

**Tahoe Forest Hospital District
Citizens Oversight Committee Meeting Minutes
Wednesday June 1 2011, Eskridge Conference Room**

ATTACHMENT 1

Members Present: Paul Kucharski, Dale Chamblin, Gary Boxeth, Andrea Baltzegar, Sherrin Fielder, Paul Leyton, Mark Tanner, Gerald Herrick, Caroline Ford, Gary Davis

Members excused or absent: Larry Mace

District Board representatives: Roger Kahn, John Mohun

Staff Present: Jeanne McAuliffe, Rick McConn, Crystal Betts, Bob Schapper

Guests present: None

Topic / Agenda item	Discussion	Action steps/ Responsible party
I. Call to Order	Paul Kucharski called meeting to order at 4:35 PM	
II. Roll call	<i>Please see above</i>	
III. Items not on the agenda/clear the agenda	None	
IV. Input from the audience	None	
V. Standing items: - Meeting minutes - Financial report - MC Budget reports - Facilities update	<ol style="list-style-type: none"> 1. It was moved by Gary Boxeth and seconded by Paul Leyton to approve the minutes of the meetings of March 21, 2011 and May 4, 2011. Motion carried unanimously. 2. Ms. Betts presented the Financial Report. 3. Rick McConn distributed an updated Facility Development Plan. He stated that he would cover both the Measure C Budget and Facilities update together. He gave a Power Point presentation that was presented to the District Board at their meeting last week. He reviewed the projects that have been completed and those currently underway. The next moves were reviewed. The Interim OB/Birthing plan was explained in detail. There won't be a C-Section room in the interim area, but it is under 3 minutes to get a patient to the OR. The Emergency Department/ SPD addition and remodel was reviewed in detail, as well as the phasing plan. A question was asked if the footprint of the Emergency Room expands. Mr. McConn responded that it does. The new South Building/Birthing area plan was reviewed. It will be a new compliant structure that will fulfill the OB requirements that the physicians and nurses have identified that they need. The new Dietary Phase 2 was explained. In the booklet that was distributed this evening, are the Measure C Expenditure numbers. This is an update as of 3/31/11. Quarterly updates will be presented which will be done 60 days after completion of the quarter. The next update will be June numbers, presented to the Board in 	

	<p>August. The Measure C Project Cost Summary lists the current Facilities Development Plan estimate in column one, which equals a little over \$95 million. On top of that is the Owner/Regulatory Scope Modifications. These are consistent with what was in the last booklet, the Cancer Center, under grounding not part of the original budget because it was an unbudgeted requirement by the Town of Truckee, the cost of the DI and Nuclear Medicine equipment, and Cancer Advisory Committee (CAC) recommended upgrades, not necessarily things the CAC said must be put in the building. This is the interior redesign that was developed; these costs were carried forward to see what could be included. These are currently under review with the CAC to determine what will be placed in the building. Finally, there was the 4th LDR added to the Birthing Center that was not originally in the budget. Through conversation with the physicians and staff, it was determined that this was necessary. These modifications equal \$4.4 million, for a total of \$99 million. As of 3/31, the District Board had approved \$62,716.364. The next tab is the non-qualified Measure C Expenditures which is the equipment that will go into the various projects. Under Measure C, if equipment is not attached to the building it cannot be covered, that is what those costs are. Paul Kucharski stated that there is a lot of data here. He asked the committee to review the material and e-mail any questions to him by the end of next week. Roger Kahn stated that it is important for the COC to understand that with the redesign, the interim moves have been cut down considerably which results in a cost saving to the District. Paul Leyton asked if Measure C Funds were being used to replace the Nuclear Medicine capital equipment that is at the end of its life. Mr. Schapper responded that this project qualifies for Measure C funds and was incorporated into that. Roger Kahn stated that it was the District's intention to use Measure C funds to replace this equipment because it was at the end of its life. Paul Kucharski asked to what extent the \$4.4 million would be affected by the changes in Healthcare Law. Mr. Schapper stated that a portion of that was regulatory by the Town. Another portion was to add a 4th LDR in order to meet the needs of the community. The remainder is recommendations of the Cancer Advisory Council and we will go back to the committee to validate the expenditures before they are made. Dale Chamblin asked about the contingency total, is it more than \$4.4 million? Rick stated that he doesn't have the exact figures, but contingencies are for individual projects. Higher contingencies are held for the excavation projects, which is where you run into the most unforeseen circumstances. Paul Leyton asked about the \$2 million that is in the recommendations of the CAC? Mr. Schapper responded that they are interior upgrades, aesthetics based on what they have learned by their investigations and from other facilities about what is therapeutic to cancer care. A lot of time and energy has been put into the recommendations of this committee. Paul Kucharski stated that both he and Gary Boxeth both serve on the CAC and they both agreed that the recommendations are appropriate.</p>	
<p>VI. Finance Sub Committee report</p>	<p>Sherrin Fielder stated that there was not a committee meeting. She distributed a tool that is being used for obtaining invoices and explained its use.</p>	

