



**MARIN HEALTHCARE DISTRICT
BOARD OF DIRECTORS
SPECIAL OPEN MEETING**

**Tuesday, April 24, 2018
Finance Conference Room
100-B Drake's Landing, Suite 190, Greenbrae**

MINUTES

1. Call to Order and Roll Call

Chair Sparkman called the Special Open Meeting to order at 6:35 pm.

Board Members Present: Chair Ann Sparkman; Secretary Jennifer Rienks; Director Larry Bedard, MD; Director Hank Simmonds, MD

Board Member Absent: Vice Chair Jennifer Hershon

Staff Present: Lee Domanico, CEO; Jon Friedenber, COO; James McManus, CFO; Mark Zielazinski, CITIO; Mary Friedman, VP Strategy; Louis Weiner, Executive Assistant

Counsel Present: Donald Bouey; Gerry Hinkley (via phone)

Consultant Present: Walter Kopp

2. General Public Comment

There was no public present, thus no public comment.

3. First Reading of Revised MGH Bylaws, as Required by the Proposed Strategic Alliance between Marin General Hospital and UCSF Health

The redline draft version of the “Eleventh Restatement of Bylaws of Marin General Hospital” was handed out. Counsel Bouey explained that two public readings by this Board of the Bylaws are required. If no changes (made by MGH and/or UCSF) occur after this first reading, the second reading will take place at another open meeting. If changes (by MGH and/or UCSF) do occur after this first reading, those changes will be made in the draft and a new first reading will take place at another open meeting. A vote by this Board will occur after the second reading. The Hospital Board will vote first, and then this District Board will vote; those meetings are scheduled for May 8.

Mr. Bouey noted that the redline draft includes changes made in conjunction with UCSF.

He handed out another sheet, “Additional Bylaw Revision ...”, a request of the District to revise Bylaws Section 10.1(a) which clarifies the General Member’s retaining control of approval or action in case of merger, consolidation, dissolution or reorganization of the Corporation.

The revisions presented in this Bylaws draft reflect the alliance with UCSF, particularly with the definition and designation of UCSF becoming a “Special Member” of the Corporation (Section 3.4). He noted in this draft the rights, obligations and limitations of the Special Member, particularly regarding Board membership provisions and requirements; he noted and commented on each of the changes.

He clarified that the right to withdraw is limited to MGH and UCSF, and is not within the rights of the District as General Member.



It was generally and strongly agreed that this alliance is a very good arrangement.

4. Approve Revenue Bond Financing

Mr. McManus reported that the District Finance and Audit Committee met last week on April 19, reviewed all of the required documents, and agreed to recommend that the Board approve the Revenue Bond Financing as presented. The MGH Board approved immediately preceding this meeting.

He summarized the Resolution, noting particularly that Mr. Domanico and Mr. McManus are to be appointed as Authorized Representatives. MGH and Prima Medical Foundation will comprise the Obligated Group. The parties to this transaction (general counsel, bond counsel, underwriters, financial advisers, et al.) are the same as acted for MGH's recent issuance of G.O. Bonds.

Within the past few days the rating agencies Fitch and Standard & Poor's released their rating statements, awarding MGH "A-, Stable", an extremely positive statement indicative of the clinical and organizational achievements made by MGH over the past 8 years.

Two Series of Bonds are being issued: "2018A" (\$101M non-taxable, for construction and transition) and "2018B" (\$65M taxable, for credit repayment), for a total of \$166M. Pricing will be on May 8, with close on May 23 and funds in the account by May 31.

He presented to the Board the Resolution for approval, which comprises:

1. Approval of the Financing
2. Appointment of and Delegation of Authority to Authorized Representatives and Other Acts
3. Ratification
4. Effective Date

Director Bedard moved to approve the Resolution as presented. Secretary Rienks seconded. Vote by roll call: all ayes.

Director Bedard requested that the Board members be given a sheet of talking points, and Mr. McManus agreed to supply that.

5. Approve 2017 Report of Independent Auditors

Director Bedard reported that the District Finance and Audit Committee recommends for approval the 2017 Report of Independent Auditors and Financial Statements as presented. Director Bedard moved to approve. Director Simmonds seconded. Vote by roll call: all ayes.

6. Approve Under Arrangements Billing Agreement for MAIC

Director Bedard reported that the District Finance and Audit Committee recommends for approval the Under Arrangements Agreement for Outpatient Diagnostic Services agreement related to Marin Outpatient MRI (MOM). Mr. Zielazinski presented details and explained that this will allow MOM to serve as a function of the hospital.

Director Bedard moved to approve. Director Simmonds seconded. Vote by roll call: all ayes.

7. Adjournment

Chair Sparkman adjourned the Special Open Meeting at 7:15 pm.