

**Tahoe Forest Hospital District**  
**Citizens Oversight Committee Meeting Minutes**  
**Wednesday July 6 2011, Eskridge Conference Room**

**ATTACHMENT 1**

**Members Present:** Paul Kucharski, Dale Chamblin, Gary Boxeth, Sherrin Fielder, Paul Leyton, Gerald Herrick, Caroline Ford, Gary Davis, Larry Mace, Mark Tanner (arrived at 4:46)

**Members excused or absent:** Andrea Baltzegar

**District Board representatives:** Roger Kahn, John Mohun

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

**Guests present:** None

<b>Topic / Agenda item</b>	<b>Discussion</b>	<b>Action steps/ Responsible party</b>
I. Call to Order	Paul Kucharski called meeting to order at 4:32 PM	
II. Roll call	<i>Please see above</i>	
III. Items not on the agenda/clear the agenda	Paul Kucharski added item XIa “conflict of interest”	
IV. Input from the audience	None	
V. Standing items: - Meeting minutes - Financial report - MC Budget reports - Facilities update	<p>1. Dale Chamblin moved approval, Gary Davis seconded. Unanimous approval</p> <p>2. Crystal Betts distributed updated financials to the group as the previous attachment was dated. Ms. Betts reviewed the District financial reports for May.</p> <p>3. Mr. McConn noted that the Measure C budget report will be updated quarterly, so the next update will be after the Board of Director’s August meeting. Updates on construction included the ceremonial beam placement on the Cancer Center; Central Energy Plant is in “full swing” construction phase; South Building still in design; Pharmacy will be completed in August on schedule; Skilled Nursing Facility (SNF) dirt work and drainage underway now. SNF building construction to start next month.</p> <p>Paul Leyton asked about the \$2 million in Cancer Center upgrades that was brought up at the last COC meeting. Mr. Leyton asked if they were appropriate items to be included in Measure C (MC) expenses. Mr. McConn clarified that they qualify as MC expenses but they’re currently not in the MC budget. Roger Kahn explained those expenses are reflected in the MC budget because if there are cost savings realized elsewhere in MC projects then those upgrades will be paid for with MC funds. Mr. Leyton asked that if MC funds are to be used, then the COC would like a full detail of the costs. Mr. McConn explained that some of the upgrades are to improve finishes and other built-ins based on the Cancer Advisory Council’s (CAC) recommendations. Bob Schapper recommended that the Chair of the CAC come to an upcoming COC meeting to</p>	Crystal to send the updated financial report to Maia

	<p>discuss the CAC’s recommendations with the COC.</p> <p>Mr. Leyton disagreed with the CAC’s coming to the COC. His point was, are the costs appropriate for MC? Larry Mace stated that the expenses have not yet been charged to MC. Mr. Leyton said the COC is not here to question the Board’s decision or judgment on the MC designs. Rather, are the upgrades appropriate to MC? Mr. Kucharski asked if it would be beneficial to have a list of the upgrades? Gary Boxeth gave the example of the “Compass Rose” donor recognition in the Cancer Center, to recognize philanthropy. Mr. Leyton said that the question is not whether or not they should do any of these, or what is the esthetic value? The only question for COC is whether the costs are appropriate for charging against MC? Mr. McConn will be updating the Board at their August meeting to clarify the scope of the project; perhaps it would be appropriate to share the scope of the CC after that meeting? Mr. Kucharski said that would be fine. Carolyn Ford suggested that any upgrades or changes that would be paid for with MC funds be brought to the COC.</p> <p>Mr. Kahn stated that all of the projects to date have used all of their budgets including contingency. The Board questioned that and the development team explained they used any unused project-designated funds for equipment upgrades in the respective projects. The Board then directed staff to not do that in future projects without prior Board review. Mr. Kahn stated his goal was to come in under budget at the end of the MC projects. Mr. Chamblin asked about the fundraising for the Cancer Center. Mr. Kahn explained the use of those funds is to support cancer care programming beyond the “standard” medical care, ie psycho-social programming. The donations are not for “esthetics” in the building.</p> <p>Mr. McConn concluded his report by stating the projects are on time for their respective deadlines. He also indicated that OSHPD has been helpful in some significant ways, but they are still very slow in their process. They have been approved to hire more review staff but have not yet done that. The Inspector of Record (IOR) has been empowered to have more autonomy in the field which has helped. John Mohun asked about communicating our issues with OSHPD- can that be facilitated? Mr. McConn explained that until they’re staffed up that may not be a fruitful conversation with OSHPD. He further explained that we’re working several projects concurrently which is keeping us on track from a deadline perspective.</p>	
<p>VI. Facilities Development Plan update</p>	<p>This item will be updated quarterly. Next update is August COC meeting.</p>	
<p>VII. Finance Sub Committee report</p>	<p>Sherrin Fielder reported that billings #37 and #38 were reviewed at the last committee meeting. The committee asked for clarification on certain billing processes from Geney Gassiot from Mr. McConn. About \$3.7 million, or 2/3 of the total expenses this year for the MC projects, have been reviewed by COC.</p> <p>Rick explained that the overall process is based on the sequence of when things are actually</p>	<p>The thresholds are indicated in the Geney Gassiot contract.</p>

