the South Lot were discussed in Closed Session and full details will be presented at the Board meeting on January 5, 2017. The Board also reviewed a claim submitted to the Hospital.</p> <p>Mr. Boerum disagreed with the decision to hold a Closed Session to discuss South Lot options and felt it should have been open to the public in Regular Session. His expectation was to have the public comments from the <i>Town hall</i> meeting 10.27.16, be presented and discussed at this Board meeting. He asked that presentation of public comment be presented at the Board meeting on 1.5.17.</p> <p>It is Mr. Boerum's opinion that <i>California Government Code: Trade Secrets Regarding Business Strategy</i> is too broad an umbrella and items should be limited to more specific issues like negotiations that include pricing, CEO Evaluations, and competitive strategic issues. For these reasons, Mr. Boerum declined to attend the Closed Session.</p> <p>Mr. Boerum expressed disappointment that he and Norman Gilroy were taken off of the South Lot Committee.</p>		No Action
5. PUBLIC COMMENT SECTION No public comment.	Hirsch	
6. CONSENT CALENDAR	Hirsch	Action
<p>A. Board Minutes 11.3.16</p> <p>Mr. Boerum commented for the record on Agenda Items #4 and #10 from Board Minutes on 11.3.16 as follows:</p> <p>On Agenda Item #4, Report of Closed Session Mr. Boerum asked for the CEO's current salary, bonus and 3% salary increase. They are \$339,892, \$40,000 and \$10,197 (3%) respectively. The 3% increase will be added to CEO's current base salary.</p>		<p>MOTION by Hohorst to approve Consent and 2nd by Nevins. All in favor.</p> <p>Mr. Boerum's</p>

<p>Mr. Boerum felt that Agenda Item #10, Surgery Capacity and Utilization Report was inaccurate and incomplete. He called for a revised report at the January 5, 2017 Board meeting.</p> <p>Mr. Boerum has repeatedly asked for a Board Bed Capacity Report that is written down vs. presented verbally. Ms. Mather clarified which specifics he would like to see and will produce a report at the January 5, 2017 Board meeting.</p> <p>B. FC No Minutes C. QC Minutes 9.28.16 D. GC Minutes 10.25.16 E. Medical Staff Credentialing Report</p>		<p>comments and questions on the Board Minutes from 11.03.16 are detailed in these Minutes. Previous Minutes from 11.3.16 may not be changed.</p>
7. SWEARING IN OF ELECTED BOARD MEMBERS	Hohorst	Action
Mr. Boerum, Ms. Nevins and Ms. Hirsch were officially sworn into office.		
8. ELECTION OF 2017 OFFICERS	Hirsch	Action
<p>The following officers were nominated individually and unanimously approved:</p> <p>Board Chair-Jane Hirsch Board 1st Vice Chair-Peter Hohorst Board 2nd Vice Chair-Joshua Rymer Board Treasurer-Sharon Nevins Board Secretary-Bill Boerum The term of the office of the Chair will be clarified by Mr. Boerum.</p>		The new officer appointments were unanimously approved at left.
9. FINANCIAL REPORT OCTOBER 31, 2016	Jensen	Inform
After accounting for all income and expenses, but not including Restricted Contributions and GO bond activity, the net income for October was \$81,464 vs. a budgeted net loss of (\$161,614). The total net income for October after all activity was \$336,844 vs. a budgeted net loss of (\$4,273). EBIDA for the month of October was 8.3% vs. the budgeted 3.6%.		
10. ADMINISTRATIVE REPORT NOVEMBER 2016	Mather	Inform
<p>The best news the month is that the Hospital has seen an increase in surgeries. The MRI marketing effort was a success and the Hospital reached an all time high of 140 visits. We are on track to meet budget for the first 4-months of the year. The expense reductions have been effective and some long awaited cash is flowing in. To date, 36 out of 70 (51%) physicians have completed the physician satisfaction survey and final results will be presented at the 1.5.16 Board meeting.</p> <p>Patient satisfaction has changed to a rolling 12-month this year. September was very positive with 89% over the goal for Inpatient and 71% over goal for Emergency. The quality pillar goal no longer includes outcomes and will require a new system to gather departmental quality metrics. 2017 staff salary increases will go into effect in January. With the new compensation system using experience to determine salary, some staff will receive greater than 3% increase. Staff will receive a “total compensation” summary letter this year.</p>		
11. STAFF FORUM PRESENTATION	Mather	Inform

The November Staff Forums presented on Hospital performance, current state of healthcare, 2017 parcel tax, Wellness University, other strategic updates and the excellence awards to be presented at the Awards Luncheon on January 18, 2017.		
12. COMMITTEE REPORTS	Hohorst	Action
<p>There was a minor addition to Resolution No. 331 on Parcel Tax. The Board unanimously accepted the change and approved the resolution.</p> <p>Former SVHCD Board member and R.N. Mike Smith recounted the story of how the Hospital saved his wife's life after a heart attack. His is the kind of heart-felt story that drives home the need for continued high-quality medical services in the greater Sonoma Valley Community. Therefore he strongly advocates the approval of an increase in parcel tax on the March 2017 ballot.</p>		MOTION by Nevins to approve and 2 nd by Boerum. All in favor.
13. BOARD COMMENTS	All	Inform/Discussion
<p>Mr. Boerum gave updates on the JPA and their upcoming Board meeting on December 12, 2016 to discuss the audit report. The JPA currently can become a conduit for the issuance of revenue bonds only for members of the JPA. Bill is suggesting widening the scope of it to include other districts who are not members of the JPA and maybe some other government agencies. The change would not impact the SVHCD in any way.</p> <p>Mr. Boerum gave highlights from his recent trip to China to attend a sister city conference that included a tour of a hospital with 3,200 beds, 100 dialysis machines operating 24 hours a day and witnessed a live robotic surgery.</p> <p>T Abraham Regional Vice President of the North Bay, Northern Sierra & Redwood Coast, will present at the February 2, 2017 Board meeting.</p>		
14. ADJOURN	Hirsch	



**BOARD OF DIRECTORS' MEETING
MINUTES**

THURSDAY, JANUARY 5, 2017
CLOSED SESSION 5:30 PM
REGULAR SESSION 6:00 P.M.

COMMUNITY MEETING ROOM
177 First Street West Sonoma CA

	RECOMMENDATION	
MISSION STATEMENT The mission of SVHCD is to maintain, improve and restore the health of everyone in our community.		
1. CALL TO ORDER The meeting was called to order at 6:02 p.m. Ms. Hirsch announced a change to the agenda. The code citation for the closed session should read: Calif. Government Code § 54956.9(d)(2): Conference Regarding One Matter of Potential Litigation.	<i>Hirsch</i>	
2. PUBLIC COMMENT ON CLOSED SESSION	<i>Hirsch</i>	
3. CLOSED SESSION <u>Calif. Government Code § 54956.9(d)(2):</u> Conference Regarding One Matter of Potential Litigation	<i>Hirsch</i>	Action
4. REPORT OF CLOSED SESSION	<i>Hirsch</i>	Action
Ms. Hirsch reported that the claim discussed in closed session was denied.		
5. PUBLIC COMMENT SECTION	<i>Hirsch</i>	
6. CONSENT CALENDAR	<i>Hirsch</i>	Action
<ul style="list-style-type: none"> A. Board Minutes 12.01.16 B. Board Minutes 12.08.16 C. FC Minutes 10.25.16 D. QC Minutes 12.14.16 E. GC Minutes 10.25.16 F. GC Minutes 11.15.16 G. Executed Policies & Procedures 		MOTION by Boerum and 2 nd by Nevins to approve all except item 6.A. All in favor.
Mr. Boerum requested that the Board minutes of 12.01.16 be removed from the Consent Calendar. He asked that the word "Strategy" be added to the Code Title in the report of closed session, and that the phrase "has become too broad" be changed to "is too broad."		
7. DISCUSSION AND APPROVAL OF LETTER REQUEST-ING PROPOSALS TO DEVELOP THE SOUTH LOT	<i>Jensen</i>	Action
<p>Mr. Boerum made a motion to table this agenda item to another meeting. He had submitted a complaint letter alleging a Brown Act Violation to the County DA's office and it is under review. Until that review is complete, he would like the item tabled. Mr. Boerum felt the Board did not have an opportunity to discuss it publicly. He said his own decision was not to have the property sold.</p> <p>Ms. Hirsch clarified the agenda item, saying that no decision had been made. The letter was included with the agenda so that the Board could</p>		

