

**BLOSS MEMORIAL HEALTHCARE DISTRICT (BMHD)  
BOARD OF DIRECTORS MEETING  
BOARD ROOM  
Thursday, April 27, 2023  
2:00 pm**

**CALL TO ORDER**

Kory Billings, Board Chair, called the meeting to order at 2:00 pm.

Members of the public may listen to the meeting and offer public comment telephonically by calling 1-681-999-0313 and entering Access Code 328959. Please turn your cell phone or other electronic device to non-audible mode or mute.

Make findings in accordance with AB 361 for teleconferenced meeting. In compliance with AB 361 (2021) and in order to conduct teleconference meetings not subject to the usual Brown Act teleconference rules, the Board will consider the circumstances regarding the state of emergency declared by the Governor regarding the COVID-19 pandemic which continues in existence; and the continued recommendations or impositions by State and local officials to promote social distancing; and whether the continued presence of COVID-19 in the State directly impacts the ability of the Board to meet in person.

**A motion was made / seconded, (Bob Boesch / Kathy Flaherty) to accept Make findings in accordance with AB 361 for teleconferenced meeting. Motion carried.**

**ROLL CALL**

Board Members Present: Vacant, Zone 1; Kory Billings, Chair, Zone 2; Kathy Flaherty, Board Member, Zone 3 and Bob Boesch, Vice Chair, Zone 5

Others Present: Edward Lujano, CEO; Fily Cale, Executive Assistant; Dawnita Castle, CFO; Tom Ebersol, Legal Counsel; Gary Bacom, Public Member and Peter Mojarras, CFHC COO @ 2:02 pm

Absent: Al Peterson, Treasurer, Zone 4 and Jenna Anderson, Legal Counsel

**APPROVAL OF AGENDA**

A revised agenda was approved due to the incorrect meeting date listed.

**A motion was made / seconded, (Bob Boesch / Kathy Flaherty) to approve the April 27, 2023 agenda as amended. Motion carries.**

## PUBLIC COMMENTS

None.

## APPROVAL OF MINUTES

A. Approval of March 30, 2023 Board of Directors Meeting, Exhibit 1

**A motion was made / seconded, (Bob Boesch / Alfonse Peterson) to accept the March 30, 2023 Board of Directors Meeting minutes as presented, Exhibit 1. Motion carries.**

## FINANCIAL REPORT

A. March Chief Financial Officer Report, Exhibit 2

Dawnita Castle reported that BMHD is nine months into their fiscal year with three months left to end the fiscal year. There are some changes coming up that will affect the budget, such as salaries for the new staff. She requested pay scales for the new positions.

For March, BMHD had a net gain before depreciation of \$95,254 and a net gain of \$33,720 after depreciation. The investments did very well and had a gain of \$46,506. Recorded in expenses includes Sierra Kings cost of \$9,743; MD-Ventures was paid and they have cashed the check. She has the payment in pre-paids as we don't want all of that expense to hit at once, and this is a GAAP acceptable practice to allocate it out until December 2023.

YTD was a net loss of \$76,213, however, there is still three more months. The Bloss Trust was received and it was \$662,500, which was one hundred thousand more than the prior year. The Finance Committee was concerned about this higher amount. Once the \$662,500 is recorded, BMHD will have a profit at year end.

Kory Billings clarified that he and Alfonse Peterson continually watch and the stocks have not done well over the last year and yet, BMHD received over one hundred thousand more than normal in that return investment. Are they paying BMHD more out of the principle amount or taking large amounts out of the principle to pay us. Questions will go back to them and it is also time for the annual meeting with Wells Fargo. Dawnita Castle will reach out to Wells Fargo with the questions and schedule the annual meeting.

The Cash Balance is \$2,839,597 and the Days on Hand increased to 717 days. There was less expense compared to the prior month in February. Repairs and maintenance decreased in March and utility bills decreased for \$15,000 less than February.

B. March Payroll, Electronic Payments & Check Register, Exhibit 3

**A motion was made / seconded, (Alfonse Peterson / Bob Boesch) to accept the March total payroll of \$9,267.92; total accounts payable of \$254,837.12 for a grand total disbursement of \$264,105.04, Exhibit 4. Motion carries.**

## CHIEF EXECUTIVE OFFICER REPORT

### A. Chiller at Castle Site

Edward Lujano reported that the chiller is making a lot of noise and was closed down several times in the last few weeks. As the temperature rises, it makes a loud sound. Carrier is out today to check it out, the chiller will go away once the HVAC project is complete sometime next year. It is a non-repairable unit and Carrier can bring in a temporary large chiller and re-pipe it to the current system, this would be very costly as it would be a monthly rental.

