



Date: August 14, 2009
Time: 8:00 A.M.
Location: Mayers Memorial Hospital
Fall River Mills, California

(These minutes are not intended to be a verbatim transcription of the proceedings and discussions associated with the business of the board's agenda; rather, what follows is a summary of the order of business and general nature of testimony, deliberations and action taken.)

<p>1. CALL MEETING TO ORDER: President Kerns called the regular meeting to order at 9:03 p.m. on the above date with the following present:</p> <p style="text-align: center;">Mike Kerns, President Gail McClung, Vice President Jim Hamlin, Treasurer Allen Albaugh, Trustee Ruth Knoch, Secretary</p> <p>JP Marion, Cal-Mortgage, OSHPD</p>
<p>2. ADDITIONS & CHANGES TO AGENDA, SECTION 54954.2(b)2: Agenda additions requested:</p> <ol style="list-style-type: none">1) Board authorization to conduct full evaluation of MMHD (requested by Albaugh)2) CFO Recruitment (requested by Hamlin)
<p>3. CALL FOR REQUEST FROM AUDIENCE TO SPEAK TO ISSUES OR AGENDA ITEMS: None</p>
<p>Board Authorization to Conduct Full Organizational Evaluation: Albaugh requested the District obtain a consultant to provide evaluation of complete organization including staff and wages, financial records, accounting system including interviews of staff, medical staff and management with disclosure to board. He expressed function to be immediate from the standpoint and concern for morale and recent grievances filed by employees.</p> <p>Kerns felt the function should be separated into two tasks by two different consultants—financial and organizational. Albaugh recommended John McCormick for the financial evaluation, as he seems forthright, knowledgeable, experienced and trustworthy in providing financial information and analysis. Kerns stated although the recommendation would not be inexpensive it is necessary in order to comply with requests from Cal Mortgage. Discussion followed. McClung felt McCormick's comments and evaluation from the past have been unbiased. Kerns directed Hamlin to make contact with McCormick and he would make contact with organizational consultants. Knoch asked agenda item be tabled until after closed session.</p> <p>CFO Recruitment: Hamlin reported CFO applicant had not been contacted by hospital staff and that he communicated with applicant regarding a possible meeting date. He reported timing is good as she is traveling through the area to attend Medicare conference in Reno next week and could meet with board finance committee (BFC) on Monday or Thursday. Kerns directed BFC to work out details directly with applicant.</p>
<p>5. ANNOUNCEMENT OF CLOSED SESSION (8:16 am Closed Session) President Kerns announced closed session for the purpose of the following:</p>

1. Personnel: Job Performance, CEO Evaluation (Government Code Section 54957)
6. RECONVENED (12:45 p.m.) – REPORT OF CLOSED SESSION ACTION(S): President Kerns reported there were no actions to report.
<u>Discussions continued (tabled earlier in meeting):</u> Board Authorization to Conduct Full Organizational Evaluation: Kerns concluded discussions that he is to investigate organizational consultants and BFC is to move forward with financial assessments for District. CFO Recruitment: Kerns concluded that the BFC is to interview applicant and authorized them to converse with Cal-Mortgage in regard to draft CFO contract with language including reporting, access to board, termination clause. He directed committee to continue to keep Cal-Mortgage informed on all issues—and clarified Cal-Mortgage, OSHPD, must approve CFO hired by District. JP Marion offered counsel through Cal-Mortgage regarding contract and language.
7. ADJOURNMENT: The Board of Directors adjourned at 12:47 p.m.