

**Tahoe Forest Hospital District
Citizens Oversight Committee Meeting
Minutes of Monday, February 22, 2010, Eskridge Conference Room**

ATTACHMENT 1

Members Present: Paul Leyton, Sherrin Fielder, Caroline Ford, Dale Chamblin, Gerald Herrick, Paul Kucharski

Members excused or absent: Gary Davis, Mark Tanner, Gary Boxeth

District Board representatives: Larry Long, Roger Kahn

Staff Present: Bob Schapper, Rick McConn, Crystal Betts, Maia Schneider

Guests present: none

Topic / Agenda item	Discussion	Action steps/ Responsible party
I. Call to Order	Ford called meeting to order at 4:02 PM	
II. Roll call	<i>Please see above</i>	
III. Items not on the agenda/clear the agenda	Ford explained the changes to the agenda format as she requested them, ie listing all of the major components of the campus projects under facilities updates	
IV. Input from the audience	Leyton mentioned that there's an article in the current Atlantic Monthly about the business acumen of the Grateful Dead and everyone should read that. (this comment was at the end of the meeting)	
V. Standing items: 1. Minutes 2. Financials 3. Facilities	<p>1. Leyton moved, Chamblin seconded adoption of minutes. Passed unanimously</p> <p>2. Betts reviewed the District monthly financial report. Ford asked that even on months when COC doesn't meet the members still receive the monthly report. Betts agreed. (see below for acceptance of report)</p> <p>3. McConn has made final submission to OSHPD for fluoroscope project, which OSHPD indicates will be pushed through in a timely fashion. Pre-bid for that project underway now. The IT data center now has a certificate of occupancy. Fiber loop project is near complete. Move into data center is scheduled for end of March. Ford asked about the process for town approval on projects (timing, phasing, etc). McConn believes we will need to go to Town Council for height variance on Cancer Center. Timeline is still moving towards groundbreaking around May-June 2010. Discussion was held re timing of approval of variances and whether OSHPD needs to be involved (no, the Town is lead agency for Cancer Center). Are there other issues with OSHPD? Is TFHD on track with OSHPD? It appears we are on track for several projects already with OSHPD. However, we have to be prepared for delays from OSHPD; those are anticipated in our timelines. Discussion was held whether OSHPD delays will impact MC projects budget. Schapper discussed his experience in California with OSHPD, and the nuances and challenges of working within the state's structure. Leyton: it appears that TFHD has done the best they can do in preparing for the delays and inevitable costs. Kahn: we will work through each challenge or delay as it comes up and do the best we can to be expeditious and effective. Ford: we appreciate the OSHPD updates at our meetings. Chamblin moved acceptance of both financial and facilities reports; Fielder seconded.</p>	

	Passed unanimously.	
VI. Report from the Chair	<p>Ford stated that Kucharski presented the annual report to Board of Directors at their last meeting. Kucharski reported that Long is new Board President and Kahn is new Chair of Finance Committee. Kahn and Long publicly expressed their appreciation for the COC's work and for outgoing Chair Hill's work as well. Long expressed his appreciation for the well-written report from COC.</p> <p>Ford also reported that she attended the Finance Sub Committee as the "revolving" COC member and found it interesting and informative.</p>	
VII. Finance sub committee report	<p>Fielder pointed out that the sub committee meeting minutes are a part of this packet. Fielder stated that she felt the process for gathering information between COC and District was smooth and she expressed appreciation for McConn's attendance at the finance committee meetings. Davis will be the next rotational COC member at this week's finance committee meeting. Fielder asked for a volunteer for the March meeting; Kucharski will attend. Leyton moved acceptance of report, Herrick seconded. Passed unanimously.</p>	
VIII. Communications sub committee	<p>Leyton has no activities to report this month. He committed to reviewing the COC web site and reporting back the following month.</p>	
IX. TFHD BoD COC appointments	<p>Schneider reported that at their last meeting, the District BoD moved Chamblin to fill the "Leadership Council" seat on COC; Herrick was moved to a voting at-large seat; and the Board approved the solicitation of up to two new alternate (non voting) COC members, preferably with a background in accounting and/or finance.</p>	
X. TFHD Board member reports	<p>Copies of the SAS112 were handed out. Kahn explained that any documentation requested by COC will be supplied; however, the Board does not support the COC instructing staff to obtain anything and everything they may want when it is outside of the scope of their function. The Board has been diligent in defining the role of the COC and asks that the COC refrain from requests outside of the purview of the COC. For example, the SAS112 does not relate to Measure C or the GO Bond. Leyton asked Fielder how the SAS112 relates to the COC's work. Fielder explained that merely looking at invoices or other internal documents does not relate to the full picture; ie how do we know that the District's internal controls are in order? Since the COC's work has to do with money and not just projects, it was agreed by the COC Finance Sub Committee that reviewing the District's internal controls to ensure they were sound was relative to the COC's work. Kahn said that if there are any Measure C comments, notations or other from the SAS112 or any other audit or report then the District Board would provide those comments to the COC automatically. Ford stated that any request for information by staff should be efficient, ie McConn's attendance at the Finance Sub Committee meetings. Leyton summarized the issue vis a vis the SAS112 as "who has to go behind the numbers to see that its done right?" Leyton explained that after hearing both views it appears that if the District BoD agrees with the methodologies of the auditors and accepts the SAS112 that should be enough; at some point the District BoD is responsible for certain things and we're not. We're responsible for looking at the money spent and the activities around that. Ford: I would add that when we get down to an activity such as the annual report or attesting to the BoD then you have to qualify and quantify how you came to that decision. After we went through the Geney Gassiot presentation, we had a better understanding of how the District monitors the funds</p>	

	<p>being spent and tracks potential overruns. So in a sense this is similar; we now know that appropriate fiscal controls are in place. Kahn: we want you to have any and all information you want. If there's any question, staff will give you anything you ask for. Chamblin: we're now going to get into the grind of the financial review. This report sets us up to know that we're starting from a solid footing. Fielder: this is a baseline, so now we're set up to better understand the internal workings of the District. Betts: this is a document that holds the District Board responsible for the audit. Schapper added that it was the intent of the Board and staff that the COC validates what we do and how we do it. There's a predilection to believe that anything that comes out of government is at a level of inefficiency and incompetency. Such is our legacy with the western addition where there is public misunderstanding about how the funds were spent (ie owner-directed changes are misperceived to be overruns). Through your work, you will see that the District is agile and has a high quality team with Mike Geney, but there will be misperceptions about how we're moving forward because of the complexity of the industry and our projects. Hopefully eventually you will be able to say to the community that the District has been a good steward of the taxpayer's dollars. Ford: in terms of validating the fiscal policies of the District, the COC should now be able to say that we were diligent in our review of the District's financial health and that's part of how we qualified our findings as a COC. Long reiterated the Board's appreciation and thanks for the good work that the committee has done during the past year.</p>	
<p>XI. Next scheduled meeting: requested topics, tasks</p>	<p>Next regular meeting: March 15 @ 4:00 PM. Include update on candidates for alternates positions; update from Fielder and McConn.</p>	

Adjourned at 5:25 pm