

Mendocino Coast Hospital Foundation

Board of Governor's Meeting Minutes Monday, January 28, 2013

Present: Steve Lund, Charlene McAllister, Susan Warner, Robert Christofferson, James Katzel, Kate Erickson, Lisa Brandes, and Robert Scott

Absent: Camille Ranker

Also Present: Jeri Erickson,

President Steve Lund opened the meeting at 3:58 p.m.

1. **Consent Calendar:** The November 19, 2012 Minutes were unanimously approved: M/S/C McAllister/Scott vote 8-0-0.
2. **President's Report:** Steve Lund reported on the professional development plan being created to coincide with the Director's Annual Review, which will not be completed now until the March meeting. Lund requested those who have not yet commented to forward their comments to him as soon as possible.

Lund reported that Brad Bergman had submitted a letter of resignation, and noted that Bergman would stay involved assisting on the Foundation website, and Lund would send Bergman a letter of thanks on behalf of the Board. A motion to accept the letter of resignation was passed unanimously. M/S/C Warner/Brandes vote 8-0-0

3. **The MCDH report** by Wayne Allen was deferred until later in the meeting.
4. **Winesong/Events Report**

Jeri Erickson reported that the annual donor and tax letters were out, the sales tax spreadsheet was going to the accountant, and the website had been thoroughly checked for accuracy, spelling, and working links. Jeri Erickson reported that much work was needed on Winesong, especially developing the sponsorship package and starting on soliciting sponsors. Jeri Erickson had talked with the Zoppe Family Circus, and had a revised cost which was reflected in the new budget. Rob Scott asked a question regarding our advertising in the Bay Area, and Jeri Erickson explained about our public relations contract..

5. **Finance/Investment Committee Report**

The notes from the meeting stood as written.

The Operating and Winesong financials were unanimously accepted on a motion. M/S/C Christofferson/Kate Erickson/0 vote 8-0-0.

[Wayne Allen Arrived and Agenda Item 3 commenced.

3. **MCDH Report**

The status of the bankruptcy proceedings and the internal revisions underway were discussed. Allen explained that expenses were up and revenue was down, and major

changes were needed to reverse the pattern. Allen indicated that a new approach to telemedicine was being considered, and asked that the Foundation defer purchase of the robot pending consideration of wireless computer tablets which could be more beneficial. He also indicated that the Hospital would be requesting some support from the Foundation for drug dispensing cabinets. Lund indicated that the Executive Committee could act on behalf of the Board if rapid responses are needed on any of the discussed items.

[Returned to Item 5]

5. Finance/Investment Committee Report

A motion to accept the new operating budget was passed unanimously. M/S/C Brandes/Katzel/0 vote: 8-0-0. Similarly, the Winesong operating budget was unanimously approved: M/S/C McAllister/Scott/o vote 8-0-0. The budget for the Circus was approved unanimously--Brandes/McAllister/0 vote 8-0-0.

6. ED Report

- No further matters were added.

7. Board Comments:

- No further comments.

The meeting was adjourned at 5:30 p.m..

The next regular meeting is scheduled for Monday, March 25, 2013, at 4:00 p.m

Respectfully submitted,



Susan Warner, Secretary

Mendocino Coast Hospital Foundation

Board of Governor's Meeting Minutes Monday, March 25, 2013

Present: Steve Lund, Charlene McAllister, Susan Warner, Robert Christofferson, James Katzel, Kate Erickson, Lisa Brandes

Absent: Camille Ranker and Rob Scott

Also Present: Jeri Erickson and Susan Kelley

President Steve Lund opened the meeting at 4:00 p.m.