	<p>happening. Each project has a series of tasks that are repeated for all other projects, so to the extent that Geney Gassiot can combine these processes for different projects, they will and have. Examples: certified payroll monitoring, requests for information, owner/architect/designer meetings, punch-lists, project close-outs, etc.</p> <p>Ms. Fielder asked for the dollar thresholds for when the percentage of contract goes up or down. Further, can the district request certain costs be combined? Mr. McConn replied yes, there are instances when the District requests certain “bundling” of expenses to save money.</p> <p>Mr. McConn also clarified that Geney Gassiot was not guaranteed each project. They have to perform on each phase in order to continue being the CM. That’s part of why the projects are segregated. Mark Tanner asked if there was any chance of Geney Gassiot being let go? Mr. McConn replied no, at least based on their performance to date. Mr. Tanner stated that if that was the case maybe the District could save money by changing the contract. Mr. Leyton commented that it made sense to keep each project bifurcated.</p>	<p>Carolyn Ford to guest at 7/29 committee meeting</p>
<p>VIII. Communications subcommittee report</p>	<p>None</p>	
<p>IX. Board relations sub committee</p>	<p>Ms. Ford reported that she participated in a conference call with Dale Chamblin, Paul Leyton, and Gary Davis to review the 4 pages of written COC comments regarding Board relations. Those were distilled into a shorter list through that conversation. Ms. Ford requested a committee meeting with John Mohun and Mr. Kahn to discuss those issues. Date, time and location TBD.</p>	
<p>X. Conference call with COC consultant</p>	<p>Mr. Boxeth reported that the conversation with the consultant was productive, and hoped that all COC members had read the report (attachment 5). Mr. Boxeth summarized the report. Mr. Chamblin wanted to take issue with the “planning” portion of the report, stating that the COC has not been a part of the planning. Mr. Boxeth continued his report by highlighting the consultant’s discussion of change order review.</p> <p>The consultant stated that the COC reports have been very weak, and gave the Grossmont Healthcare example of their report. Mr. Leyton asked if Grossmont shared their budget for their report? No, that information was not provided. The consultant also recommended that the COC have a sub committee for building, who would attend planning meetings, project meetings, and selection of contractors meetings.</p> <p>Ms. Ford reminded the COC that the District took over the responsibility of reporting on MC projects updates through their Measure C projects website. That site is hyperlinked to the COC web site. Mr. Leyton asked that this subject be brought up at the meeting with the Board members to determine which group (COC or District) is responsible for sharing the project updates with the community. Mr. Leyton also added that we should look at the differences between Grossmont and TFHD. For example, Grossmont must invest heavily in marketing;</p>	

