



## Marin Healthcare District

100B Drakes Landing Road, Suite 250, Greenbrae, CA 94904

Telephone: 415-464-2090 Fax: 415-464-2094

Website: [www.marinhealthcare.org](http://www.marinhealthcare.org) / Email: [info@marinhealthcare.org](mailto:info@marinhealthcare.org)

### FINANCE AND AUDIT COMMITTEE

#### Special Closed Study Session of the Board w/Finance & Audit Committee, and Regular Committee Meeting

October 23, 2018, 5:45pm

#### Regular Meeting Minutes

- I. **Call to Order:** Chair Bedard called the Regular Meeting of the Finance & Audit Committee to order at 5:45pm.
  - A. Roll Call
    1. Committee Members Present: Larry Bedard, MD (Chair); Ann Sparkman (Appointed).
    2. Committee & Board Members Absent: Jennifer Hershon, Harris Simmonds, Jennifer Rienks.
    3. Staff Members Present: Jim McManus (CFO), Mark Zielazinski (CITIO); Michael Lighthawk (EA).
  - B. Approval of Closed Study Session Agenda: **Agenda approved.**
  - C. Approval of Regular Meeting Agenda: **Agenda Approved.**
  - D. Approval of minutes of Special Closed Study Session of the Board, August 28, 2018: **Minutes tabled for approval at next closed meeting.**
  - E. Approval of Regular Meeting Minutes for August 28, 2018: **Minutes tabled for approval at November meeting.**
  - F. General Public Comment – **No public.**
  - G. Introduction - Jim McManus introduced Beverly Wells, Assistant Controller for MGH, MHD, and MGH Foundation.

#### II. **Recommend Approval of Items Discussed in Closed Session**

**Motion:** Based on management's recommendation, to recommend that the Board of Directors approve of the Under-Arrangements Agreement for Outpatient Diagnostic Services relating to the Pre- Admission Testing Center.

So moved by Ann Sparkman. Seconded by Larry Bedard. Vote: All Ayes. **Motion approved.**

#### III. **Finance**

##### A. Financial Report – September 30, 2018

Balance Sheet – Jim McManus stated that Total Assets are \$459M down about \$4M due to MGH 2.0 spending. Assets Limited to Use - Bond Funds (2<sup>nd</sup> Tranche of GO Bonds) is \$190M. With the addition of a second shift on the project, we expect the burn rate of project costs to go up to about \$17M per month from \$10-12M per month. The project is currently about 50% complete.

Total Current Assets are at about \$8.6M. Intercompany Payables track the intercompany transfers between the District and MGH in order to pay for the building of the hospital.



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Liabilities and Net Assets – Bonds Payable is \$366M. Accrued Expenses of \$20M is what we owe on current construction and operations of the clinics.

Income Statement – Jim stated the major area to observe is Bond Related Revenue / Expense. Within that category is budgeted Tax Revenue at \$13.2M YTD. As of September 30, we have not received any information from the county on what has been issued on the tax assessment. We should receive this information by next month. We will record the revenue once getting word from Marin County Assessor.

Total Income \$45K relates to the hospital's lease payment. Total Expenses are \$146K, the majority of which is Depreciation Expense of \$118K on the Parking Garage. MGH Program Support of \$150K is for the Behavioral Health Clinic. Discussion ensued regarding Election Expense budgeting. Jim and Beverly will check on the budget for Election Expenses and get back to the committee.

Clinic Activity – Support for the Clinics in September was \$1.485M and over budget by \$466K. Increased supply costs are related to flu vaccine expenses that ran through several clinics this month. Jim pointed out that though Clinic Performance was down this month, it paralleled the hospital's decrease in volume.

Chair Bedard asked if losses can be written off as charitable contribution? Jim explained that the contributions to the clinics also reflect the clinic support in the Community Benefit Reports of the District. will reflect the support. Overall we have seen solid performance improvement of the Prima Medical Foundation and the foundation is doing better than budget in the last couple years.

#### IV. **Agenda Items for Next Meeting**

- Ann Sparkman suggested making the next committee meeting a Special Study Session of the Board.
- 2019 Operating Budget

#### V. **Adjournment** – Chair Bedard adjourned the meeting at 6:05pm.