1. **Consent Calendar:** The January 28, 2013 Minutes were unanimously approved: M/S/C McAllister/Erickson vote 7-0-0.
2. **President's Report:** Steve Lund reported on the non-confidential information he learned regarding the status of the Hospital finances, and indicated that employee costs were the fundamental issue. He also indicated receipt of a letter from G.L. Bruno on March 20, 2013 regarding the Medical Plaza building, and the letter indicated that there is an Annual Partnership meeting on Tuesday May 21st. Lund plans on attending
3. **The MCDH report** by Wayne Allen was deferred until later in the meeting.
4. **Winesong/Events Report**

Staff reported that the press releases are out including the announcement of Laura Pope as Artist of the Year. The Artists Reception went well, the bottles are being distributed and boxes are being constructed. The invitations and rack cards are going to press that day if Norm Roby approves the copy. Staff is having regular meetings with Sid Hillman every week, and with Norm Roby about every other week. Tickets go on sale April 1. Staff is still searching for a location for the Friday Night Party.

[Wayne Allen Arrived and Agenda Item 3 commenced.

3. MCDH Report

The status of the bankruptcy proceedings and the internal revisions underway were discussed. Allen thanked the Foundation for reimbursements for the pharmacy medicine cabinets. Allen reported that the Hospital filed a motion to reject the union agreement two weeks ago, negotiations were underway, but that a possibility of a strike was conceivable. He reported the Hospital was losing \$2.4-2.6 million for the first 8 months of the year. He also explained that the Adventist group was being fairly quiet about the medical services going into the medical plaza suite, but noted that their lease states they cannot compete with Hospital Services. He indicated that on Friday, April 26th, the Hospital would have a hearing before the bankruptcy court.

[Returned to Item 4]

4. Winesong Events Report (continued)

The Botanical Gardens contract was being negotiated for 2014-2016, and the fee for rental is being discussed along with the alternative Funds that are jointly beneficial.

The Circus is locked in, with the gala night scheduled for Thursday.

5. Finance/Investment Committee Report

The report stood as written, with a note that the June 4th meeting will be devoted to the investment policy. Further, the format for the Annual Report was briefly discussed

6. Governance Committee Report

The report stood as written, and discussion ensued on the proposed changes to the Health Benefits Policy. A motion to approve the benefits policy change was unanimously approved. M/S/C McAllister/Katzel vote 7/0/0

7. ED Report

- Jeri Erickson reported on the status of Diane Eaton's leave, and the process to learn the online Greater giving software. Cross training was planned for the future.
- The mini-grant deadline was extended to March 1, and a meeting is needed and was set for the following Thursday at 10:30 to prioritize the funding.

8. Board Comments:

- Susan Warner moved and Lisa Brandes seconded the motion to adjourn into closed session..

The meeting was briefly re-convened then adjourned at 5:30 p.m.

The next regular meeting is scheduled for Monday, May 20, 2013, at 4:00 p.m.

Respectfully submitted,



Susan Warner, Secretary

Mendocino Coast Hospital Foundation
Board of Governor's Meeting Minutes
Monday, May 21, 2013

Present: Bob Christofferson, Steve Lund, Kate Erickson, Charlene McAllister, Lisa Brandes, Jim Katzell

Absent: Camille Ranker, Rob Scott, Susan Warner

Also Present: Jeri Erickson, Susan Kelly; Wayne Allen

President Steve Lund opened the meeting at 4:03 PM

1. Consent Calendar: The March 26, 2013 Minutes were unanimously approved: M/S/C Erickson/Brandes vote 6-0-0.

2. President's Report: Steve Lund reported that he and Jeri are on the committee to plan for the future of the hospital after getting out of bankruptcy. The hospital board changed attorneys in order to push things ahead. The prognosis is December for a final decision. Current attorney feels this is reasonable. Committee is preparing talking points about current state of the hospital and plan to conduct a dialog with groups about their concerns, needs and wants. There is a need to get the correct information out to the community and to prepare for whatever might come down the road. Jeri attended an employee forum that Wayne Allen had and she noted there were a few employees who get a lot of questions so they are looking forward to having talking points.