	<p>much more so than TFHD. Mr. Boxeth added that there were many other examples other than Grossmont provided by the consultant.</p> <p>Mr. Kahn said he had no issue with providing more project updates to the COC if the COC wanted to report out on MC projects. The District can invest a reasonable amount of money into the COC’s messaging. The hospital and the COC should be reporting the project updates to the community. Mr. Kucharski added that issue (sharing project updates with the public) was one glaring deficiency in the consultant’s report. Mr. Kucharski asked for Bob Schapper’s thoughts. Mr. Schapper stated that we do have a deficient process through the stereotypical examples the consultant provided. There are easy ways to correct those deficiencies. We don’t have representation of the COC in the Board’s planning meetings, often because the planning meetings are merged into the regular or special board meetings. If the COC were interested in following the consultant’s recommendation to get more involved in the planning, then the question would be how do we set up an optimal process for your involvement? Rick would be your staff contact for that construction or building committee, should you decide to create one.</p> <p>Mr. Boxeth said that the need for full COC meetings could decline in frequency if a building committee was formed. Mr. Leyton also commented that the costs for media upgrades were unknown. Mr. Kucharski said that was a good assignment for the sub committee to take on. Mr. Leyton asked for a meeting with Mr. Schapper. Mr. Schapper indicated that Paige Thomason, Director of Communications, be the contact for reviewing the COC’s recommendations and budget.</p> <p>Mr. Boxeth asked about formation of the building committee. Who would serve? What would the role of the committee be? Mr. Davis also asked if there was a COC member who would be available and willing to attend Board Planning meetings? Mr. Schapper asked if this committee is formed, could we step back in time, and have an in-depth discussion regarding the history of the projects, how we phase with OSHPD, how the projects have evolved over time based on regulatory requirements, etc? Those would be very informative to help create understanding of where we are today. Many of our initial assumptions and plans have evolved and changed based on requirements and changes to regulations. Mr. Schapper would like to avoid the misperception of the use of funds for the Western Addition project (ie, that the community saw the owner-directed change orders as “overruns”). Ms. Ford agreed and stated that the working committee had come to the same conclusion earlier. Mr. Schapper said that an historic perspective can be provided from Mr. Geney and Mr. McConn to the full COC.</p>	
<p>XI. Updates from TFHD Board representatives</p>	<p>Mr. Mohun said that the COC’s concerns were shared with the full Board, and the Board agreed to using the consultant to find the appropriate direction. We all want to look out for the best interest of the community and we’re moving in the right direction.</p> <p>Mr. Kucharski asked why the bond projects budget didn’t include marketing. Mr. Leyton said at</p>	

	<p>the beginning of the COC there was not a strong feeling that they wanted to be “above the trenches”, and a small budget was provided so that kept the appetite low too. Mr. Leyton went on to say that at the time that may have been appropriate, but times have changed.</p> <p>Ms. Fielder clarified that the District did give the COC an annual budget of \$10,000 and offered to provide funding when the District budgets were cut. Those requests were not made of the District.</p>	
New item added:	<p>Mr. Kucharski asked if the District could ask legal counsel if there is a conflict for any member serving on the COC and the CAC. Ms. Schneider clarified that the members receive no compensation for serving on either. Mr. Leyton said in a small community qualified people serve on many committees. There’s no conflict, but maybe there’s a question of disclosure, and recusing when certain topics come up. Mr. Kahn said he did not want to see any member recuse themselves from discussion; as an advisory board you’re making recommendations, not voting on decisions. Mr. Leyton asked if the COC was maybe different from other organizations because of the higher threshold for credibility.</p> <p>Mr. Schapper added that the biggest challenge for this group was “what is it you want built?” Park City just finished a new hospital which is gorgeous. Do we want gorgeous? Or plain bricks and mortar with good care inside? We asked the CAC to help us optimize patient care for the Cancer Center building and we’re using many of their recommendations. That might be diametrically opposed to your thinking, and we may have two groups working in conflict with one another.</p>	Maia to contact Steve Gross for opinion.
XII. Next scheduled meeting: topics, tasks	Mr. Kucharski suggested skipping the August meeting. After discussion it was agreed to combine August and September on Wednesday August 31. Roger asked that the appointments to the Building Committee be shared with staff so those COC members can attend the planning meetings right away. Mr. Tanner asked if the Planning Committee was meeting quarterly. Mr. Kahn stated the next meeting would be sometime before the August Board meeting but that date is TBD.	<p>Carolyn to send those appointments to Maia.</p> <p>Maia to confirm meeting location</p>

*Adjourned at 5:49 PM*