

**BLOSS MEMORIAL HEALTHCARE DISTRICT (BMHD)
BOARD OF DIRECTORS MEETING
CONFERENCE ROOM
Thursday, February 29, 2024
2:00 pm**

CALL TO ORDER

Kathy Flaherty, Chair, called the meeting to order at 2:00 pm.

ROLL CALL

Board Members Present: Gary Bacom, Zone 1; Buffy McDaniel, Zone 2; Kathy Flaherty, Chair, Zone 3; Al Peterson, Secretary/Treasurer, Zone 4 and Bob Boesch, Vice Chair, Zone 5

Others Present: Kory Billings, CEO; Fily Cale, Executive Assistant; Dawnita Castle, CFO Ex officio and Thomas Ebersole, Legal Counsel

Absent: None

APPROVAL OF AGENDA

A motion was made / seconded, (Alfonse Peterson / Bob Boesch) to approve the February 29, 2024 amended agenda as presented. Motion carries.

PUBLIC COMMENTS

None.

APPROVAL OF MINUTES

A. Approval of January 25, 2024 Board of Directors Meeting Minutes, Exhibit 1

No exhibit available, no action taken.

FINANCIAL REPORT

A. Approval of January 25, 2024 Finance Committee Meeting Minutes, Exhibit 2

No exhibit available, no action taken.

B. January District Financials, Exhibit 3

Dawnita Castle reported that for January BMHDs cash balance was at \$3,705,062. And the cash balance did increase Days Cash on Hand to 783 days.

The reason for that increase was that Bloss received one of their quarterly property tax payments in the amount of \$293,160. For the month of January, BMHD had a net gain after depreciation of \$11,553. Prior month expenses only increased by \$4,427, with the majority of the expenses being remodeling, minor equipment, office furniture and \$17,000 that was not capitalized because per policy usually each item that is over \$5,000, we would capitalize. However, these items were not and that hit expense and decreased that bottom line.

YTD net income is \$42,610. Please keep in mind that BMHD did receive that funding from the Bloss Trust in the amount of \$500,000 and this will increase the bottom line next month.

A motion was made / seconded, (Bob Boesch / Alfonse Peterson) to approve and accept the January District Financials, Exhibit 3. Motion carries.

C. January Payroll, Electronic Payments & Check Register, Exhibit 4

A motion was made / seconded, (Alfonse Peterson / Bob Boesch) to approve and accept the January total payroll in the amount of \$10,200.91; total accounts payable of \$161,201.31 for a grand total distribution of \$171,402.22, Exhibit 4. Motion carries.

CHIEF EXECUTIVE OFFICER REPORT

A. Facilities Report

Kory Billings reported that there was a minor collapse of a portion of the ceiling of the old kitchen, this building sits next to the woman's clubhouse. It was a back closet that was not being used. But it still was just a matter of the fact that over the years we have not had somebody up there cleaning off the roofs and maintaining and doing preventative maintenance, which could have easily solved the problem. Pictures of the damage were passed to the board members. Grandmark, a roofing company has come in and fixed the roof issue.

The same situation occurred the week before last underneath the Castle building, when we had torrential downpours. MIT plumbing came out and got the water sucked out of there for us. However, there have been some long-term residual effects. The pumps that are down there are no longer operational. Kory Billings has calls into the two companies that have been used in the past to see if either they're repairable or replaceable. There are no details as to a cost yet. So far facilities have been a challenge.

We had a handyman come in to give us a bid to help get some minor work done, such as filling in gaps between light switches and the wall and other miscellaneous item.

As well as there was a small list of items that popped up on a fire inspection for the Day Break area. Things such as there were no GFI plug within four feet of a sink, they have to be the GFI plugs, which is a new standard. We had three locations in that building over in that area that weren't. The attic access point in one of the closets was open and it can't be open as that is a fire hazard and it will not allow the fires to stop. Very thankfully, very minor things over there.

Also, in order to get this portion of the building finished, deal with the fire issues at Day Break and get the next phase of the future boardroom to do flooring and painting, he was able to obtain a bid for \$2,400 to do all of that work.

B. Castle Site Appraisal

We have met with the appraisers now, and they believe roughly 60 days out from being able to give us a full appraisal report for the former base hospital. So, we'll know the value of that facility financially.

C. Bloss Site Engineering Report

Bloss Site draft floor plans came in this morning from Golden Valley Engineering & Surveying. This will give BMHD the appropriate square footage for every single room in this facility, which will allow for future leases to be written appropriately.

D. Affiliation Agreement

Kory Billings and Fily Cale met with Edward Lujano, Peter Mojarras and Rick Ramirez to discuss the maintenance piece. He is thankful for the relationship we have with the finance and HR teams. But maintenance has been a challenge on how to figure out how to share maintenance.

We continue to work, and he will continue to make sure that from our end, we get an affiliation agreement that's going to work for everybody.