<p>move forward after tonight’s discussion. Mr. Rymer said a motion had been made and wondered if there was a second. Mr. Boerum said a tabling motion did not require a second.</p> <p>Ms. Hirsch then asked for public comment on the motion to table the item.</p> <p><u>Perri Ellis Pariagua</u>: There definitely needs to be more discussion. There could be more suggestions on what to do with the land than sell it off.</p> <p><u>Norman Gilroy</u>: After all we’ve been through over the years, we should be erring on the side of caution before we move on. He would like to hear the Board members’ opinions on the land.</p> <p><u>Ed Clay</u>: I would like to support Bill’s motion. He has a perception there is a rush to sell this property. He feels it is a mistake for a government entity to sell an asset like that. There needs to be more time to think of creative ways to hold on to this asset.</p> <p><u>Elaine Forte</u>: It appears the hospital is trying to make a profit from the sale. She asked about zoning, which is residential. She agreed there should be more time. She asked if the RFP had gone out; Ms. Mather said it had not.</p> <p><u>John Kelly</u>: The parcel is of interest since it is in close proximity to Sassarini School and within walking distance to Prestwood and Creekside. Some development such as a teachers’ housing project in could be discussed. As far as I know, there has been no effort at inter-governmental discussion to develop the parcel.</p> <p>Ms. Hirsch called for a vote on Mr. Boerum’s motion to table the item. All four remaining Board members were opposed to the motion.</p> <p>Ms. Mather proceeded with discussion. The GO bonds funded approximately \$2 million of the project. The parcel is currently zoned residential, so the majority of interested developers were residential developers over the years. The Hospital exercised the option to purchase the property in August 2016. The District cannot carry a mortgage and did not have the money to purchase the property, so a private lender loaned the hospital \$2 million; repayment of that loan is due in August 2018. The south lot committee was disbanded so that the Board could make their own decision. The letter tonight before the Board is one option. The decision is up to the Board as to whether this letter is used and sent out.</p> <p>Ms. Hirsch said about 35-40 people attended the October town hall meeting. The Board received suggestions for affordable housing, such as tiny houses or senior housing, midrise housing with retail space, market housing, an urgent care facility, or retaining at least a portion of the land for future needs.</p> <p>Mr. Boerum said the Board directed Ms. Mather to research the options, and he did not see other options listed in the proposal. He also</p>		<p>MOTION by Boerum to table item 7, no 2nd. Motion failed 4-1.</p>
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<p>thought concern about the loan repayment in 20 months was premature. Ms. Mather said the hospital would have to save \$100,000 a month to pay this loan off, and it does not have that money. Another \$2 million in debt is concerning. Mr. Boerum also objected to the proposal deadline of March 15, 2017. Ms. Hirsch said it was important to give any developers adequate time to consider proposals, but we do not have to accept any of them, and we need adequate time to consider other options.</p> <p>Mr. Hohorst thanked Mr. Gilroy for his list of submitted questions and asked that that text be added to the minutes.</p> <p>Ms. Hirsch asked for public comments again.</p> <p><u>Norman Gilroy</u>: As it stands now the RFP is misleading. The District has to protect itself and the community and make sure you get what you need. I haven't seen anything yet about how much land you would need for upgrading or construction before or in 2030. Are we better to upgrade this older building or are we better to build a new bed wing, which would be up to date, competitive, and possibly cheaper than a remodel. Approximately half of the 4 acres of land was used for staging during the last construction. Even if you disagree with me, we are pre-enacting the discussion the 2020 Board will have. Mr. Rymer commented he has trouble with the idea of keeping this property for so many years. Mr. Gilroy said he was not suggesting not using the property during that time, but to at least maintain that need in the RFP and ask proposers to show how they could do that. If you do not ask for it, it won't appear. It is important to get it right in the RFP.</p> <p><u>John Kelly</u>: I understand the need for a deadline in the RFP and also understand the problem with the District spending money every month on the land. The geographic location of this parcel serves the public interest. Staff and teachers need affordable housing. There is a unique opportunity here for the School District and Health Care District to work together.</p> <p><u>Fred Allebach</u>: I agree with the comment about affordable housing, and suggested adding some language to the RFP about affordable or senior housing, etc.</p> <p>A motion was made by Mr. Boerum to bring the letter back to the February Board meeting with revisions, it was seconded and passed. Ms. Mather and Mr. Jensen would work with Mr. Hohorst and Ms. Nevins on revisions.</p>		<p>MOTION by Boerum, 2nd by Hohorst, to bring the revised letter back to the February meeting. All in favor.</p>
<p>8. SVH CAPACITY AND UTILIZATION ASSESSMENT</p>	<p><i>Kobe</i></p>	<p>Inform</p>
<p>Mr. Kobe discussed surgical operations for FY2016. Surgery was open 4 days a week, 8 hours a day, with on call staff the rest of the time. There were 1732 surgical cases which took 1823 hours. Including turnover time of 602 hours, the total surgical hours for FY2016 were 2425. Utilization was 50.5%. 80% is considered full</p>		

<p>capacity. He then compared FY2016 to the 12-month period Dec. 2015 – Nov. 2016. On July 1, 2016, surgery began working a 5-day week and cases increased by 4.5%.</p> <p>In FY2016 cases averaged 2.9 per day. Marin General (a much larger hospital) was comparable with 3 cases per day. Mr. Kobe then discussed increasing the surgical capacity, which is what the Board had requested. 35 cases per week are currently done in 4800 hours for a 50.5% utilization. 44 cases could conceivably be done in 6000 hours for a utilization of 51.3%.</p> <p>Dr. Chamberlin (Hospital Chief of Staff) commented that expanding hours really bore no relationship as to whether those hours could be filled. This issue is very complex and we need to remain profitable. The goal is to bring services to serve the community so people do not have to leave to receive care elsewhere.</p> <p>Mr. Kobe then briefly discussed acute care and Skilled Nursing capacity for the period Nov. 2015 – Nov. 2016. Bed occupancy for various departments was: OB 11%; Medical/Surgical 41%; ICU 56%; Skilled Nursing 76%. Thus, the annual average occupancy was 46.6%.</p>		
9. CHIEF OF STAFF REPORT	<i>Chamberlin</i>	Inform
<p>Dr. Chamberlin reported the medical staff had contributed to the parcel tax campaign committee. Regulatory compliance is successful, with improvements in dictating reports and completing charts. A joint replacement registry has recently been established, allowing SVH to compare data reliably with CMS; it will take a year to accumulate enough data. The Hospital maintained its contract with the current radiology group after discussions. Staff credentialing is a process which needs to be respected, even though it is time consuming, and the staff understand this now.</p>		
10. BOARD COMMITTEE APPOINTMENTS 2017	<i>Hirsch</i>	Action
<p>Ms. Hirsch suggested maintaining the same Committee appointments as the previous year.</p>		MOTION by Hohorst, 2 nd by Rymer. All in favor.
11. FINANCIAL REPORT NOVEMBER 30, 2016	<i>Jensen</i>	Inform
<p>Total revenue for November was better than budget by \$268,595. After accounting for all income and expenses, but not including Restricted Contributions and GO bond activity, the net income for November was (\$271,552) vs. a budgeted net loss of (\$401,505). The total net income for November after all activity was (\$64,925) vs. a budgeted net loss of (\$244,164).</p> <p>Inpatient volume is up 22% with increased surgeries. There has also been an increase in bad debt primarily due to high insurance deductibles. The major variance in expenses was in supplies, primarily due to the increase in surgery volumes and negotiations with the supplier of bariatric staples. EBIDA for the month of November was 1.1% vs. a budget of (1.7%).</p>		
12. ADMINISTRATIVE REPORT DECEMBER 2016	<i>Mather</i>	Inform
The administrative report contains updates on strategic priorities when		

<p>there is movement on those items. The Canopy Health initiative is exciting. SVH is a member of the group (UCSF and John Muir) which has developed a health plan option to hopefully compete with Sutter and Kaiser in future. November was the first month Mr. Kobe ran the surgery department without a director, and they had 161 surgeries (the highest ever). Two coordinators in surgery moved up to Leaders, and Michelle Donaldson has picked up most of the surgery business relationships. The 1206(b) clinic is running well, and surgeon Dr. Sabrina Kidd is doing extremely well. The November dashboard result for service excellence was updated to 4 of 9 in October. The ER result also went to 2 of 7. Plans for a new quality pillar for next year were rolled out to managers. The staff satisfaction survey goes out on January 23rd. Salary increases will take place in January and a letter regarding compensation will go out to staff on January 17th.</p> <p>Ms. Nevins asked for a brief update on SCAN and WHA insurance, as well as St. Joseph Health. Ms. Mather said she would get back to the Board with that information.</p>		
13. COMMITTEE REPORTS	<i>Hohorst</i>	Action
Approve Revision of Conflict of Interest Code for the District: The County has requested a change in policy calling for Form 700 for only the Board members and CEO to be filed with the County; Form 700 for all others will be filed with the District.		MOTION by Boerum, 2 nd by Rymer. All in favor.
14. BOARD COMMENTS	<i>All</i>	Inform/Discussion
Mr. Boerum reported the JPA acted as a conduit issuer of debt securities in December for the Northern Sonoma County Health Care District in order to raise capital for Healdsburg District Hospital. This transaction netted a fee of \$7,500 for the JPA.		
15. ADJOURN	<i>Hirsch</i>	

January 4, 2017

**To: SVHCD Board Members Hirsch, Nevins, Boerum, Hohorst and Rymer,
and to CEO Mather**

From: Norman Gilroy

**Subject: Item 7 on the January 2017 Board meeting agenda – Letter to Bidders
and Draft RFP for the Sale of a Portion of the South Lot**

This letter is written to pose some questions which seem relevant to the proposal to circulate an invitation to bidders in what appears to be the District's "rush to sell the South Lot" as reflected in the staff report and attachments for Item 7 on your agenda for the Board meeting of Thursday, January 5, 2017.