3. The MCDH report : Wayne Allen reported on the National Hospital Week celebration for the employees last week and noted it was well received. When the hospital comes out of bankruptcy all of the financial challenges will not be resolved. There will still need to be a competitive salary and benefit package with the employees. There will also need to be something that will put a safety net around the hospital. There is continued low volume and high infrastructure costs. The possibilities could include a parcel tax or an affiliation. Regarding the Medical Office Building and Suite C we are waiting to see what happens there with the Ukiah Adventist physicians opening. There are continuing negotiations with Coast Clinic regarding the North Coast Family Health Center. The next meeting won't take place for a couple of week, but is ongoing. Allen is attempting to work with the Union outside of the bankruptcy process. Allen also reported that volume in the hospital for the first ten months of the fiscal year has been down by \$4.5Million in gross billings.. . The majority of this loss is in the in-patient side. The out-patient usage is down a little but not dramatically. 70% of inpatient load is Medicare. Average revenue doesn't vary that much it is around \$8.0M per month. Dr. Katzell noted that Doctors admit people, if we don't have doctors who will admit people, it won't happen. We can expect many of our local doctors to retire soon. There is a national doctor shortage for rural communities. Allen noted that we are approaching a time for rationing of health care. Out of 5000 hospitals across the US there are 1200 that are critical access. A survey is being be planned. Allen is researching surveys done by other hospitals like ours and that will be reviewed and adapted for our use. Dr. Katzell asked who negotiates with the union: Allen noted it is himself, the bankruptcy counsel and the district labor counsel. Dr. Katzell also noted that the Planning Committee would be a good place to vet the survey. Discussion was then held about physician recruitment and it was agreed that this would be a supportive role for the Foundation-to assist in developing and disseminating a professional recruitment package.

Emmett O'Connell, Lab and Infection Control demonstrated the Luminometer we purchased for Infection Control. He thanked us for purchasing this vital piece of equipment. This allows for consistent standards and training of employees. It was agreed that it might be good for us to

continue to buy the essential supplies for this item. It was also suggested that we look into a video for the web about the significance of the equipment that we purchase. Lisa noted that there are many things that the Foundation does that have a significant impact and cost very little.

4. Winesong/Events Report

- The poster is nearly completed. A miniature version was passed out. A photo shoot with Jeri, Erica from SBMC and Laura Pope will be taking place and then can be sent out to media.
- Staff is making follow up calls to all those who have not responded to the first comp mailing. Norm and Sid state that we are well on target.
- Ticket sales report was passed out.
- Rack cards are being distributed. A Constant Contact blast will be coming soon.
- The FB page has been revised. Carol Joyce is taking over the social media function.
- Logistics for all events except Fri night party are complete or in progress. Jeri is working on the location for the Friday Night party.
- Lodging has been secured for the VIPs.
- The Donor Appreciation Reception is from 1-3 on June 23rd and will include the artist signing posters. Staff was thanked for all their efforts.

5. ED Report Written report was submitted and there were no questions. Jeri noted that we did not support the staff luncheon financially, but did so with our presence. Jeri is spending time doing outreach with the staff, not just management. Finance report will be given at next meeting. The committee is meeting June 4 at 2 pm to look at our investments and investment policies. Jeri attended the feasibility study meeting regarding the county doing an exclusive agreement for ambulance services. Local providers were not enthusiastic about a single ambulance company covering the county. No final decisions have been made.

6. Mini Grants Report: Steve noted that having staff report back on the items we buy for the hospital should be done again. We could also take time from our meetings to go and see some of the things we have purchased. If there are items that come up, we still have some money left in the Mini Grant account.

Donor list was distributed and members selected the donors they would thank personally.

There being no further business the meeting was adjourned at 5:15 PM



Submitted by Charlene McAllister for Susan Warner

Mendocino Coast Hospital Foundation
Board of Governor's Meeting Minutes
Monday, July 22, 2013

Present: Lisa Brandes, Bob Christofferson, Kate Erickson, Jim Katzel, Charlene McAllister, Rob Scott

Absent: Camille Ranker, Steve Lund, Susan Warner

Also Present: Jeri Erickson, Wayne Allen

Vice President Jim Katzel opened the meeting at 4:02 PM

1. **Consent Calendar:** The May 21, 2013 Minutes were unanimously approved: M/S/C Christofferson/Brandes vote 5-0-1 (Rob Scott abstained).