E. PNC Update

Kory Billings is working on a couple requirements and training that PNC has. It's basically a verification system. Fily Cale is doing some training for things that they've asked from her.

F. Staffing Report

Alfonse Peterson asked if the maintenance team is capable, Kory Billing responded, that the team is capable. The unfortunate side is they just don't have the time to do the projects that we need to be done. Which is why he's had to go forth and hire handyman to do certain projects. Last month CFHC informed BMHD that maintenance had worked hours in the month for a total of \$10,077.49. That's a significant amount for 80 hours a week.

If we hire our own maintenance person to work 20 hours a week, 80 hours a month at \$25 an hour, we're talking a \$2,000 bill versus a \$10,000 bill.

Specifically, for the Bloss Site facility would be beneficial. He is in the phase of actually writing a job description and is happy to take input.

OLD BUSINESS

A. 23/24 Sports Physicals Grant Update, Exhibit 5

Kory Billings reported that the 23/24 sports physical are coming to an end and they are slowing down. He's had conversations with both the high schools and the middle school at this point they are not accepting any more students into sports programs.

March 15, 2024 will be our cut off day. CFHC will not take any new sports physicals at that point. Dawnita Castle added that she bills retrospectively and billed for the prior month as she just received January.

If we hire our own maintenance person to work 20 hours a week, 80 hours a month at \$25 an hour, we're talking a \$2,000 bill versus a \$10,000 bill.

Specifically for the Bloss Site facility would be beneficial. He is in the phase of actually writing a job description and is happy to take input.

The maintenance at Castle is now our responsibility because we rented that place out to them. They have agreed to cover all of the maintenance with their maintenance team that happens within the current leased space by castle.

Our issue comes about in the dental surgery center, Dr. Bachour at Castle Dental Group and the pharmacy, because those are not leased by castle. Those are all other vendors who have leased that space. And when they have things that are coming up, we've got to have somebody who can go address them at that site.

OLD BUSINESS

A. 23/24 Sports Physicals Grant Update, Exhibit 5

Kory Billings reported that the 23/24 sports physical are coming to an end and they are slowing down. He's had conversations with both the high schools and the middle school at this point they are not accepting any more students into sports programs.

He spoke to Edward Lujano and Peter Mojarras and let them know that as of March 15, 2024 that will be our cut off day. They will not take any new sports physicals as to that point, they'll bill us for anything that's prior but nothing new shouldn't be happening as of March 15th. Dawnita Castle added that she bills retrospectively and billed for the prior month as she just received January.

NEW BUSINESS

A. Merced Junior College Allied Health Scholarship(s) \$20,000

Kory Billing reported that we had a great meeting with the scholarship community. They gave us direction which he has taken that back to Merced college. They are already starting to get the data inputted and will slowly start getting that money into the place where they can administer the scholarships out.

They will eventually ask us for that check, but right now, they said just hold while we're fine tuning the details. He will let Dawnita know when that's needed.

No action needed.

B. 24/25 Sports Physical Vendor Selection, Exhibit 6

Kory Billings reported already time that kids are going to start gearing towards the next school year. The board has already approved funding next school year sports physicals.

We put the word out to try to get the vendors who actually wants to provide the sports physicals. The vendor recommendation is Dr. Boggs. For the board members who have been with us. Dr. Boggs was actually very interested last time, but we couldn't get the details with it.

Dr. Boggs will do the sports physicals for \$35 a student. He will go to each of the school sites multiple times, mind, and the students, rather than coming to him, he will meet them at the school site and do sports physicals on site. He will also maintain certain operating hours to make appointments. If for some reason a student cannot make the day that he's at the school, he will have time within his office hours to do it at the same cost of the \$35. This is a significant decrease in costs from last year's vendor, who was at \$60. Staff recommendation is Dr. Boggs.

A motion was made / seconded, (Bob Boesch / Gary Bacom) to accept the agreement between Dr. Boggs and BMHD to provide sports physicals for \$35 per person, Exhibit 6. Motion carries.

C. Addendum to Bloss Site Lease with CFHC Regarding Reduction of Lease Space, Exhibit 7

A motion was made / seconded, (Bob Boesch / Alfonse Peterson) to accept the Addendum to Bloss Site with CFHC regarding reduction of lease space, Exhibit 7. Motion carries.

D. Phase One of the Heating and Air Conditioning Upgrade Repair/Upgrade Program at Castle Site, Exhibit 8

Kory Billing reported that this did go out RFP almost a year ago. We've been waiting for the process to begin. And in the meantime, as he stated, the current heating and air conditioning in the dental surgery center is not working appropriately. They have had to shut down on multiple occasions because it has been too cold or too hot inside their facility. In order to perform dental surgery or any form of surgery, when you're anesthetizing or put under anesthesia, the temperature must be between 68 and 74 degrees.