In posing these questions, I should clarify that I understand very well the hospital's need to turn the South Lot into a productive asset. As I understand it, that would include, at a minimum:

- a. removing the annual payment on the private loan as an obligation on the operating costs of the hospital,
- b. paying off the present private loan within the two year period stipulated,
- c. where possible, minimizing or eliminating the cost of real estate taxes for the property during the period when the property is undeveloped,
- d. generating uses for the property, and related revenues, that are consistent with the objectives and obligations of the District and that produce significant benefits to the ability of the District to provide health-care services to its constituency in the Sonoma Valley.

My own research indicates that there are several ways for the District to do all of those things without losing control of the property. I would expect that other creative minds in the health-care business could also come up with similar, or even better, solutions if they were allowed to work on it.

However, recent remarks made by the hospital's CEO, and even by some members of the Board at Sonoma Valley Hospital, now confirmed by the draft RFP documents being presented to the Board for consideration and action, seems to indicate a strong pre-disposition at the hospital to sell off all or part of the South Lot property to the highest bidder, with no conditions imposed and no requirement that the District maintain any long-term control of, or rights or interest, in the property.

That pre-disposition is what causes me, as an interested citizen and a stakeholder in the District, to raise the following questions. On behalf of myself and other members of the public who I know are equally concerned, I would appreciate it if the Board and/or administration of the hospital would provide specific answers in writing to each of the questions raised here before a decision is made on how to use, or dispose of, the balance of the South Lot not yet developed for hospital purposes:

1. What serious thought has been given to alternatives for the South Lot that would allow the District to retain title to all, or a designated portion, of the land for the long term future? If thought has been given to any such alternatives, where

are the reports, by what experts were they prepared, and what public consideration (with appropriate public comment) was given to them before arriving at the decision to proceed with the preparation of an RFP for the sale of the property?

2. Is it good policy in principle, or even appropriate, for the Board to consider selling off publically-owned real-property assets to cover short term operating deficits?

Background: The word out in the community is that the hospital needs the profits from the sale of the South Lot to pay off its outstanding operating costs. Quite apart from questioning whether selling long term real property assets to pay off short term operating costs is an appropriate action, I am concerned that, in contemplating selling off the property, the Board is merely repeating the mistakes made by previous Boards which sold off real property assets to cover short term costs. All later lived to regret that decision themselves, or saw the absence of the properties they sold off create serious difficulties for the Boards of Directors who followed them.

3. The first responsibility of a Health Care District is to enhance health-care related services for the people of its constituency – in this case the people of the Sonoma Valley.

How does selling this property off to highest bidder, with no strings attached and with the likely use being construction of market-price housing, accomplish that?

Are there no options available to the District that would combine providing enhanced health-care services with making the South Lot into a productive financial and real property asset? What studies have been carried out that indicate that?

4. What priority is the Board giving in its decision to the needs of future Boards and administrations of the hospital when the time comes, as it inevitably will, for additional construction on the hospital site (e.g. upgrading to meet 2030 State earthquake laws, upgrading to meet changing market trends and technologies, upgrading an aging bed-wing to remain competitive in the healthcare marketplace in the North Bay area, etc.)?

Without the South Lot, where will the District place the staging areas and contractors yards that will inevitably be needed during construction? Where will it relocate any departments undergoing renovation or replacement on an already crowded site? Where will it relocate (permanently or temporarily) any parking displaced by the construction?

Background: Those of us who were intimately involved in the search for the staging- and parking-space necessary to the construction of the newly completed ER-OR building and the new CUP know how hard it was to find suitable property close enough to the hospital, and of a size big enough, to meet the construction needs. The solution

at that time was the acquisition of the South Lot, first by a lease-option arrangement during construction, now by purchase under the terms negotiated some five years ago. However, those of us who were directly involved, as I was, in the negotiations at that time know very well that the 4 acre South Lot was the only remaining property in the vicinity that would serve the District's needs this time around, and that is also likely to be true when construction is again contemplated in the future, as it inevitably will be.

The expectation that there will be a future need for construction and upgrades at the hospital is well documented. It was even predicted in the long-range plan prepared by the architects as part of the package for the new ER-OR building when it was approved. That plan projected that the present West Wing would be inadequate by 2030, both competitively and seismically, for use as the primary acute-care bed-wing for the hospital, and it recommended construction of a limited-size (30 beds?) replacement bed-wing to be located on the present parking lot to the west of the new building (the new, and adjacent ER-OR wing is of a standard to allow its use indefinitely under current State of California regulations). However, that relocation, and the construction process associated with it, would permanently displace a significant portion of the parking to the west of the present buildings, and would require some realignment and new improvements on Fourth Street between Bettencourt and Andrieux.

As far as I know, those expectations for new construction the future remain in place – and in fact a “spokeswoman” for the hospital is even quoted in the January 1, 2017 edition of the Press Democrat as saying that “the hospital’s West Wing, which is also rated SPC-2 ... will be upgraded to an SPC-4 building by 2030”. This further confirms the realistic expectation of additional construction in the future, requiring staging areas and replacement parking areas, along with further relocation of departments and functions at the hospital.

So, without the availability of the South Lot, where would the Board expect any future hospital administration to locate the services necessary to such construction? And if the South Lot is sold off, as is proposed in the draft RFP, is the Board comfortable with condemning a future Board to the task of solving the relocation and construction staging problem with its own money and resources available at the time, when the solution lay in the hands of this Board in 2017 and was squandered for lack of an imaginative solution?

5. When was the formal decision made to proceed with requesting offers for the purchase of the property? What has been the public process that has allowed the public in the Sonoma Valley (the primary stakeholders in the hospital and its real property) to comment before a decision was made?

6. Price, and the assumption that a profit is to be made, seems to be a significant driving force in the rush to sell the South Lot. Yet a significant factor that enabled the District to acquire the South Lot at an advantageous price was that the District’s stated interest in the acquiring the property had the effect of driving other buyers away. Now, in moving to sell off the parcel for profit only weeks after it finally acquired it at that advantageous price, could the District be subject to criticism for its perceived tactics in the real estate market?

Background: Over the years there have been complaints from previous owners that the “shadow of the District’s interest in acquiring the property” has limited the number of interested buyers, and so has driven-down the purchase price that the sellers would be willing to take. Now, only weeks after taking advantage of that negotiated price to purchase the property, the District proposes to “roll the property over” by selling it quickly to the highest bidder, enabling it to take the benefits of that “shadow” for itself. Is that either ethical or appropriate?

7. Is the District even allowed to offer the South Lot property for sale without first declaring it “surplus”, as is required of other Districts and public agencies like the Schools? What public hearings have been called to discuss such a designation for the property, and what rationale has been developed to justify the sale?

8. The draft RFP makes the point that the District has to sell the property at “fair market value”, but why is it that the appraisal of the property that defines fair market value, and that was completed only a few months ago, is not a part of the notice to potential bidders?

9. If a “sale” is to be the solution, what provisions will the Board make to disqualify as bidders any individuals and companies who have acted as inside advisors to the hospital in the process of making the decision to offer the property for sale?

Background: In numerous recent meetings, it has been noticeable that certain individuals who seem likely to be bidders have spoken of their internal dealings with the hospital administration, and even with some Board members. Some have also demonstrated a very thorough understanding of the internal needs of the hospital and its operation, and of the circumstances that seem to be causing the present rush to sell. One individual who seems to have an inside track even went so far as to say that he already “has a proposal on the table” at the hospital - all this well before the competitive RFP document or statement of intent has been finalized or released.

Any potential conflicts-of-interest in this regard should be resolved before an RFP is issued, even if only to eliminate any impression of a conflict-of-interest in what should be a clean-cut public process.

10. What are the factors that are causing such a rush to sell the property only weeks after it was purchased by the District? Why is there such urgency to sell?

Background: The word on the street, some of it based on comments made by the individuals mentioned in the previous question, is that “the hospital is desperate for money right now, and has to sell the property for a profit as quickly as possible to pay off its operating debts”. Those statements seem to be in sharp contrast with the many glowing reports about the hospital’s progress, and its operating condition, that are in the hospital’s recent press releases and mailers that were distributed in the pre-holiday period. If there are new emergencies to be dealt with, and if the sale of the South Lot is

now considered to be the only way to solve them, then the public needs to know what they are. After all, it is our hospital and we are the stakeholders in the decision.

11. If such factors exist, have they been discussed with the Finance Committee and, as financial experts, do the members of the committee have suggestions for solutions? If they have been discussed, where are the staff reports and minutes related to those discussions? If they have not been discussed with the Finance Committee, why not?

12. What assurance does the District have that any excess proceeds from a sale of real property purchased with GO Bond money could in fact be used for operating expenses, as is apparently planned?

Background: All of the cash (other than the recent loan) that has been used so far to acquire the South Lot has come from the proceeds of the \$35M GO Bond that was approved six years ago by the voters of the District for construction of the ER-OPR building and the new CUP. The bond was the source of capital for:

- a. the initial down-payment on the entire property (which payment was later applied as part of the purchase price),
- b. several of the costs of the transaction, including appraisals and fees and closing costs,
- c. several of the annual payments on the lease-purchase agreement which led to the purchase recently completed,
- d. over \$1 million in improvements for the new on-site parking lot, including installation of utility connections, street and landscape improvements, and construction of the temporary parking lot and construction staging area used during the construction period recently ended.