2. **Presidents Report:** In the absence of Steve Lund, there was no report

3. **MCDH Report** was tabled until Wayne Allen could be present

4. **Winesong Report**

- The Poster is out and smaller versions were made available.
- The first ever all volunteer meeting will be Saturday July 27 at 11 AM at Cotton Auditorium. Mendo-Lake Credit Union is paying for the rental, cleaning and the food and beverages. We are hoping to get 30% of the volunteers to come.
- Rob Scott asked about other organizations volunteering teams. Jeri Erickson noted that we've had relationships with Kiwanis, Rotary and other groups.
- We are still looking for volunteers. Send any names to Jamie Peters. We are hoping to get more hospital personnel to volunteer. Jeri Erickson then explained that Jamie Peters' role as Volunteer Coordinator is for all Foundation needs, not just Winesong. Rob Scott suggested a rack card for volunteer recruitment. Jeri Erickson will pass this on to Jamie Peters for next year.
- The deadline to procure auction lots is August 1 and deadline has been met.
- A new donor from Sacramento has donated wine valued at around \$5,000.
- Working with Paul Katzeff regarding a potential auction travel package to Nicaragua.
- Carol Joyce has been handling our Social Media so that we can reach out to new participants.

3. **Wayne Allen arrived and the MCDH Report was given**

- United Health Care made a loan of \$2.5 Million to MCDH in December. Negotiations are being made to get the repayment amount reduced outside of bankruptcy.
- Last issue for bankruptcy proceedings is "pre-petition debt" which is unpaid vendors as of 10/17/2012. Vendors cannot be paid. MCDH will file a plan of adjustment and will show the bankruptcy judge the financial projections for the coming years and this will lead to a decision on discounts. That will end what needs to be done for the bankruptcy court.
- There was a joint meeting of Hospital Finance, Planning and the Board to look at projections.
- A safety net is needed for continued survival of the hospital. They are looking at a parcel tax, affiliation, and/or sale of the hospital. The decision needs to be made by the end of this calendar year. There will need to be a "meeting of the minds" as to what is best for the community and the hospital.
- Rob Scott said there is a need for a communications program to enlighten the community. Jeri Erickson and Wayne Allen spoke with Rotary in Mendocino recently. Jim Katzel asked about a time table for a parcel tax. Response was it can be a special election or at a general election. It is possible to have the election in the early spring of 2014.

- A consistent message to give out right now can be that the District board needs to get through bankruptcy before it can make any other plans. After that, they will be exploring numerous options, including a parcel tax, affiliation, and even a sale. All of this will be done with input from the community.
- Other issues of importance to the hospital are physician recruitment and Jim Katzel stated he would like to see the Foundation be more involved in this area. Wayne Allen noted that a proposal is coming from the District board to begin recruitment process using Merritt Hawkins, a nationwide recruiting company. He noted that a package will still need to be developed.
- Allen was excused and thanked for his report.

4. Winesong Report (Continued)

- The Friday night party house has been obtained. Sharon Kiss & Ken Hollander have offered their home for the party. Other homes are still being looked at for future years. Co-Captains have been obtained for the party so that volunteer work load can be shared.
- Meeting to look at Auction food service was held last week and details worked on.

5. Financial Report

- Income is down in both major categories.
- Some major donors are concerned about giving money when hospital might close; some have even put their houses on the market.
- 911 Raffle ahead of last year. Those giving the smaller amounts are a different audience than our major donors. Lisa Brandes noted that we need to develop a different message for different audiences.
- Lisa Brandes reminded that we can expand our mission and this may become more important in the future.
- Jim Katzel said we need to recruit more attendees to Winesong from Sonoma County.
- Allocation and Investment Policy revisions are in process. Rob Scott wrote the draft which streamlines the current policy. This will be taken up at the next board meeting.

6. ED Report

- Diane Eaton has taken over the 911 Raffle. She will be taking minutes at the Board meetings effective in January 2014. She has also completed the online conversion of our main Foundation database.
- The Cowboy Party will be October 5, 2013. Jeri Erickson volunteered at a Music Festival event at Kathy Hughes.

7. Board Comments

- Jim Katzel shared an article on distribution of graduating physicians. Jeri Erickson will be sitting on the MCDH Physician Recruitment Committee and Jim Katzel volunteered to join them.
- Rob Scott reported that MLCU is developing a small business loan program which might be an assist to physician recruitment.

