
West Contra Costa Healthcare District

Board of Directors

Wednesday, October 19, 2016

1:00 PM

San Pablo City Council Chambers

13831 San Pablo Avenue

San Pablo, CA

**WEST CONTRA COSTA HEALTHCARE DISTRICT
DOCTORS MEDICAL CENTER**

BOARD OF DIRECTORS MEETING

**WCCHD DOCTORS MEDICAL CENTER
BOARD OF DIRECTORS
MEETING
October 19, 2016 – 1:00 P.M. PST
San Pablo City Council Chambers
13831 San Pablo Ave.
San Pablo, CA 94806**

Board of Directors

*Eric Zell, Chair
Deborah Campbell, Vice Chair
Irma Anderson
Nancy Casazza
Beverly Wallace*

AGENDA

1. **CALL TO ORDER** E. Zell, Chair

2. **ROLL CALL**

3. **PUBLIC COMMENTS** E. Zell, Chair
*[At this time persons in the audience may speak on any items not on the agenda
and any other matter within the jurisdiction of the District Board]*

4. **APPROVAL OF MINUTES OF September 14, 2016**

5. **ADJOURN TO CLOSED SESSION** C. Coffey, Legal Counsel
 - a. Conference on potential litigation pursuant to Gov. Code Sections 54956.9(d)(2) and 54956.9(d)(4)
 - b. Conference with Real Property Negotiators (Gov. Code Section 54956.8) Regarding Hospital Property Sale
Agency Negotiators: K. White, E. Shaffer

6. **ANNOUNCEMENT OF REPORTABLE ACTION(S) TAKEN IN CLOSED SESSION, IF ANY**

7. **FINANCIAL UPDATE** H Emahiser, Financial Advisor
 - a. Presentation
 - b. Public Comment
 - c. Discussion
 - d. *ACTION: For information only*

8. **FISCAL YEAR 2014 AUDIT** H. Emahiser, Financial Advisor
 - a. Presentation
 - b. Public Comment
 - c. Discussion
 - d. *ACTION: Acceptance of the Fiscal Year 2014 Audit*

9. **WEST CONTRA COSTA SUCCESSOR RETIREMENT PENSION PLAN FINANCIAL STATEMENTS FOR 2014 AND 2015** H. Emahiser, Financial Advisor
- Presentation
 - Public Comment
 - Discussion
 - ACTION: Acceptance of the Pension Plan Statements*
10. **CONSIDERATION OF DECLARATION OF FISCAL EMERGENCY** H. Emahiser, Financial Advisor
- Presentation
 - Public Comment
 - Discussion
 - ACTION: For Information Only*
11. **APPROVAL OF RESOLUTION DECLARING FISCAL EMERGENCY AND AUTHORIZING FILING OF CHAPTER 9 PROCEEDING** H. Emahiser, Financial Advisor
- Presentation
 - Public Comment
 - Discussion
 - ACTION: Consideration of resolution declaring fiscal emergency*
12. **HOSPITAL CDPH LICENSE RENEWAL** B. Ellerston, Interim CNO
- Presentation
 - Public Comment
 - Discussion
 - ACTION: Consideration of hospital license renewal*
13. **RECOMMENDATION TO THE BOARD OF SUPERVISORS ON APPOINTMENT TO DISTRICT BOARD SEAT BECOMING VACANT AT THE EXPIRATION OF THE TERM OF ERIC ZELL** C. Coffey, Legal Counsel
- Presentation
 - Public Comment
 - Discussion
 - ACTION: Recommendation to Board of Supervisors on Board vacancy*
14. **CONSIDERATION OF BOARD POSITION REGARDING LAFCO SPECIAL STUDY OF GOVERNANCE OPTIONS FOR WEST CONTRA COSTA HEALTHCARE DISTRICT** C. Coffey, Legal Counsel
- Presentation
 - Public Comment
 - Discussion
 - ACTION: Consideration of Board position and letter to LAFCO*
15. **ADJOURNMENT OF MEETING** E. Zell, Chair

MINUTES
SEPTEMBER 14, 2016

Agenda Item 4



West Contra Costa Healthcare District

BOARD OF DIRECTORS

WCCHD DOCTORS MEDICAL CENTER

BOARD OF DIRECTORS

September 14, 2016 – 3:00 P.M.

San Pablo City Council Chambers

13831 San Pablo Ave.

San Pablo, CA 94806

Board of Directors

Eric Zell, Chair

Deborah Campbell, Vice Chair

Irma Anderson

Nancy Casazza

Beverly Wallace

MINUTES

1. CALL TO ORDER

The meeting was called to order at 3:05 P.M.

2. ROLL CALL

Quorum was established and roll was called:

Present:

Eric Zell, Chair

Irma Anderson

Beverly Wallace

Nancy Casazza

Deborah Campbell

3. PUBLIC COMMENTS

There were no public comments.

4. APPROVAL OF MINUTES OF July 27, 2016

The motion made by Director Wallace and seconded by Director Anderson to approve the July 13, 2016 minutes passed with Director Campbell abstaining.

5. CLOSED SESSION

The meeting adjourned to Closed Session at 3:10 pm.