Since State law is very careful about how public funds raised through general obligation bonds are used, what assurances does the Board have that any excess proceeds from the sale the South Lot (as a property that was acquired and improved with GO Bond money) can be used to pay operating costs, and not used, say, to pay down the outstanding balance of the GO Bond from which the funds came in the first place? Clearly this is a legal question, and I would presume that the District's bond attorney could provide an opinion on it that would clarify the District's options in this regard. Is such an opinion available?

* * *

In closing, I should add that, under normal circumstances, I would have brought all of these questions up at a meeting of the South Lot Committee, the committee which was established to advise the hospital on matters of this kind. As you may know, I have served as the only citizen representative on that committee since it was first formed some years ago when Carl Gerlach was CEO, and again when it was reconvened by the present CEO. I also served for several years before that on the Facilities Advisory Committee that advised the Board and CEO on planning and construction matters, including the planning, bidding and construction of the new ER-OR building and the new CUP now in place.

However I now understand that, though I have never been officially informed in any way of the move, the South Lot Committee was dissolved some weeks ago by the CEO, only to be re-formed shortly after that to contain no community members, and to leave out the two members (including myself) who had expressed concerns regarding the future that seemingly were contrary to those of the hospital administration.

I have questions as to whether those tactics are appropriate in a democratic society, and particularly in a public facility like a community hospital, but the fact is that that reorganization left me with no way to express my views, and to ask my questions, other than through a letter like this to the Board. I apologize if my approach may seem disruptive to some, but it seems to be the only way to ensure discussion of the various issues listed here, issues that I believe affect the interests of all future SVHCD Boards and eventually the public in the Sonoma Valley which our hospital serves.

I look forward to receiving your responses to the questions raised in this letter.

Sincerely,

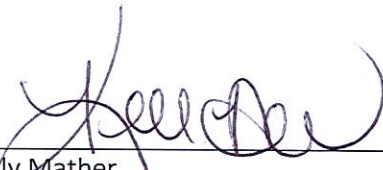
Norman Gilroy, 2572 Acacia Avenue, Sonoma CA 95476.

Review and Approval Requirements

The SVH departmental/organizational policies and/or procedures on the attached list have been reviewed and approved by the following organizational leaders for meeting all of the following criteria. All of these policies and procedures are:

- Consistent with the Mission, Vision and Values of the Sonoma Valley Health Care District
- Consistent with all Board Policy, Hospital Policy and Hospital Procedures
- Meet all applicable law, regulation, and related accreditation standards
- Consistent with prevailing standards of care
- Consistent with evidence-based practice

We recommend their acceptance by the Quality Committee and that the Quality Committee forward them to the Sonoma Valley Health Care District Board with a recommendation to approve.



Kelly Mather
Chief Executive Officer

1/19/17

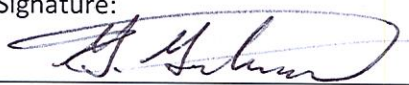
Date

Jane Hirsch
Chair, Board of Directors

Date

Reviewed by:	Date	Approved (Y/N)	Comment
Policy & Procedure Team	1/17/2017	Y	
Quality Committee	1/25/2017		
Board of Directors	2/02/2017		

Policy Submission Summary Sheet

Grigory Gatenian, Lead Engineer		Kimberly Drummond, Facilities Director	
Signature: 	DATE:	Signature: 	DATE: 1/18/17

ORGANIZATIONAL

REVISIONS

Rephrased minor text, replaced references from TJC to CIHQ, and updated contact information for agencies on the following:

CE8610-118 Electrical Safety Testing Policy

CE8610-132 Extension Cords

CE8610-134 Fire Alarm Testing Procedure

CE8610-136 Fire Drill Procedure

CE8610-138 Fire Safety Management Plan

CE8610-146 Hospital-wide Fire Response and Evacuation Plan

CE8610-152 Interim Life Safety Measures

CE8610-156 Materials Flammability Standards

CE8610-174 Safety Rounds Policy

GL8610-190 Smoking Policy

DEPARTMENTAL - ENGINEERING

REVISIONS

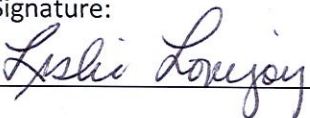
Rephrased minor text, replaced references from TJC to CIHQ, and updated contact information for agencies on the following:

CE8450-46 Patient Owned Electrical Equipment

CE8450-96 Fire Damper Inspections

CE8450-100 Exit Lights

CE8450-101 Humidity and Temperature Monitoring in Surgery and Birthplace Surgical Suites

Leslie Lovejoy, Chief Quality Officer	
Signature: 	DATE: 1/19/16

ORGANIZATIONAL

REVIEWED / NO CHANGES

PR8610-174 Withdrawal of Life Sustaining Treatment

REVISIONS

GL8610-162 Policies and Procedures

Added approval process which was approved by MEC in December 2016. Leadership educated to new process Jan3, 2017.



GL8610-144 E-Notification System Policy

Updated to actual process flow. Retired previous process flow chart.

GL8610-184 Adverse Event Reporting

added the two appendices; took out sentinel event nomenclature

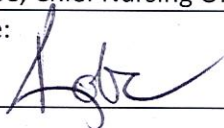
PR8610-112 Encouraging Patients and Families to Report Concerns about Safety

Reviewed, only format changes

RETIRE

PC8610-155 Case management Intervention

now included in newer Discharge Planning P&P

Mark Kobe, Chief Nursing Officer	
Signature: 	DATE: 1-19-17

ORGANIZATIONAL


REVIEWED / NO CHANGES

QS8610-116 Falls Management

REVISIONS

PR8610-168 Pediatric Informed Consent

Minor changes

Ken Jensen, Chief Financial Officer	
Signature: 	DATE: 1/19/17

ORGANIZATIONAL

REVISIONS

GL8610-122 Charity Care

Minor changes

8.

LETTER REQUESTING
PROPOSALS TO DEVELOP
THE SOUTH LOT



Meeting Date: February 2, 2017

Prepared by: Ken Jensen & Kelly Mather

Agenda Item Title: Letter Requesting Proposals for Development of the South Lot

Recommendation:

Management recommends that the Board send a letter all parties who may have an interest in developing the 2.83 acres of the South Lot as part of the information gathering period that the Board has requested prior to making a decision. Letters will be sent in February 2017 with proposals due by April 15, 2017. This is in line with the Board's intention to explore potential uses for the site.

Background:

The Sonoma Valley Health Care District (District) leased approximately four acres in 2007 to provide additional parking and a staging area for construction of the new wing. Located between West McArthur Street to the South, Fourth Street West to the east, Hayes Street to the west and Randolph/Arroyo Way to the north, the parcel is commonly referred to as the "South Lot." At the time of the last lease, the District negotiated the option to purchase the land which had to be exercised before the end of August 2016. The District made the lease payments monthly and a portion was applied to the reduction of the option price.

Current Situation:

In August 2016, the District exercised its option to purchase the South Lot for approximately \$2 million.

The District Board held a public meeting to solicit ideas for its development in October 2016. The parcel is currently zoned for residential use. In addition, the City of Sonoma requires that the hospital continue to have at least 30 additional parking spaces, and therefore at least a portion of the developed parking lot should remain in title with the District. If the entire existing parking lot is maintained, that leaves 2.83 acres of property that could be offered for other uses.

Although the South Lot is zoned for residential use, the proposed offer for development does not specify that the development must be for housing. The letter requesting proposals allows the interested party the option to present any reasonable development. The invitation for written offers for the purchase and development of the South Lot will make it clear that under California law the District must receive fair market value for the sale of the property.

This RFP letter is the second draft and reflects input offered at the January Board meeting.

Consequences of Negative Action/Alternative Actions:

If the Board does not choose to sell a portion of the South Lot property, the hospital will need to find another source of loan repayment by August 2018. The District cannot carry a mortgage on any property. Management does not believe funds will be available from operations when the loan is due. In addition, we have discussed a possible revenue bond and it was found to not be a feasible option.

Financial Impact:

2.83 acres of land in the City of Sonoma that is zoned residential will likely bring in offers of more than \$2 million. The hospital would then be able to repay the loan by August 2018 and the quarterly payments of \$25,000 will cease, leading to an annual savings of \$100,000.

Attachment:

2nd draft offer letter for South Lot

[Sonoma District letterhead]

[Date]

Attention: All Interested Parties

Subject: **Offer of Land for Development or Joint Venture**

Dear Interested Party:

The Sonoma Valley Health Care District (District) is offering to make available up to 2.83 acres of vacant land near downtown Sonoma and the Sonoma Valley Hospital. This letter provides your introduction to the process related to the selection of the buyer/partner for the property.

The general terms and conditions of the 2.83 acres and information about the property are set forth in the following pages. Any deal terms you wish the District to consider must be noted in your letter of intent/term sheet in response to this notice and clearly defined.

Sincerely,

Board of Directors
Sonoma Valley Health Care District

Land Available for Development or Joint Venture

The Sonoma Valley Health Care District is offering for development or joint venture approximately 2.83 acres of vacant land near downtown Sonoma and the Sonoma Valley Hospital. Salient features of the parcel are:

1. Currently zoned for residential use, with a current allocation of twenty (20) residential units under City of Sonoma growth ordinance;
2. Located between West McArthur Street to the south, Fourth Street West to the east, Hayes Street to the west, and Randolph Street/Arroyo Way to the north near downtown Sonoma (see attached map);
3. The parcel is part of a two legal parcels of land owned by the District, the northern portion of which it has improved with a parking lot and related facilities for Sonoma Valley Hospital – the parcel available would be created as a separate legal parcel by the District as a public agency or via a lot-line adjustment; and
4. The parcel is not subject to any CC&Rs or other restrictions or any facilities or improvement districts.