There being no further business, it was M/S/C (Brandes/K. Erickson 6-0-0 to adjourn.



Submitted by Charlene McAllister
for Susan Warner, Secretary

Mendocino Coast Hospital Foundation

Board of Governor's Meeting Minutes Monday, September 23, 2013

Present: Steve Lund, Charlene McAllister, Susan Warner, Robert Christofferson, James Katzel, Kate Erickson, and Rob Scott

Absent: Camille Ranker and Lisa Brandes

Also Present: Jeri Erickson, Susan Kelley, Jaime Peters, and Diane Eaton

President Steve Lund opened the meeting at 3:58 p.m.

1. **Consent Calendar:** The July 22, 2013 Minutes were approved: M/S/C McAllister/Erickson vote 5-0-2. Susan Warner and Steve Lund abstained as not present at the July meeting.
2. **President's Report:** Steve Lund reported on a meeting he attended on the Affordable Care Act presented by Duane Dauner of the California Hospital Association. Lund requested that we obtain a copy of Dauner's presentation and send it out to the full Board, as it was informative about the changes for Hospital brought about by the ACA, especially the structure of healthcare funding. Lund also reported on that he had been invited to attend a special meeting of the Hospital Board and Wayne Allen to discuss options related to Wayne's June 2014 planned retirement.

In response to questions from Rob Scott regarding physician recruitment, Jeri Erickson reported that she had asked to join the Physician Recruitment Committee.

3. **The MCDH report:** Wayne Allen first thanked the Foundation for the successful Winesong event. He then discussed that the Hospital was meeting with Adventist group regarding the physicians coming into Suite C, to discuss their schedule and plans. He also reported on the status of the bankruptcy, indicating his hope that the Hospital would come out of bankruptcy by the end of the calendar year. One of the future options is affiliating with another healthy group such as Sutter or St. Joseph's Health. Other options include lease or sale of the Hospital. Until these options are further fleshed out, Wayne Allen indicated that no active hiring of his replacement will be underway. However, physician recruitment was starting as soon as possible.

4. Winesong/Events Report

Jaimie Peters gave an overview of the Winesong Captain's meeting, indicating the by-and-large the Captains were satisfied with the event, but internally staff recognized that three areas need more attention next year: signage, training, and communications. Other comments included the benefit of more all-volunteer meetings and bringing Captains in early-on in leadership discussions. Staff reported on the positive evaluation of the all-volunteer security team. Susan Kelley indicated that the grand tasting portion of Winesong received very favorable reviews. Charlene McAllister reported that the Events Oversight Committee would be going into all of the discussions in more detail at its meeting on Wednesday.

Volunteers were needed for the Cowboy Party on October 6 and for the Zoppe Family Circus event on October 22-28.

5. **ED Report**

1. The report stood as written.
2. Jeri Erickson invited the Board to the Wellness Festival and Noyo River Run.
3. Jeri Erickson discussed the need to thank top Winesong bidders individually with handwritten notes, and several Board members volunteered. Jeri will divide up the list and advise the Board volunteers.

6. **Board Comments:**

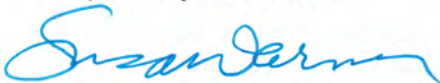
- No further comments.

7. **Committee Meeting Dates:** The meeting of the Event Oversight Committee is Wednesday Sept 25 at 4:00 p.m., the Finance/Investment Committee is Tuesday Oct 8 at 2:00 p.m., and the Governance Committee will be scheduled shortly.

Susan Warner moved to adjourn the meeting, and Kate Erickson seconded. The meeting was adjourned at 5:17 p.m.

The next regular meeting is scheduled for Monday, November 25, 2013, at 4:00 p.m

Respectfully submitted,



Susan Warner, Secretary

Mendocino Coast Hospital Foundation

Board of Governor's Meeting Minutes Monday, November 25, 2013

Present: Steve Lund, Charlene McAllister, Susan Warner, Robert Christofferson, James Katzel, and Rob Scott

Absent: Camille Ranker, Lisa Brandes, and Kate Erickson

Also Present: Jeri Erickson, Susan Kelley, and Jaime Peters

President Steve Lund opened the meeting at 4:02 p.m., wishing everyone a happy Thanksgiving.

