



Marin Healthcare District

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

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FINANCE AND AUDIT COMMITTEE

Regular Open Meeting

October 22, 2019, 5:30pm

I. Call to Order: Chair Simmonds called the Regular Meeting of the District Finance & Audit Committee to order at 5:30pm.

A. Roll Call:

- ✓ Committee Members Present: Harris Simmonds, MD (Chair); Brian Su, MD
- ✓ Staff Members Present: Eric Brettner (CFO), Beverly Wells (Interim Controller), Michael Lighthawk (EA)
- ✓ Guest: Ron Peluso, MGH 2.0 Construction Manager, Vertran & Associates

B. Approval of Agenda: **Agenda Approved.**

C. Approval of Minutes for July 23, 2019: **Minutes Approved.**

D. General Public Comment – **No public.**

II. MHMC Project Stabilization Agreement Amendment Number 1 - West Wing Addition and Renovation Project (Pgs. 7-14 of packet) Ron Peluso (Action)

Ron Peluso presented the amendment to the Union Labor Agreement for the West Wing Addition and Renovation Project for MGH 2.0 that prevents union strikes during this face of the project and lock outs of contractors. This amendment continues certain agreements for the West Wing Stabilization Project not in the original contract and will continue the agreement for 2 years after the opening of MGH 2.0.

The West Wing Addition will include a Café, Gift Shop, Baby Nook and three conference rooms but not as large as what we have now in the west wing. Ron deferred to Jon Friedenbergs on concerns for having a large conference center as Jon is working on the backfill plans for the older parts of the hospital's buildings.

Other changes will include moving the Bon Air Road median cross over to the main entrance turnaround. Overall, this part of the project will take two years. First patient June 23. June of 2013.

Current agreement includes an exclusion for a scope of work for IT equipment that the hospital IT department or vendor will install subject to exclusions and addition listed in the agreement.

Motion: Recommend the MHD Board of Directors approve MHMC Project Stabilization Agreement Amendment #1 for West Wing Addition and Renovation Project.
So moved by Chair Simmonds. Seconded by Member Su. Vote: All ayes. **Motion Passed.**



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III. Finance

- A. Financial Report – September 30, 2019 (Pgs. 18-19) Eric Brettner, CFO & Beverly Wells, Interim Controller.

Referring to the Income Statement–Actual vs. Budget, Eric Brettner pointed out Rental Revenue is on budget. Expenses are under budget by \$10K mostly due to depreciation expense. From a P&L perspective, the District is ahead by \$5K. Tax Revenue of \$13.155M expected to be booked in October shows a budget variance due to timing.

Chair Simmonds asked for clarification on Intercompany Receivables (Payables) under Current Assets on the Balance Sheet. Beverly Wells stated these are transfers either between Prima Medical Foundation and MGH to the District (owed by Prima). Prior debt taken care of when clinics were under MHD.

Investment earnings declined by \$4K due to volatility in the markets. The District's portfolio with Schwab is \$3.2M.

Dr. Su asked for clarification of the narrative section III, regarding Cardiovascular Associates of Marin Intangible Assets purchase. Discussion ensued on the meaning of the statement in the narrative.

- B. Discuss Board Compensation Changes – Chair Simmonds (Action)
Dr. Simmonds referred to District Counsel's summary and presentation on AB-239 that makes certain changes to the laws governing compensation for Boards of Directors for certain special districts (Pgs. 21-27 of the committee packet).

Following discussion, Dr. Simmonds and Dr. Su, agreed to not recommend that the board of directors adapt a written policy to support for more than 5 meetings per month. The committee does recommend that the board of directors adapt a resolution to increase board stipends up to 5% per year.

Motion: So moved by Chair Simmonds. Seconded by Member Su. Vote: All ayes.
Motion passed.

IV. Agenda Items for Next Meeting

Simmonds

- A. Add Schwab cash investment monthly total to financial reports.

- V. **Adjournment** – Chair Simmonds adjourned the meeting at 6:00pm.