The District invites written offers for the purchase, joint venture or other proposed use of the available parcel. As a healthcare district under California law, the District must receive fair market value for the sale parcel, and will put a premium on offers that provide for a reasonable feasibility period and deposit structure, and the earliest possible closing.

Please direct all written offers/proposed term sheets to:

Sonoma Valley Health Care District
Attention: Ken Jensen, CFO
347 Andrieux Street
Sonoma, CA 95476

Purchase offers, in the form of a letter of intent or term sheet, must be submitted to the District by no later than 5:00 PM, Pacific Standard Time on April 15, 2017.

Additional Terms/Information

The issuance of this notice and the District's receipt of information in response to this document shall not cause the District to incur any liability or obligation to you, financial or otherwise. The District assumes no obligation to reimburse or in any way compensate you for expenses incurred in connection with your response to this notice.

The District reserves the right to use information submitted in response to this notice in any manner it may deem appropriate in evaluating the fitness of the offers for the property. Materials submitted by a developer that are considered confidential must be clearly marked as such. In the event that confidentiality cannot be afforded, the developer will be notified and will be permitted

to withdraw its letter of intent/term sheet. You should be aware that, as a public agency, the District is subject to the California Public Records Act.

The information contained in this notice and any additional information provided to you by the District during negotiations is proprietary to the District. The District is not conveying any ownership to any party by disclosing such information. All interested parties, in consideration of being given this opportunity, agree to treat all the information contained in this notice and as may be disclosed by the District during negotiations as strictly confidential. The information is to be used by each interested party only for the purpose of preparing a purchase, joint venture or other use proposal in response to this notice. The information in this notice or as may be disclosed by the District during negotiations may not be used or shared with any other parties for any other purpose, without first obtaining the District's prior written consent. If you need to disclose any information to a third party in order to prepare your proposal, contact Ken Jensen at 707-935-5003 or kjensen@svh.com. You will return this notice, and all copies you have made of it to the District if you should decline to submit a proposal.

Arrangements may be made for visiting the sale parcel project area by contacting Ken Jensen.

All supporting documentation submitted in response to this notice will become the property of the District unless otherwise requested by the developer at the time of submission.

The District may choose to negotiate with one or more interested parties. Any acceptance of a letter of intent or term sheet is contingent upon the execution of a definitive written proposal and the District shall not be contractually bound to any developer prior to the execution of such written purchase and sale agreement.

9.

FINANCE REPORT
MONTH ENDING
DECEMBER 31, 2016



To: SVH Finance Committee
From: Ken Jensen, CFO
Date: January 24, 2017
Subject: Financial Report for the Month Ending December 31, 2016

The actual loss of (\$934,990) from operations for December was (\$469,138) unfavorable to the budgeted loss of (\$465,852). The year-to-date actual loss from operations is (\$2,517,331) compared to the expected loss of (\$2,344,616). After accounting for all other activity, the December net loss was (\$599,524) vs. the budgeted net loss of (\$117,622) with a monthly EBIDA of -10.6% vs. a budgeted 1.3%. Year-to-date the total net income is \$51,936 favorable to budget with a year-to-date EBIDA of 2.4% vs. the budgeted 3.0%.

Gross patient revenue for December was \$20,176,998, (\$444,646) less than expected. Inpatient gross revenue was under budget by (\$354,741). Inpatient days were close to budgeted expectations at 355 days and inpatient surgeries were under budget by (12) cases. Outpatient revenue was under budget by (\$756,842). Outpatient visits were over budgeted expectations by 304 visits but outpatient surgeries were under budget by (20) cases. The Emergency Room gross revenue is over budget by \$1,123,074, ER visits are over budget by 79 visits. SNF was under budgeted expectations by (\$493,957) due to SNF patient days being under budgeted expectations by (148) days. Home Health was over budget by \$37,820. Home health visits were over budgeted expectations by 64 visits.

Deductions from revenue were unfavorable to budgeted expectations by (\$338,718). The unfavorable variance is due to the ER gross revenue being significantly over budgeted expectations along with the unfavorable variance in both IP and OP surgeries which have a higher insurance payout.

After accounting for all other operating revenue, the **total operating revenue** was unfavorable to budget by (\$773,435).

Operating Expenses of \$4,713,005 were favorable to budget by \$304,297. Salaries and wages were under budget by \$222,526 due to permanent FTE reductions in accounting, administration, and human resources along with efficient staffing in clinical departments. Employee benefits are over budget by (\$55,456) due to an increase in PTO and disability in December. Supplies are under budget in December by \$32,332 due to lower volume in surgery. Purchased services were under budget by \$54,566 due to budgeted services not used in the month of December. Interest expense is over budget in December by (\$11,099) due to the unbudgeted interest expense related to the south lot loan.

After accounting for all income and expenses, but not including Restricted Contributions and GO bond activity, the net loss for December was (\$736,334) vs. a budgeted net loss of (\$274,963). The total net loss for December after all activity was (\$599,524) vs. a budgeted net loss of (\$117,622).

EBIDA for the month of December was -10.6% vs. the budgeted 1.3%.

Patient Volumes – December

	ACTUAL	BUDGET	VARIANCE	PRIOR YEAR
Acute Discharges	100	109	-9	109
Newborn Discharges	8	24	-16	21
Acute Patient Days	355	351	4	351
SNF Patient Days	500	648	-148	648
Home Care Visits	919	855	64	915
OP/ER/HHA Gross Rev.	\$12,935	\$12,531	\$404	\$12,274
Surgical Cases	126	158	-32	136

Gross Revenue Overall Payer Mix – December

	ACTUAL	BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
Medicare	44.0%	47.3%	-3.3%	46.2%	47.0%	-0.8%
Medicare Mgd Care	10.5%	7.2%	3.3%	9.3%	7.2%	2.1%
Medi-Cal	19.2%	19.2%	0.0%	17.2%	19.1%	-1.9%
Self Pay	0.7%	1.1%	-0.4%	1.7%	1.2%	0.5%
Commercial	21.9%	19.8%	2.1%	20.9%	20.1%	0.8%
Workers Comp	2.1%	2.7%	-0.6%	2.7%	2.8%	-0.1%
Capitated	1.6%	2.7%	-1.1%	2.0%	2.6%	-0.6%
Total	100.0%	100.0%		100.0%	100.0%	

Cash Activity for December:

For the month of December the cash collection goal was \$3,699,388 and the Hospital collected \$3,846,046, or over the goal by \$146,658. The hospital collected the held Medicare outpatient claims in December. The year-to-date cash collection goal was \$21,179,617 and the hospital has collected \$22,394,681, or over goal by \$1,215,064. Days of cash on hand are 25.2 days at December 31, 2016. The hospital received the parcel tax revenue of \$1.6M and the anticipated IGT payments of \$1.5M. Accounts Receivable decreased from November, from 53.0 days to 50.8 days in December. Accounts Payable decreased by \$66,355 from November and Accounts Payable days are at 49.7.

ATTACHMENTS:

- Attachment A is the Payer Mix Analysis which includes the projected collection percentage by payer.
- Attachment C is the Balance Sheet

-Attachment D (two pages) is the Statement of Revenue and Expense. The first page breaks out the hospital operations and page two includes all other activity.

-Attachment E is the Variance Analysis. The line number tie to the Statement of Revenue and Expense line numbers and explains any significant variances.

Sonoma Valley Hospital
Net Revenue by Payer for the month of December 31, 2016

ATTACHMENT A

December-16

YTD

Gross Revenue:	Actual	Budget	Variance	% Variance
Medicare	8,865,370	9,727,681	-862,311	-8.9%
Medicare Managed Care	2,115,286	1,478,738	636,548	43.0%
Medi-Cal	3,862,981	3,940,839	-77,858	-2.0%
Self Pay	144,765	233,858	-89,093	-38.1%
Commercial & Other Government	4,451,314	4,138,351	312,963	7.6%
Worker's Comp.	413,501	559,670	-146,169	-26.1%
Capitated	323,781	542,507	-218,726	-40.3%
Total	20,176,998	20,621,644	(444,646)	

Actual	Budget	Variance	% Variance
59,457,893	58,616,963	840,930	1.4%
12,006,829	9,033,996	2,972,833	32.9%
22,064,714	23,754,885	-1,690,171	-7.1%
2,173,088	1,480,287	692,801	46.8%
27,171,037	25,164,597	2,006,440	8.0%
3,418,187	3,438,096	-19,909	-0.6%
2,590,547	3,318,303	-727,756	-21.9%
128,882,295	124,807,127	4,075,168	

Net Revenue:	Actual	Budget	Variance	% Variance
Medicare	1,167,977	1,636,617	-468,640	-28.6%
Medicare Managed Care	273,718	206,092	67,626	32.8%
Medi-Cal	495,234	608,278	-113,044	-18.6%
Self Pay	59,542	95,716	-36,174	-37.8%
Commercial & Other Government	1,488,519	1,687,558	-199,039	-11.8%
Worker's Comp.	93,617	119,490	-25,873	-21.7%
Capitated	9,357	17,577	-8,220	-46.8%
Prior Period Adj/IGT	-	-	0	*
Total	3,587,964	4,371,328	(783,364)	-17.9%