VII. Communications subcommittee report	Paul Leyton stated that he and Caroline Ford have talked about information for the website, but they are waiting until they get a response to the letter.	
VIII. Letter to District Board	<p>Paul Kucharski stated that over the last few years there have been questions and comments about what this committee is supposed to be doing. Last month, a meeting was held with just committee members present. As a result of that meeting, a draft letter was put together using comments from the meeting to share with the Board the concerns of this committee. There are four main concerns: 1) The need for more timely information; 2) What the moral responsibility of this group is; 3) What was the intent of the Board in putting this committee together; and 4) “Why are we here?”</p> <p>He asked the committee if there were other things that should be added. Concerns of the Committee were as follows:</p> <ul style="list-style-type: none"> • The letter basically says the committee doesn’t know what they’re doing; • The public’s perception; • It was suggested that this information be narrowed down to bulleted items of what should be addressed; • Cost saving measures that are being captured are not being communicated to the committee and then back to the community; • The four main concerns listed on page 1 of the letter are most important; • Number 2 isn’t as much a moral obligation of the COC, but what has been heard from the community about what they expect from the committee; • It was suggested that the committee hold off submitting anything to the Board if a consultant is going to be brought in; <p>Mr. Mohun stated that this is not the first oversight committee that has been in this situation and faced with these types of challenges. This committee is charged with the oversight of tax payer’s money. A consultant could give the committee a sense of security and benchmark against other oversight committees. The role of the COC is laid out in the Bylaws. A consultant could provide guidance of what other oversight committees have done and how they performed their duties. Other oversight committees have similar Bylaws and scope. The Board did not authorize a particular consultant, but authorized Bob to look into the possibility of hiring a consultant to assist with the concerns and confusion about the role of the committee.</p> <p>Mr. Kahn stated that the Board encouraged the COC to have a couple of their committee members to sit on the Board Strategic Planning Committee. The purpose of the COC is to be charged with transparency and ensure that the Board Members are doing the right thing with the community’s funds. It is the job of staff and the construction team to come up with the savings that can be realized from the project, not the Boards or the COC’s.</p>	

Caroline suggested that a sub-committee be created to sit down with the Board members to discuss some of the issues identified in the letter. A process would be discussed with the consultant and maybe give a better understanding of what the committee is supposed to be doing, but that doesn't address the concerns in the letter. She stated that she would be happy to serve on the sub-committee. Some of the immediate concerns need to be addressed.

A question was asked about the cost of the consultant. Bob responded that typical cost would be around \$30,000, but depending on the scope it could be something less. The consultant charges \$175 per hour. The COC's Bylaws were sent to a consultant and he confirmed that they are consistent with other oversight committee Bylaws. The goal with a consultant would be for the committee to feel they are meeting their fiduciary duties to the community. A consultant could help identify how the scope fits into the Bylaws and what best practices are for oversight committees.

A question was asked about where the money comes from to hire a consultant. Bob responded that it would come out of operations from the hospital.

Would the consultant be here just to help the COC understand its role or would he be comparing this committee to other oversight committees? Bob responded that at this time it would be just to help the COC understand its role.

A comment and discussion was held about not feeling comfortable spending tax payer's money on a consultant. A recommendation was made that the committee move forward with a couple of members sitting on the Planning Committee, clean up the letter with some of the issues and see if some of these things could be sorted out on their own by fall. The process questions might be answered, but the committee will still end up with the same issues when they're done.

Bob asked the committee if it would make a difference of how they felt in hiring a consultant if the District hired a consultant to assist this committee in best practices to be a high performing oversight committee. This would be consistent with what the District does internally with best practices. Would this be a way to give assistance in an acceptable way? The District compares itself with high performing organizations through the Baldrige criteria.

More discussion was held about the possibility of hiring a consultant.

Paul Kucharski stated that there are two issues, one is the process and the other are the problems identified in the letter. He asked Bob what his thoughts are.

	<p>Bob stated that it depends on whether the group is comfortable with working through this on their own. Ultimately, the District Board has the fiduciary duty as well as the oversight of the District funds. The role of this committee is to assist the Board and help them stay aligned with the intent of the projects and the Bond Measure. If the committee needs more information to be more productive and useful, it would not be unusual to form your own construction committee, similar to the finance committee and ask for more information to validate those elements. The committee might make recommendations, but those go up to the Planning Committee and then to the District Board. It depends on whether you need validation and support about the role of the COC.</p> <p>Paul Kucharski suggested Caroline and another committee member work on the issues with the Board. Gary Boxeth and Paul Kucharski will work with Bob and the consultant to see how the consultant can assist with the process. Then a report can be brought back to the committee. Gary Davis offered to serve on the sub-committee with Caroline.</p> <p>The committee agreed with this plan.</p>	
X. Updates from TFHD Board representatives	None.	
XI. Next scheduled meeting: topics, tasks	The next meeting will be on 7/6 at 4:30 in the ECR.	

Adjourned at 6:35 PM

jlm