6. ANNOUNCEMENT OF REPORTABLE ACTION(S) TAKEN IN CLOSED SESSION, IF ANY

There were no reportable actions from closed session.

7. FINANCIAL UPDATE

A financial forecast was provided which included a hospital license fee of \$55,535.00. Our workers comp claims are increasing by \$15,000 – \$20,000 per month in addition to our current liability totaling over \$3 million. According to the forecast, the District will run out of money by mid-December. Potential options to postpone the deletion of cash include 1) the possibility to obtain a lender by putting the hospital building up as security, 2) requesting a loan from the CA Healthcare Financing Authority, and 3) filing for bankruptcy. These options will be looked at and brought back to the next meeting for review. This report was for information only.

PUBLIC COMMENTS

There were no public comments.

8. APPROVAL OF REVISED CONFLICT OF INTEREST POLICY

A revised Conflict of Interest Policy was provided for review and approval. The revisions were minimal.

PUBLIC COMMENTS

There were no public comments.

The motion made by Director Anderson and seconded by Director Wallace to approve the revised Conflict of Interest Policy passed unanimously.

9. CALPERS

The District is currently paying for CalPers insurance for some of the Board Members. Due to our financial crisis, the recommendation was made to eliminate the coverage through the District. Individual monthly premium amounts were provided.

PUBLIC COMMENTS

There were no public comments.

The motion made by Director Anderson and seconded by Director Wallace to approve the elimination of CalPers coverage, through the District for all Board Members, effective 12/31/2016, with the exception of Jane Wood (vested), and with no new members allowed to join, passed with Director Campbell abstaining.

10. HOSPITAL CDPH LICENSE RENEWAL

The Hospital CDPH License renewal is due 11/1/2016 in the amount of \$55,534.64. Director Anderson will contact CDPH and request an extension at no cost. Action will be deferred pending the recommendation from CDPH.

PUBLIC COMMENTS

There were no public comments.

11. BANK SIGNATORIES

A request was made to add Bobbie Ellerston to the bank signatories list.

PUBLIC COMMENTS

There were no public comments.

The motion made by Director Wallace and seconded by Director Casazza to approve the addition of Bobbie Ellerston to the list of bank signatories passed unanimously.

12. WCCHD FINANCING CORP II

The WCCHD Financing Corp II account was set up for the 2011 COPS. Due to the refinancing of the COPS, we may need to keep the account active. The account will be discussed with our Financial Advisor who is handling the refinance.

Action will be deferred pending the recommendation of the Financial Advisor.

13. LAFCO REPORT

The LAFCO Report was provided for review and discussion. Colin Coffey gave the history and purpose of LAFCO prior to presenting the report. The report concluded that although significant healthcare needs exist in West Contra Costa County, justification exists to dissolve the WCCHD due to the loss of the hospital, lack of service, and overwhelming debt. They found that organizational options exist that are less costly than the status quo. This includes the elimination of elections, saving the District \$450,000 every two years, and combining administrative functions with other existing agencies.

Two viable options were included in the report which outlined creating a new county service area (CSA), and a special legislation.

The forming of a CSA would eliminate the election costs and preserve future money for healthcare after all of the current debt is paid. This is a complicated process which would include approval by the Board of Supervisors, creating the CSA, approval of WCCHD voters, and consolidation of the current District with the CSA.

Special legislation would basically have the same result as the CSA, only without the approval of WCCHD voters. The Board of Supervisors could appoint themselves or members of the community to oversee the functions, and could be permanent or temporary. This would allow oversight over the next 10 years of debt repayment, and would keep the District intact.

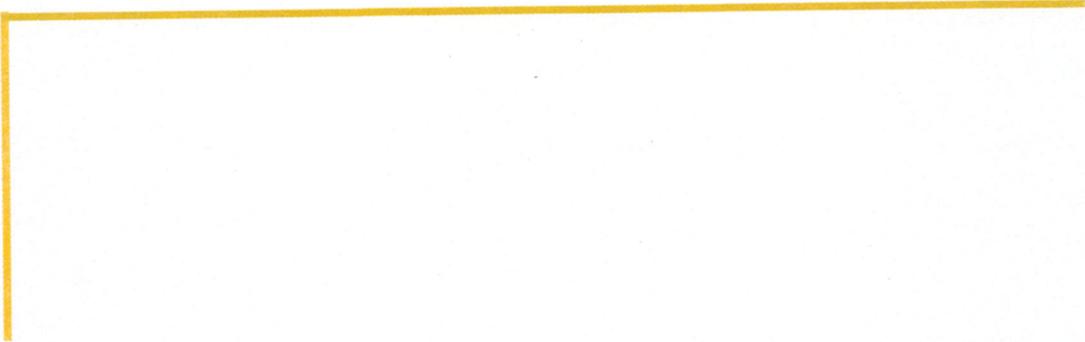
If there is no District in existence after the debt is repaid, future money would be distributed and used for purposes other than healthcare.

This report was for information only.

PUBLIC COMMENTS

There were no public comments.

THE MEETING WAS ADJOURNED AT 5:00 P.M.