Actual	Budget	Variance	% Variance
9,365,595	10,035,366	-669,771	-6.7%
1,656,617	1,390,280	266,337	19.2%
3,047,662	3,622,013	-574,351	-15.9%
815,749	579,468	236,281	40.8%
9,141,043	9,943,355	-802,312	-8.1%
767,844	762,001	5,843	0.8%
80,130	109,842	-29,712	-27.0%
1,844,626	-	1,844,626	*
26,719,266	26,442,325	276,941	1.0%

Percent of Net Revenue:	Actual	Budget	Variance	% Variance
Medicare	32.6%	37.4%	-4.8%	-12.8%
Medicare Managed Care	7.6%	4.7%	2.9%	61.7%
Medi-Cal	13.8%	13.9%	-0.1%	-0.7%
Self Pay	1.7%	2.2%	-0.5%	-22.7%
Commercial & Other Government	41.4%	38.7%	2.7%	7.0%
Worker's Comp.	2.6%	2.7%	-0.1%	-3.7%
Capitated	0.3%	0.4%	-0.1%	-25.0%
Prior Period Adj/IGT	0.0%	0.0%	0.0%	*
Total	100.0%	100.0%	0.0%	0.0%

Actual	Budget	Variance	% Variance
35.1%	38.0%	-3.0%	-7.9%
6.2%	5.3%	0.9%	17.0%
11.4%	13.7%	-2.3%	-16.8%
3.1%	2.2%	0.9%	40.9%
34.1%	37.5%	-3.4%	-9.1%
2.9%	2.9%	0.0%	0.0%
0.3%	0.4%	-0.1%	-25.0%
6.9%	0.0%	7.0%	*
100.0%	100.0%	0.0%	0.0%

Projected Collection Percentage:	Actual	Budget	Variance	% Variance
Medicare	13.2%	16.8%	-3.6%	-21.4%
Medicare Managed Care	12.9%	13.9%	-1.0%	-7.2%
Medi-Cal	12.8%	15.4%	-2.6%	-16.9%
Self Pay	41.1%	40.9%	0.2%	0.5%
Commercial & Other Government	33.4%	40.8%	-7.4%	-18.1%
Worker's Comp.	22.6%	21.4%	1.2%	5.6%
Capitated	2.9%	3.2%	-0.3%	-9.4%
Prior Period Adj/IGT	0.0%	0.0%	0.0%	*

Actual	Budget	Variance	% Variance
15.8%	17.1%	-1.3%	-7.6%
13.8%	15.4%	-1.6%	-10.4%
13.8%	15.2%	-1.4%	-9.2%
37.5%	39.1%	-1.6%	-4.1%
33.6%	39.5%	-5.9%	-14.9%
22.5%	22.2%	0.3%	1.4%
3.1%	3.3%	-0.2%	-6.1%
1.4%	0.0%	1.4%	*

Sonoma Valley Health Care District
Balance Sheet
As of December 31, 2016

ATTACHMENT C

		<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year</u>
Assets				
Current Assets:				
1	Cash	\$ 4,034,999	\$ 1,605,510	\$ 3,108,433
2	Trustee Funds	1,691,161	1,690,858	2,970,872
3	Net Patient Receivables	8,483,511	9,232,374	7,864,567
4	Allow Uncollect Accts	(1,291,168)	(1,282,409)	(654,860)
5	Net A/R	7,192,343	7,949,965	7,209,707
6	Other Accts/Notes Rec	5,279,179	6,847,450	4,932,326
7	3rd Party Receivables, Net	1,406,133	2,847,865	1,122,720
8	Inventory	792,747	791,253	904,149
9	Prepaid Expenses	823,015	800,370	752,812
10	Total Current Assets	\$ 21,219,577	\$ 22,533,271	\$ 21,001,019
12	Property, Plant & Equip, Net	\$ 53,749,264	\$ 53,196,716	\$ 53,415,047
13	Specific Funds	326,018	224,917	275,657
14	Other Assets	-	144,911	143,691
15	Total Assets	\$ 75,294,859	\$ 76,099,815	\$ 74,835,415
Liabilities & Fund Balances				
Current Liabilities:				
16	Accounts Payable	\$ 3,643,087	\$ 3,709,442	\$ 3,732,055
17	Accrued Compensation	4,230,152	4,127,921	4,229,706
18	Interest Payable	551,329	441,062	571,281
19	Accrued Expenses	1,342,994	1,427,495	1,628,644
20	Advances From 3rd Parties	134,655	124,255	1,261,918
21	Deferred Tax Revenue	2,981,452	3,478,361	2,956,665
22	Current Maturities-LTD	1,706,832	1,703,099	1,706,832
23	Line of Credit - Union Bank	7,823,534	6,723,734	5,923,734
24	Other Liabilities	1,386	1,646,097	165,819
25	Total Current Liabilities	\$ 22,415,421	\$ 23,381,466	\$ 22,176,654
26	Long Term Debt, net current portion	\$ 37,399,151	\$ 36,638,538	\$ 36,905,660
Fund Balances:				
28	Unrestricted	\$ 12,219,105	\$ 12,818,796	\$ 12,768,215
29	Restricted	3,261,183	3,261,016	2,984,886
30	Total Fund Balances	\$ 15,480,287	\$ 16,079,811	\$ 15,753,101
31	Total Liabilities & Fund Balances	\$ 75,294,859	\$ 76,099,815	\$ 74,835,415

Sonoma Valley Health Care District
Statement of Revenue and Expenses
Comparative Results
For the Period Ended December 31, 2016

ATTACHMENT D

	Month					Year-To- Date				YTD
	This Year		Variance			This Year		Variance		
	Actual	Budget	\$	%		Actual	Budget	\$	%	Prior Year
Volume Information										
1	100	109	(9)	-8%	Acute Discharges	597	567	30	5%	567
2	500	648	(148)	-23%	SNF Days	3,253	3,718	(465)	-13%	3,718
3	919	855	64	7%	Home Care Visits	5,629	5,416	213	4%	5,797
4	12,935	12,531	404	3%	Gross O/P Revenue (000's)	\$ 78,883	\$ 77,474	1,409	2%	\$ 75,502
Financial Results										
Gross Patient Revenue										
5	\$ 5,427,515	\$ 5,782,256	(354,741)	-6%	Inpatient	\$ 38,536,996	\$ 34,254,407	4,282,589	13%	\$ 31,268,630
6	6,628,041	7,384,883	(756,842)	-10%	Outpatient	40,642,801	44,709,011	(4,066,210)	-9%	43,340,998
7	5,978,136	4,855,062	1,123,074	23%	Emergency	36,468,766	30,921,699	5,547,067	18%	30,540,603
8	1,814,084	2,308,041	(493,957)	-21%	SNF	11,264,270	13,078,675	(1,814,405)	-14%	12,736,190
9	329,222	291,402	37,820	13%	Home Care	1,969,462	1,843,335	126,127	7%	1,898,120
10	\$ 20,176,998	\$ 20,621,644	(444,646)	-2%	Total Gross Patient Revenue	\$ 128,882,295	\$ 124,807,127	4,075,168	3%	\$ 119,784,541
Deductions from Revenue										
11	\$ (16,500,149)	\$ (16,148,097)	(352,052)	-2%	Contractual Discounts	\$ (103,159,822)	\$ (97,751,488)	(5,408,334)	-6%	\$ (94,485,625)
12	(70,000)	(66,250)	(3,750)	-6%	Bad Debt	(690,000)	(397,500)	(292,500)	-74%	(350,000)
13	(18,885)	(35,969)	17,084	47%	Charity Care Provision	(157,833)	(215,814)	57,981	27%	(188,166)
14	-	-	-		Prior Period Adj/Government Program Revenue	1,844,626	-	1,844,626	*	1,566,827
15	\$ (16,589,034)	\$ (16,250,316)	(338,718)	2%	Total Deductions from Revenue	\$ (102,163,029)	\$ (98,364,802)	(3,798,227)	4%	\$ (93,456,964)
16	\$ 3,587,964	\$ 4,371,328	(783,364)	-18%	Net Patient Service Revenue	\$ 26,719,266	\$ 26,442,325	276,941	1%	\$ 26,327,577
17	\$ 134,940	\$ 155,771	(20,831)	-13%	Risk contract revenue	\$ 779,508	\$ 934,626	(155,118)	-17%	\$ 920,200
18	\$ 3,722,904	\$ 4,527,099	(804,195)	-18%	Net Hospital Revenue	\$ 27,498,774	\$ 27,376,951	121,823	0%	\$ 27,247,777
19	\$ 55,111	\$ 24,351	30,760	*	Other Op Rev & Electronic Health Records	\$ 244,367	\$ 146,106	98,261	67%	\$ 160,559
20	\$ 3,778,015	\$ 4,551,450	(773,435)	-17%	Total Operating Revenue	\$ 27,743,141	\$ 27,523,057	220,084	1%	\$ 27,408,336
Operating Expenses										
21	\$ 2,059,535	\$ 2,282,061	222,526	10%	Salary and Wages and Agency Fees	\$ 13,147,150	\$ 13,485,216	338,066	3%	\$ 12,992,249
22	896,175	\$ 840,719	(55,456)	-7%	Employee Benefits	5,187,256	5,037,441	(149,815)	-3%	4,992,684
23	\$ 2,955,710	\$ 3,122,780	167,070	5%	Total People Cost	\$ 18,334,406	\$ 18,522,657	188,251	1%	\$ 17,984,933
24	\$ 395,354	\$ 396,457	1,103	0%	Med and Prof Fees (excl Agency)	\$ 2,362,627	\$ 2,343,849	(18,778)	-1%	\$ 2,035,742
25	487,620	519,952	32,332	6%	Supplies	3,464,228	3,158,691	(305,537)	-10%	3,056,525
26	296,913	351,479	54,566	16%	Purchased Services	1,854,751	2,081,975	227,224	11%	1,678,086
27	286,282	293,214	6,932	2%	Depreciation	1,675,882	1,759,284	83,402	5%	1,746,659
28	87,582	100,684	13,102	13%	Utilities	619,556	597,123	(22,433)	-4%	600,509
29	29,292	33,416	4,124	12%	Insurance	175,752	200,249	24,497	12%	151,474
30	50,472	39,373	(11,099)	-28%	Interest	226,145	209,907	(16,238)	-8%	291,934
31	123,780	159,947	36,167	23%	Other	799,764	993,938	194,174	20%	1,023,206
32	-	-	-	*	Matching Fees (Government Programs)	747,361	-	(747,361)	*	368,026
33	\$ 4,713,005	\$ 5,017,302	304,297	6%	Operating expenses	\$ 30,260,472	\$ 29,867,673	(392,799)	-1%	\$ 28,937,094
34	\$ (934,990)	\$ (465,852)	(469,138)	-101%	Operating Margin	\$ (2,517,331)	\$ (2,344,616)	(172,715)	-7%	\$ (1,528,758)

