



Mark Twain Health Care District

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Special Finance Committee Meeting

September 6, 2017

9:30 am

Mark Twain Medical Center Education Center - Classroom 5
San Andreas, CA

Agenda

Mark Twain Health Care District Mission Statement

“Through community collaboration, we serve as the stewards of a community health system that ensures our residents have the dignity of access to care that provides high quality, professional and compassionate health care”.

1. **Call to order:**
2. **Roll Call:**
3. **Approval of Agenda:** Action
4. **Public Comment On Matters Not Listed On The Agenda:**

The purpose of this section of the agenda is to allow comments and input from the public on matters within the jurisdiction of the Mark Twain Health Care District not listed on the Agenda. (The public may also comment on any item listed on the Agenda prior to Committee action on such item.) **Limit of 3 minutes per speaker.** The Committee appreciates your comments however it will not discuss and cannot act on items not on the agenda.

5. **Consent Agenda:** Action

All Consent items are considered routine and may be approved by the Committee without any discussion by a single roll-call vote. Any Board Member or member of the public may remove any item from the Consent list. If an item is removed, it will be discussed separately following approval of the remainder of the Consent items.

- Un-Approved Finance Committee Meeting Minutes for August 9, 2017

- 6. **Controller's Report:** ActionMr. Krieg
 - Financial Status, Trends, Long-Term Views and Cashflow:
 - August Financials Will Be Presented to The Committee:

- 7. **Treasurer's Report:**.....Ms. Atkinson
 - Investments:
 - Investment Policy:
 - Financial Risk Assessment:
 - MTMC Pharmacy Upgrade Project:

- 8. **Executive Director's Report:**.....Dr. Smart
 - Update on Search for Auditor Firm:
 - Update on Meeting with Rebecca Callen, County Auditor-Controller
 - Update on Lease Renewals:
 - Stockton Cardiology and Multi-Specialty Clinic MOB's

- 9. **Comment and Future Agenda Items:**

- 10. **Next Meeting:**
 - The next regular meeting will be October 11, 2017

- 11. **Adjournment:** Action



Finance Committee Meeting

August 9, 2017

9:30 am

**Mark Twain Medical Center Education Center - Classroom 5
San Andreas, CA**

Un-Approved Minutes

Mark Twain Health Care District Mission Statement

“Through community collaboration, we serve as the stewards of a community health system that ensures our residents have the dignity of access to care that provides high quality, professional and compassionate health care”.

1. Call to order:

The meeting was called to order by Susan Atkinson, Treasurer at 9:31am.

2. Roll Call:

Present for roll call was Treasurer, Ms. Atkinson, MSW, and Secretary, Ms. Radford, FNP. Also present were staff, JR Krieg, Controller and Ken Malcoun, District Accountant.

3. Approval of Agenda: Action

Ms. Radford moved to approve the agenda. Ms. Atkinson seconded the motion and it passed 2-0.

4. Public Comment On Matters Not Listed On The Agenda:

Hearing none.

5. Consent Agenda: Action

- **Un-Approved Finance Committee Meeting Minutes for July 12, 2017**

Mr. Krieg asked the amount relating to the Depreciation and Amortization Schedule be changed from \$44k to \$74k in the July 12, 2017 minutes. Ms. Radford moved to approve the Consent Agenda as amended. Ms. Atkinson seconded the motion and it passed 2-0.

6. Presentation – Bank of Stockton

- **Eric Daegling, VP, Business Banking Center Manager:**

Ms. Atkinson: Introduced Mr. Daegling who gave everyone a booklet depicting the 150-year history of the Bank of Stockton. He then summarized the bank's history, his experience with the bank and offered his services to the District. Their approach is to determine the needs of the customer and then to meet those needs. His background is in lending wherein they brag of no residential foreclosures in the past recession. They boast no voice mail as prefer to meet the customer and be "hands on". Their credit card option assigns the account/card to the District not an individual of the District. The closest Bank of Stockton Branch is in Angels Camp. Mr. Daegling introduced Dwayne Garcia as the AC Branch Manager.

Mr. Garcia: Offered they're a community bank that contributes to FFA, Fair, AC Business Association etc. Their approach is don't sell what isn't needed.