1. **Consent Calendar:** The September 23, 2013 Minutes were approved: M/S/C Christofferson/McAllister vote 6-0-0.
2. **President's Report:** Steve Lund thanked the staff for the hard work on the Zoppe Family Circus, reporting that he had heard only positive feedback. Lund also reminded the Board that the end of year was approaching for Board members to complete their annual giving to the Foundation.
3. **The MCDH report** was delayed pending the arrival of Wayne Allen.
4. **Winesong Event Report** was started, but interrupted as Wayne Allen arrived.
3. **The MCDH report:** Wayne Allen arrived and continued with the MCDH report. Allen reported that the Hospital was in the last phases of the bankruptcy proceedings. He indicated that meetings had been held with the Adventist group and Memorial Hospital, and talks were ongoing. Sutter Health was not interested in affiliation. Allen thanked the Foundation for going forward with the December 18th Holiday party.
4. **Winesong Report:** Jaimie Peters gave an overview of the Volunteer Recognition party at the Senior Center. She indicated that a venue for next year might be David's Deli. She will also have the role of liaison to the Chamber mixer. Susan Kelley reported on some considerations for next year. Potential 2013 sponsors were discussed,
5. **Events Committee Report:** The income was down for all events—Circus, Cowboy Party, and Winesong. A suggestion was made to recruit Hospice volunteers to help work the Cowboy Party. Jim Katzel suggested that the effort required for the monetary return on the Circus was a big consideration on whether to run it next year. Susan Warner pointed out that there were also intangible returns from the Circus in terms of community goodwill and local attendance at a family event. The Event Oversight Committee will explore partnership organizations to allow our staff to concentrate on Winesong. The written Events Committee minutes were in the Board package, and stood as written.
6. **Finance Committee Report:** (a) The Third Quarter Financial reports were reviewed and accepted--M/S/C McAllister/Warner vote 6-0-0. (b) The Board voted to accept the Finance Committee's recommendation on the Bond Reinvestment of \$50,000 into Capital World Bond Fund. M/S/C Warner/Scott vote 5-0-1, with James Katzel abstaining. (c) Changes to the allocation and reinvestment policy were presented and much discussion ensued.

Susan Warner expressed concern with inclusion of Master Limited Partnerships and Business Development Companies as suggesting to donors that we might invest less conservatively than they might wish. Rob Scott pointed out that the language does not require investing in these vehicles, but provides an option to do so. Rob Scott made a motion to adopt the new language as proposed in the draft policy, but no second was obtained. Susan Warner made a motion to adopt the draft policy without reference to Master Limited Partnerships and Business Development Companies, and Charlene McAllister seconded for purposes of motion discussion. After more discussion, a vote was called on the motion, M/S/C Warner/McAllister vote 5-1-0, with Rob Scott opposing.

7. **Governance Committee Report:** (a) the secret ballot for the proposed slate of officers were circulated, and the vote carried for Susan Warner, President; Lisa Brandes, Vice President; Charlene McAllister Secretary; and Kate Erickson, Treasurer. (b) the proposed changes to the Mission and Vision statement were discussed. The mission statement was subsequently revised to read: "To engage in fundraising and community involvement to promote and support quality healthcare services in the area covered by the Mendocino Coast Health Care District." The Vision statement ultimately remained as contained in the agenda package. . M/S/C Katzel/McAllister vote 6-0-0 (c) The contract with the Botanical Gardens for Winesong was discussed, and an additional contract discussion meeting will be required--
8. **ED Report**
 1. The Hospital Board meeting is Dec 5th, the Holiday party is Dec 18, and other updates were given.
9. **Board Comments:**
 - No further comments.

The meeting adjourned at 5:45 p.m.

The next regular meeting is scheduled for Monday, January 28, 2014, at 4:00 p.m

Respectfully submitted,



Susan Warner, Secretary