ATTACHMENT D

**Sonoma Valley Health Care District
Statement of Revenue and Expenses
Comparative Results
For the Period Ended December 31, 2016**

	Month			
	This Year		Variance	
	Actual	Budget	\$	%
35	\$ (13,844)	\$ (21,611)	7,767	-36%
36	-	-	-	0%
37	(37,500)	(37,500)	-	0%
38	250,000	250,000	-	0%
39	\$ 198,656	\$ 190,889	7,767	4%
40	\$ (736,334)	\$ (274,963)	(461,371)	168%
41	\$ 167	\$ 20,698	(20,531)	-99%
42	\$ -	\$ -	-	0%
43	\$ (736,167)	\$ (254,265)	(481,902)	190%
44	246,909	246,909	-	0%
45	(110,266)	(110,266)	-	0%
46	\$ (599,524)	\$ (117,622)	(481,902)	410%
	\$ (399,580)	\$ 57,624	-10.6%	1.3%
	\$ (450,052)	\$ 18,251	-11.9%	0.4%

Non Operating Rev and Expense
Miscellaneous Revenue/(Expenses)
Donations
Physician Practice Support-Prima
Parcel Tax Assessment Rev
Total Non-Operating Rev/Exp
Net Income / (Loss) prior to Restricted Contributions

Capital Campaign Contribution
Restricted Foundation Contributions
Net Income / (Loss) w/ Restricted Contributions

GO Bond Tax Assessment Rev
GO Bond Interest

Net Income/(Loss) w GO Bond Activity**EBIDA - Not including Restricted Contributions****EBDA - Not including Restricted Contributions**

	Year-To- Date				YTD
	This Year		Variance		Prior Year
	Actual	Budget	\$	%	
	\$ (60,510)	\$ (108,739)	48,229	*	\$ 20,836
	53,887	-	53,887	0%	0
	(225,000)	(225,000)	-	0%	(225,000)
	1,500,378	1,500,000	378	0%	1,501,954
	\$ 1,268,755	\$ 1,166,261	102,494	9%	\$ 1,297,790
	\$ (1,248,576)	\$ (1,178,355)	(70,221)	6%	\$ (230,968)
	\$ 66,512	\$ 124,188	(57,676)	-46%	\$ 484,511
	\$ 179,832	\$ -	179,832	100%	\$ -
	\$ (1,002,232)	\$ (1,054,167)	51,935	-5%	\$ 253,543
	1,481,454	1,481,454	-	0%	1,456,662
	(677,239)	(677,240)	1	0%	(689,209)
	\$ (198,017)	\$ (249,953)	51,936	-21%	\$ 1,020,996
	\$ 653,451	\$ 790,836	2.4%	3.0%	\$ 1,807,625
					6.6%
	\$ 427,306	\$ 580,929	1.5%	2.1%	

Sonoma Valley Health Care District
Statement of Revenue and Expenses Variance Analysis
For the Period Ended December 31, 2016

	YTD	MONTH	
Description	Variance	Variance	
Volume Information			
1 Acute Discharges	30	(9)	
2 SNF Days	(465)	(148)	
3 Home Care Visits	213	64	
4 Gross O/P Revenue (000's)	1,409	404	
Financial Results			
Gross Patient Revenue			
5 Inpatient	4,282,589	(354,741)	Patient Days are 355 vs. budgeted expectations of 351 and inpatient surgeries are 28 vs. budgeted expectations of 40.
6 Outpatient	(4,066,210)	(756,842)	Outpatient surgeries are 98 vs. budgeted expectations 118.
7 Emergency	5,547,067	1,123,074	ER visits are 942 vs. budgeted visits of 863.
8 SNF	(1,814,405)	(493,957)	SNF patient days are 500 vs. budgeted expected days of 648.
9 Home Care	126,127	37,820	HHA visits are 919 vs. budgeted expectations of 855.
10 Total Gross Patient Revenue	4,075,168	(444,646)	
Deductions from Revenue			
11 Contractual Discounts	(5,408,334)	(352,052)	
12 Bad Debt	(292,500)	(3,750)	
13 Charity Care Provision	57,981	17,084	
14 Prior Period Adj/Government Program Revenue	1,844,626	-	
15 Total Deductions from Revenue	(3,798,227)	(338,718)	
16 Net Patient Service Revenue	276,941	(783,364)	
17 Risk contract revenue	(155,118)	(20,831)	Blue Shield capitation received was under budget.
18 Net Hospital Revenue	121,823	(804,195)	
19 Other Op Rev & Electronic Health Records	98,261	30,760	The hospital received a payment from CMS for E.H.R. incentive of \$43,689
20 Total Operating Revenue	220,084	(773,435)	
Operating Expenses			
21 Salary and Wages and Agency Fees	338,066	222,526	Salaries and Wages were under budget by \$219,571 due to permanent FTE reductions in Accounting, Admin, and H.R. and efficient staffing and agency fees were under budget by \$2,955.
22 Employee Benefits	(149,815)	(55,456)	Employee benefits are over budget due to an increased use of PTO and disability.
23 Total People Cost	188,251	167,070	
24 Med and Prof Fees (excl Agency)	(18,778)	1,103	
25 Supplies	(305,537)	32,332	Supplies are under budget due to lower volume in both IP and OP surgeries.
26 Purchased Services	227,224	54,566	Budgeted purchased services not used in December.
27 Depreciation	83,402	6,932	
28 Utilities	(22,433)	13,102	
29 Insurance	24,497	4,124	
30 Interest	(16,238)	(11,099)	Interest on the South lot loan (\$10,685) was unbudgeted for FY 2017.
31 Other	194,174	36,167	Budgeted other costs not used in December.
32 Matching Fees (Government Programs)	(747,361)	-	
33 Operating expenses	(392,799)	304,297	
34 Operating Margin	(172,715)	(469,138)	
Non Operating Rev and Expense			
35 Miscellaneous Revenue	48,229	7,767	Budgeted costs for the timeshares are under budget in December.
36 Donations	53,887	-	
37 Physician Practice Support-Prima	-	-	
38 Parcel Tax Assessment Rev	378	-	
39 Total Non-Operating Rev/Exp	102,494	7,767	
40 Net Income / (Loss) prior to Restricted Contributions	(70,221)	(461,371)	

Sonoma Valley Health Care District
Statement of Revenue and Expenses Variance Analysis
For the Period Ended December 31, 2016

	YTD	MONTH	
Description	Variance	Variance	
		-	
41 Capital Campaign Contribution	(57,676)	(20,531)	Capital campaign donations received from the Foundation are under budgeted expectations for December.
42 Restricted Foundation Contributions	179,832	-	
43 Net Income / (Loss) w/ Restricted Contributions	51,935	(481,902)	
44 GO Bond Tax Assessment Rev	-	-	
45 GO Bond Interest	1	-	
46 Net Income/(Loss) w GO Bond Activity	51,936	(481,902)	

10.

ADMINISTRATIVE REPORT
JANUARY 2017



To: SVHCD Board of Directors
From: Kelly Mather
Date: 1/26/17
Subject: Administrative Report

Summary

January has been a very busy month for our Emergency Department, especially with this years' flu activity. This month we start two new programs for pain management. One is a "pain network" with Dr. Azari and is already receiving referrals from the Health Center. The other is a clinical trial with Summit Pain Alliance which is leading to many new procedures in surgery. The annual Service and Excellence Awards luncheon was held in January to recognize and show appreciation to many of our wonderful staff members. It was very well attended and enjoyed by all.

Dashboard and Trended Results

The patient satisfaction results continue to improve. The staff satisfaction survey went out this week and we hope to have 80% participation. The salary increases have gone into effect and staff received their letters summarizing their total compensation. December was a low volume surgery month and revenues were the lowest they have been in months. This was unexpected. Expenses were well controlled.