There have been days they've walked in, especially on Mondays when the heater has been off for a significant amount of times, where it's been 55 degrees in the building. What this does is this corrects and allows for a computer program to operate the system that would be above the dental surgery center. We can program the computers to kick on at the appropriate time to get it up to or lower the temperature in that specific big area at the appropriate times. It will also give them a little bit of flexibility with a thermostat that can be bumped within a few degrees.

Each penthouse on the roof is a heating and air conditioning structure. This is only going to be dealing with one of the seven penthouses that's currently up there. We're only really talking about the one. Now, what this does is it lays the groundwork for the computer program.

Once that's in that if we ever did choose to continue upgrading, we would not have to upgrade the computers or the computer configuration because it would basically be ready. They can use the same computer and have multiple zones, but we don't have the computer piece yet for that to happen.

The first one is the highest because you're buying the computer program and you're buying all of that and you're paying for the time of the people to get it all installed properly. Each one, if you choose to move forward, should be less.

This does not resolve the fact that the long term problem is the pipes are old water pipes and they are rusting out.

This is a fix to get the fact that one surgery center is not in compliance, and if we can't provide them space to perform their surgeries within compliance, they have a legal right to walk out. And it makes our surgery center a non-usable space as a surgery center.

We do have some money and can also potentially pull a portion of this out of some of our return on investments. Dawnita Castle added that, BMHD does have the investment fund for repairs. And, of course, they're supposed to fund something about \$65,000.

BMHD does have other investments, they've never touched that other Boss grant one, the board may wish to discuss that. The scholarship fund and other grant funds are doing quite well. There is also roughly \$3M in cash currently. BMHD also has 700 Days Cash on Hand.

A motion was made / seconded, (Alfonse Peterson / Gary Bacom) to proceed with Phase One of the healthing and air conditioning upgrade/repair program at Castle Site for the amount of \$81,760.00, Exhibit 8. Motion carries.

E. Leased Space (OR1 & OR2) Agreement for CFHC, Exhibit 9

Kory Billings stated that there is a lot of space here at the Bloss Site that was being used by CFHC to store files. He asked that that space be rented rather than BMHD just giving it.

CFHC has agreed to move all of their files into two former original operating rooms (ORs), OR 1 and OR 2. They want to lease OR 1 or the smaller of the 18 x 18 or for one month. They're in the process of going through these files to determine what can be destroyed legally and what has to be saved. And then OR 2 they would like to have until the end of the year, it is 18 x 19, so it's just 1ft larger. He was able to pull up comparable prices to the different storage facilities here in town to determine how to pull the pricing.

They have already started moving boxes in. This allows BMHD to receive a very small amount of compensation for the use of the space.

A motion was made / seconded, (Bob Boesch / Buffy McDaniel) to approve a lease agreement for Castle Family Health Centers to lease OR 1 and OR 2 Motion carries.

BOARD MEMBER REPORTS

Kathy Flaherty reported that she and Fily Cale had gone out to the Castle Site last week to check on the basement flooding under Optometry.

The roof gutter, where the water came off of the roof, it went into the basement. There is a pretty good slope, maybe 45 degree angle slope, at least. And so just flooded it. So there's also a lot of broken junk down there that we're hoping to get cleaned out soon now that the water is gone.

The basement of the Bloss Site wasn't as bad but as we were down in there, we noticed a water line on one of the windows. There is an egress window outside of the building and the rain water had pooled. So thankfully the window did not break.

Interestingly, there were several pumps down there that are not working that were just unplugged laying all around. There was also a brand-new pump down there with the box still next to that wasn't plugged in either. So thankfully, Kory was able to get pumps and we got the water out of there and now we're working on that project.

APPOINTMENTS / CEREMONIAL MATTERS

A. Committee Appointments

Kathy Flaherty appointed members to the following committees:

ByLaws: Kathy Flaherty, Chair; Kory Billings, Ex officio and Gary Bacom

Finance: Alfonse Peterson, Chair; Kory Billings; Kathy Flaherty and Dawnita Castle

Investment: Alfonse Peterson, Chair; Kory Billings; Kathy Flaherty and Dawnita Castle

Policy: Buffy McDaniel, Chair; Kory Billings, Ex officio and Bob Boesch

Scholarship: Buffy McDaniel, Chair; Kory Billings, Ex officio and Kathy Flaherty

A motion was made / seconded, (Gary Bacom / Bob Boesch) to accept the 2024 committee appointments. Motion carries.

NEXT MEETING DATE

The next Board of Directors meeting will be held on Thursday, March 28, 2024 at 2:00 pm in the Conference Room.

AGENDA FOR CLOSED SESSION

None.


ADJOURNMENT

As there was no further business, the meeting adjourned at 2:57 pm.

Respectfully Submitted,



Fily Cale
Executive Assistant



Alfonse Peterson
Board Secretary