FINANCIAL UPDATE

Agenda Item 7

West Contra Costa Healthcare District: Projected Weekly Cash Flow Analysis - 13 weeks

Week Ending	10/14/16	10/28/16	11/11/16	11/25/16	12/9/16	12/23/16	1/6/17	1/20/17	1/31/17	Total
Beginning Cash Balance	814,438	620,829	333,648	211,147	(13,500)	(176,001)	(400,648)	(523,148)	(647,149)	814,438
Cash Receipts:										
Sale Receipts - 2000 Vale	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts	-	-	-	-	-	-	-	-	-	-
Cash Payments:										
Payroll/Administration	45,061	31,501	24,501	24,501	24,501	24,501	24,501	24,501	24,501	248,068
Bookkeeping Services				4,000		4,000				3,000
Cost Report Audits and Settlement	41,000									57,000
Annual Financial & Pension Audits & Actuarial	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	40,500
Other	90,561	40,001	29,001	33,001	29,001	33,001	29,001	30,501	34,501	348,568
Total personnel/consulting costs										
Office Expenses (see separate tab)		2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	8,000
Insurance (Beta, Alpha, J&G, State fund)		5,098	5,098	5,098	5,098	5,098	5,098	5,098	5,098	20,392
Security	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	144,000
Utilities	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	160,000
Landscaping		2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	8,000
Hospital License		55,535								55,535
Property Insurance (POMS) - expires Mid May				40,000						40,000
Total facilities costs	16,000	120,633	16,000	65,098	56,000	65,098	16,000	16,000	65,098	435,927
Worker Comp -LWP(Replenish/Admin	69,548	69,548	60,000	69,548	60,000	69,548	60,000	60,000	69,548	587,740
Legal	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	15,000	75,000
Records Storage	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	88,000
Fees and Other	17,500	15,000	17,500	15,000	17,500	15,000	17,500	17,500	15,000	147,500
Total other costs	87,048	126,548	77,500	126,548	77,500	126,548	77,500	77,500	121,548	898,240
Total Cash Payments	193,609	287,182	122,501	224,647	162,501	224,647	122,501	124,001	221,147	1,682,734
Net Cash Flow for a Week	(193,609)	(287,182)	(122,501)	(224,647)	(162,501)	(224,647)	(122,501)	(124,001)	(221,147)	(1,682,734)
Total Cash Available	620,829	333,648	211,147	(13,500)	(176,001)	(400,648)	(523,148)	(647,149)	(868,296)	(868,296)

West Contra Costa Healthcare District: Projected Quarterly Cash Flow, 2017

	QTR 1, 2017	QTR 2, 2017	QTR 3, 2017	QTR 4, 2017	TOTAL
Beginning Cash Balance	(523,148)	(1,610,842)	(1,694,036)	7,679,252	(523,148)
Cash Receipts:					
Ad Valorem Tax	-	1,000,000	-	-	1,000,000
Sale Receipts - 2000 Vale	-	-	13,297,500	-	13,297,500
Total Cash Receipts	-	1,000,000	13,297,500	-	14,297,500
Cash Payments:					
Payroll/Administration	159,256	159,256	158,102	157,892	634,505
Bookkeeping Services	6,000	4,500	4,500	4,500	19,500
Cost Report Audits and Settlement	12,000	12,000	12,000	12,000	48,000
Annual Financial & Pension Audits & Actuarial	-	-	80,000	-	80,000
Other	29,250	29,250	29,250	29,250	117,000
Total personnel/consulting costs	206,506	205,006	283,852	203,642	899,005
Office Expenses	6,000	6,000	6,000	6,000	24,000
Insurance (Beta, Alpha, J&G, State fund)	15,294	15,294	15,294	15,294	61,176
Security	104,000	104,000	16,000	-	224,000
Utilities	120,000	120,000	40,000	-	280,000
Landscaping	6,000	6,000	2,000	-	14,000
Total facilities costs	251,294	251,294	79,294	21,294	603,176
Worker Comp -L W/P(Replenish/Admin Fee)	418,644	418,644	418,644	418,644	1,674,576
Legal	45,000	45,000	37,500	22,500	150,000
Records Storage	60,000	57,000	57,000	57,000	231,000
Fees and Other	106,250	106,250	88,750	88,750	390,000
Total other costs	629,894	626,894	601,894	586,894	2,445,576
Vendor Payments	-	-	317,000	-	317,000
Educational reimbursement	-	-	33,857	-	33,857
Medicare 2012 & 2013 Cost Report Settlements	-	-	513,522	-	513,522
May 2014 Special Election Cost	-	-	444,794	-	444,794
Outstanding Insurance/penalties 2016 & 2017	-	-	350,000	-	350,000
Outstanding Insurance - for 2015	-	-	1,300,000	-	1,300,000
Total post sale/other payments	-	-	2,959,173	-	2,959,173
Total Cash Payments	1,087,694	1,083,194	3,924,213	811,830	6,906,930
Net Cash Flow for Quarter	(1,087,694)	(83,194)	9,373,287	(811,830)	7,390,570
Total Cash Available	(1,610,842)	(1,694,036)	7,679,252	6,867,422	6,867,422