Strategic Update from FY 2017 Strategic Plan:

Strategic Priorities	Update
Satisfaction	We added the patient advisor to the patient experience team. Physician satisfaction surveys were completed in November. Staff satisfaction survey is under way.
Quality & Safety	The culture of safety continues to be a major focus. We completed the CalHEN evidence-based medicine projects for several diagnoses.
Physician Alignment	We recruited a new primary care physician and two new general surgeons. The timeshare offices are now full with many new specialists doing clinics in Sonoma. The pain management service line is under way. The ophthalmologist was replaced.
Regional Services	Bariatrics, Wound Care, Skilled Nursing, Colorectal Surgery and Occupational Health are all seeing patients from outside the district.
Technology Upgrades	We are installing the Stryker Integrative system in surgery this week. We are moving to remote hosting to upgrade the Electronic Health Record this spring. We have selected an outpatient rehab EHR.
Large Hospital Systems	Canopy Health is now underway. We continue to work with Kaiser on a potential SNF contract.
Financial Health	We have purchased the south lot. We also had a strong year in fundraising. Outpatient optimization projects have begun and Home Care continues to be analyzed. Their moving back to the hospital will help the margin.
Community Health	The community care network is under way and health coaches have been recruited. Outpatient Nutrition Counseling is growing with many positive compliments from patients. AffirmativHealth partnership continues to be positive. Girltalk sells out every quarter. Active Aging lectures with Vintage House were well attended in the fall.

DECEMBER 2016

PILLAR	PERFORMANCE GOAL	METRIC	ACTUAL RESULT	GOAL LEVEL
Service Excellence	Highly satisfied Inpatients	Rolling 12 month average of at least 5 out of 9 HCAHPS domain results above the 70 th percentile	3 out of 9 through November	>7 = 5 (stretch) 6 = 4 5 = 3 (Goal) 4 = 2 <4=1
Service Excellence	Highly satisfied Emergency Patients	Rolling 12 month average of at least 4 out of 7 ERCAPS domain results above the 70 th percentile	2 out of 7 through November	6 = 5 (stretch) 5 = 4 4 = 3 (Goal) 3 = 2 2 = 1
Quality	Excellent Clinical Outcomes	Value Based Purchasing Safety Score at 75% or higher	68%	>85 = 5 (stretch) >80 = 4 >75 = 3 (Goal) >70 = 2 <70 = 1
People	Highly Engaged and Satisfied Staff	Press Ganey percentile ranking of 75 th percentile or higher	4.33/5 or the 84 th percentile	>80th = 5 (stretch) >77 th =4 >75 th =3 (Goal) >72 nd =2 <70 th =1
Finance	Financial Viability	YTD EBIDA	1.5%	>4% (stretch) >3.5%=4 >3.0% (Goal) >2.5%=2 <2.5%=1
	Efficiency and Financial Management	Meet FY 2017 Budgeted Expenses (excluding IGT)	\$29,513,111 (actual) \$29,867,673 (budget)	<2% =5 (stretch) <1% = 4 <Budget=3 (Goal) >1% =2 >2% = 1
Growth	Surgical Cases	Increase surgeries by 2% over prior year	771 YTD FY2017 755 YTD FY2016	>2% = 5 >1% = 3 < 1% = 2
	Outpatient & Emergency Volumes	2% increase (gross outpatient revenue over prior year)	\$79.1 mm YTD \$75.7 mm prior year	>5% = 5 (stretch) >3% = 4 >2% = 3 (Goal) <2% = 2
Community	Community Benefit Hours	Hours of time spent on community benefit activities per year	643 hours for 6 months	>1500 = 5 >1200 = 4 >1000 = 3 >750 = 2 >500 = 1



FY 2017 TRENDED RESULTS

MEASUREMENT	Goal FY 2017	Jul 2016	Aug 2016	Sep 2016	Oct 2016	Nov 2016	Dec 2016	Jan 2016	Feb 2016	Mar 2016	Apr 2016	May 2016	Jun 2016
Inpatient Satisfaction	5/9	0	0	1	2	3							
Emergency Satisfaction	4/7	1	1	1	1	2							
VBP Safety score	>75	77.5	77.5	67	67	67							
Staff Satisfaction	>75th	84	84	84	84	84	84	91	91	84	84	84	84
FY YTD Turnover	<10%	.9	1.5	1.8	3.6	4.2	4.8	5.2	6.1	6.7	7.9	8.8	10
YTD EBIDA	>4%	4.5	3.8	4.2	5.2	4.4	1.5	6.2	6	5.6	5.2	4.7	4.4
Operating Revenue	>5m	5.1	5.0	4.5	4.7	4.5	3.7	4.5	4.6	4.5	4.3	4.6	4.9
Expense Management	<5m	4.9	5.1	4.8	4.9	5.0	4.7	4.9	4.9	4.9	5.1	5.2	5.4
Net Income	>50k	59	-23	94	336	-270	-599	19	203	-131	-99	-403	-132
Days Cash on Hand	>20	11	15	6	11	10	25	14	12	12	13	9	9
A/R Days	<50	55	50	50	50	53	51	53	52	50	50	55	57
Total FTE's	<315	320	321	319	316	319	309	319	324	326	324	332	324
FTEs/AOB	<4.0	4.28	3.86	3.54	4.11	4.35	4.03	3.57	3.58	3.5	3.7	4.16	4.08
Inpatient Discharges	>100	103	105	95	99	95	100	124	101	99	97	85	95
Outpatient Revenue	>\$13m	12.6	13.3	13.5	13.3	13.1	12.9	12.1	12.1	14.2	12.5	13.8	13.5
Surgeries	>130	116	124	118	126	161	126	124	127	141	118	123	124
Home Health	>950	960	890	1042	880	938	919	933	889	879	999	844	942
Births	>15	14	17	14	9	8	9	17	9	17	17	13	14
SNF days	>600	563	608	624	512	446	500	710	671	580	578	529	526
MRI	>120	105	97	104	140	118	130	102	119	127	105	122	120
Cardiology (Echos)	>50	41	53	66	60	51	51	46	60	67	61	52	68
Laboratory	>12	11.2	12.2	11.4	12.6	12.1	12.0	11.9	12.1	12.4	12.0	11.9	11.8
Radiology	>850	902	944	1001	898	870	934	904	961	1010	963	926	1000
Rehab	>2700	2618	3008	3136	2575	2286	2117	2815	2708	2979	2780	2782	2948
CT	>300	365	327	412	367	306	340	379	352	398	333	373	348
ER	>900	940	918	897	852	850	942	864	919	945	912	940	907
Mammography	>425	400	475	421	434	435	399	446	437	432	384	457	420
Ultrasound	>300	281	310	288	288	290	271	296	304	317	325	285	255
Occupational Health	>650	602	724	741	797	636	601	600	597	757	663	679	651
Wound Care	>200	221	312	253	226	199	225	228	232	222	276	235	264

11.

FINANCE COMMITTEE
2017 WORK PLAN

2017 Finance Committee Work Plan

January	February	March	April
<ul style="list-style-type: none"> ❖ Six month Financial Review/Six months projection ❖ 2nd Quarter Capital Spending Report 	<ul style="list-style-type: none"> ❖ Monthly Financial Statements ❖ Review Budget Assumptions for FY 2018 Budget ❖ Review of Debt ❖ Engage Auditors Mid-year Review ❖ Capital needs review 	<ul style="list-style-type: none"> ❖ Monthly Financial Statements ❖ Review Auditors Mid Year Findings ❖ Review 2018 Budget Status ❖ Risk Management/Quality Review ❖ Prioritize Debt repayment 	<ul style="list-style-type: none"> ❖ Monthly Financial Statements ❖ 3rd Quarter Capital Spending Report ❖ Review 2018 Budget Status ❖ Nine month Financial Review/ three months projection ❖ Review McKesson IT outsourcing status
May	June	July	August
<ul style="list-style-type: none"> ❖ Monthly Financial Statements ❖ 2018 Operating Budget Review ❖ Insurance Review ❖ Agree to Parcel Tax assumptions for new budget ❖ Approve FY2018 Operating Budget 	<ul style="list-style-type: none"> ❖ Monthly Financial Statement 	<ul style="list-style-type: none"> ❖ Monthly Financial Statements ❖ Pre close report ❖ 4th Quarter Capital Spending Report ❖ Capital Budget Review 	<ul style="list-style-type: none"> ❖ Monthly Financial Statements ❖ Conduct Annual Audit
September	October	November	December
<ul style="list-style-type: none"> ❖ Monthly Financial Statements ❖ Audit status 	<ul style="list-style-type: none"> ❖ Monthly Financial Statements ❖ Audited Financial Statements and Audit presentation AT COMBINED MEETING WITH AUDIT COMMITTEE ❖ 1st Quarter Capital Spending Report ❖ 2018 1st Quarter Financial Review/Nine month projection 	<ul style="list-style-type: none"> ❖ Monthly Financial Statements ❖ Cost Reports for FY17 for Medicare, Medi-Cal, OSHPD, AB915 and IGT 	<ul style="list-style-type: none"> ❖ Monthly Financial Statements ❖ Annual Finance Committee Review ❖ Consider combining December meeting with January 2018 meeting