Ms. Atkinson: The District receives public tax dollars so must remain super conservative in investments.

Dr. Smart: The District has been with a local bank for many years getting .01% (+/-) on return so approx. 4-5 years ago, the District went with a local \$1mill investment in Govt. Bonds with a 1% (+/-) return. Of late in addition to the low return there is no customer service. There are strict California requirement governing a public agency in terms of investing.

7. **Controller's Report: Action**

- Financial Status, Trends, Long-Term Views and Cashflow:
 - **July Financials Will Be Presented to The Committee:**

Mr. Krieg: Referred to different lines on the Statement of Revenues and Expenses Report i.e.: Line 14 which is now -0- on both sides. Beginning at the new fiscal year the District is being reimbursed for all utility payments being made on behalf of the Corporation; Line 16 reflects repairs being made on the VS home; Line 7 reflects the District having two employees now; Line 5 is interest / investment income. In summary, the Revenue side reflects an operating profit of \$60.1k before all grants and sponsorships. The Budgeted income was \$50.0k. Grants and Sponsorships was budgeted for \$2,400 which is not included in Line 28 of Golden Health Community Grants. Nothing much changed on the Balance Sheet. On the Check Register Report the budget for attorney / legal was for \$75k however there is another \$75k (capitalized) so really have \$150 available.

Ms. Radford moved to recommend approval of the financials to the Board. Ms. Atkinson provided her second and the motion passed 2-0.

8. Treasurer's Report:

- **Investments and Banking:**
 - **Discussion Regarding Possible Changes:**

Ms. Atkinson: Is researching other banking options thus the presentation heard earlier by Bank of Stockton.

- **Local Agency Investment Fund (LAIF):**

Ms. Atkinson: Wasn't pleased with her research into LAIF.

Dr. Smart: Suggested CalTrust might be a better option than LAIF. He will talk to other Districts at the ACHD conference in San Diego (Sept 12-14) to see what they are investing in.

Mr. Krieg: The District has \$1mill in checking and may want to move \$300k of that figure to the investment side to equal \$1mill.

9. **Executive Director's Report:**

- **RFP - Financial Risk Assessment of the District:**
 - **Consideration to Hire Consulting Firm: Action**

Dr. Smart: Six RFP's were sent out. Staff received 4 well-done proposals. Some of the element of the proposals will have to remain confidential. The Finance Committee will likely interview 2 then take the final recommendation into closed session to discuss the details of the RFP.

- **Update on Valley Springs Project:**

Dr. Smart: Reports he is in communication with Gary Hicks, USDA Consultant weekly regarding the progress of the clinic project. The commitment letter from MTMC Corp. will not off-set the projected debt service for the USDA loan. The most recent considerations are to downside the clinic square footage, MTHCD lease out a portion not leased to MTMC or subsidize. He will be meeting with Clyde Clapp, Supervisor and County CAO, Tim Lutz on Friday regarding the project.

- **Update on Search for Auditor Firm:**

Dr. Smart: Gary Hicks, USDA Consultant has provided a list of 6 possible auditors for the District to consider.

- **Update on Meeting with Rebecca Callen, County Auditor-Controller**

Dr. Smart: Will be meeting with Rebecca Callen, County Controller later this month.

- **Update on Lease Renewals:**
 - **Stockton Cardiology and Multi-Specialty Clinic MOB's**

Dr. Smart: Expects the lease to be renewed for 3 years with a 2% CPI. He also expects the Multi Specialty Clinic to renew for 5 years with a 3% CPI.

10. New Business:

- **Review Investment Policy No. 22.3 Annually: Action**

Ms. Atkinson: Plans to investigate what other districts are doing regarding investment(s) when she attends the ACHD Conference (Sept 12-14) in San Diego.

Dr. Smart: The District's investment policy is pretty general. He along with Ms. Atkinson and Ms. Radford will work on updating the District's investment policy.

11. Comment and Future Agenda Items:

Hearing none.

12. Next Meeting:

- The next regular meeting would be September 13, 2017 however will need to be changed to September 6, 2017.

13. Adjournment: Action

Ms. Radford moved to adjourn the meeting at 11:13am. Ms. Atkinson declared the meeting adjourned.