

Date: June 15, 2010

Time: 7:00 P.M.

Location: Mayers Memorial Hospital District
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.)

1. CALL MEETING TO ORDER: President Kerns called the special meeting to order at 7:03 p.m. on the above date with the following present:

Mike Kerns, President
Jim Hamlin, Vice President
Allen Albaugh, Treasurer
Gail McClung, Secretary
Brenda Brubaker, Trustee

Staff Present: Terry Pena, Interim CEO; Travis Lakey, DOF; Keith Earnest, CCO; Marlene McArthur, COB

2. ADDITIONS & CHANGES TO AGENDA, SECTION 54954.2(b)2:

Albaugh reported that prior to the board meeting today, the Board Finance Committee met and was unable to complete its entire agenda therefore recommended adding those agenda items to this meeting:

- 1) 401K Employee Benefits & Employee Health Insurance Benefits
- 2) Parcel Ballot Options

Kerns requested "Potential Litigation" be added to the closed session. ***A motion/second (Kerns/Brubaker) was made to add potential litigation to the closed session agenda; unanimously carried.***

3. CALL FOR REQUEST FROM AUDIENCE TO SPEAK TO ISSUES OR AGENDA ITEMS:

Martha Fletcher registered to speak. She was interested in hearing further information in regard to the parcel tax ballot measure and instructed board to make sure Sundowner clause included—and also suggested looking at previous successful measures to model campaign.

4. BOARD FINANCE AGENDA ITEMS:

Parcel Ballot Options: Travis Lakey, Director of Finance, presented facility financing options drafted by Caldwell Forest Winters, Inc. including general obligation bonds. He provided background information including G.O bond proceeds at a \$60 tax rate per \$100,000 of assessed value to generate \$14 million. Proposed timeline:

- June: Board engages consultant and authorizes voter opinion poll
- June/July: Conducts voter opinion poll that will provide an indication of voters' support for District and bond measure
- August 6: Resolution Calling Election due to County
- November 2: Election Day

Caldwell Forest Winters, Inc. has offered to provide a presentation to the board's strategic planning committee next week. Kerns reported he is the chair of that committee and Gail McClung is the other board committee member. Due to his absence at the meeting next week, he appointed Brenda Brubaker to occupy his seat. Albaugh requested a viable plan for use of money if plea to voters.

401K Benefit: Brubaker reported currently the District is spending approximately an average of \$10,000 monthly for employer match and to help offset expense the possibility of freezing employer contribution temporarily—and to reinstate once District in viable cash situation. She asked for board feedback on topic and discussion. Staff was directed to obtain policy in response to question asked by Interim CEO Pena whether employees could reinvest elsewhere if not getting benefit. McClung suggested temporarily reducing contributions v. eliminating temporarily due to attracting and retaining employees. Topic to be further researched and discussed. In the meantime, staff was directed to obtain resolution template from Hartford to amend contract authorizing Board discretion to make changes in employer contributions as deemed necessary v. once per year.

Employee Health: Brubaker reported she is working with Natalie Jones, HR Director, in matters pertaining to employee health benefits and exploring other options to cut costs. It was clarified that the District is not locked in to health benefit provision with CalPers; however, reminded it took a lot of work to get into CalPers system. Discussions included changing deductible and different program options (2 programs available—Mayers is currently in the least expensive). Pena recommended taking options to existing employee committee for input as it is evidenced employees are more willing to make sacrifices if included in review. Board directed staff to proceed with RFP—then take options to employee committee.

5. RENOWN MANAGEMENT AGREEMENT UPDATE AND CEO INTERVIEW/SELECTION

PROCESS: President Kerns reported Renown has withdrawn draft agreement with MMHD and announced they are not interested in any further negotiations at this time. He stated he was not sure of the reasons but they did convey there is no workable approach sharing a CEO successfully. Kerns further reported the next plan is to start reviewing CEO candidate applications and appointed Hamlin and Brubaker to an Ad Hoc Committee to start preliminary reviews and assembling process. Lakey directed to work simultaneously to obtain more information about management companies including costs and timelines. Kerns stated he would notify Cal-Mortgage of Renown announcement.

6. RECONVENE OPEN SESSION (9:17 pm): Board Chair Mike Kerns reported the Board of Directors met in Closed Session to discuss public employment; however, no reportable action was taken.

7. ADJOURNMENT: The Board of Directors adjourned at 9:17 p.m.