### B. Accreditation of Atwater Children's Surgery Center

The surgery center went through their AAAHC re-accreditation. Electrical wiring issues were identified again, due to updates in the Type One Life Safety Code measures. We did get them to grandfather in some of the systems we have, but some systems that are now out of compliance and will need to be readdressed. Blue Cloud is getting quotes and is also willing to share in the cost.

### C. Replacement of Sliding Glass Doors at Castle Site

The sliding doors at Castle Dental Group (Dr. Bachour) will be replaced along with the ones in the back by medical records area entrance. It will take 12-14 weeks for them to come in will cost \$22,000.

Edward Lujano added that BMHD is in the process of recertification with Traveler's Insurance for the facility. Currently they are requesting thermographic and electrical inspections for the early detection of inception of electrical faults.

He is working with Rick Ramirez to have a company come in to test some of the areas that they feel could be potential threats to potential fires. Also, the fire doors need to be re-inspected and repaired as necessary.

They did identify a couple of doors toward the back hallway, they have been propped open with a wedge as they don't hold on the magnets, as the mechanisms are no longer around. These doors will need to be replaced and tied into the fire system here.

Also, Travelers requested that we have monthly facility checks for cracks in the cement, holes and traffic use. CFHC takes this on right now as they have a quarterly safety committee that meets. He is using there reports to support the Travelers request that we continue to review the facilities for potential threats. This can be worked out with CFHC later or BMHD takes on as part of their team as requested by the insurance carrier.

BETA came with the general liability and Directors and Officers coverage. General liability went up \$400 dollars from \$5,300 to \$5,700 and Directors and Officers went up \$300 from \$6,600 to \$6,900. These policies were approved for another year.

He will be on vacation from May 8 – 19, 2023.

## **OLD BUSINESS / REPORTS**

### **A. March Castle Family Health Centers, Inc Report, Exhibit 4**

Peter Mojarras reported that hopefully this get resolved before it gets really hot as it gets difficult to operate with patient coming in under these conditions. The chiller has been on ongoing problem.

April 3, 2023 was the removal of the COVID guidelines within in California and at the federal level it is May 11, 2023. The vaccine efforts will continue throughout the year, there are still efforts being made by the county, but there is much lower interest in the vaccine now.

CFHC has been working on establishing relationships in the community, recently the new hospital president, Dale Johnson came out to visit, along with the radiology director. They are looking at ways they can continue to support CFHC, they see the value of CFHC because of the number of patients that are Alliance members who may go into the hospital, CFHC has over 21,000 Alliance linked patients, plus another 11,000 lives.

Dr. Andrea French, general surgeon, will also be having clinic days at CFHC as of May 11, 2023 to see patients. Dr. DeLorenzi, orthopedic surgeon will also be seeing patients at CFHC on clinic days.

CFHC is also preparing for an On-Site Visit (OSV) which is a federal visit and is scheduled for August 1-3, 2023. It will be a virtual visit.

A Back-Pack event will be held on July 14, 2023 from 4pm to 7pm.

CFHC is working on the acquisition of Atwater Medical Group (AMG). They will not dissolve, but will continue in the Merced area on a smaller scale. The facility and land will be purchased and CFHC is working with the State for a low interest loan. CFHC will continue to look outside of the Atwater and Winton areas. When there is funding and grant opportunities at the federal level, CFHC will look for outside areas for expansion. The next phase is to bring in and retain their staff.

Alfonse Peterson asked where are the surgeons practicing. Peter Mojarras responded that most are in Merced and part of the hospital Foundation; CFHC works with their legal team for credentialing and contractual agreements; some are in private practice in Merced and a few from Turlock.

Kory Billings added that he is excited about the potential purchase of the new facility, but is sadden that he had to hear from others before he heard it from the CFHC partner. He would have thought that Peter Mojarras would have reported on this last month as he had already heard it out there and the doctors had informed him last month prior to the meeting that they would be moving.

Peter Mojarras stated that it was unfortunate that they were sharing this information, as most of it was confidential as escrow just closed. CFHC was not able to disclose that and legal advice was to maintain confidentiality.

## NEW BUSINESS

### A. Renewal of Castle Family Dental Rental Space, Exhibit 5

Edward Lujano reported that the supplemental E, which was when CFHC expanded its dental area, at that time in 2021 the lease was to 2023 and there needs to be a renewal of the lease, does BMHD want to extend it through 2025 with the existing lease that exists for CFHC. Staff's recommendation is to extend it through 2025 so that it all stays uniformed.

Kory Billings asked if finance had the opportunity to review this to make sure that these numbers will work to make sure that we're keeping up with. Dawnita Castle added that she and Fily Cale looked at the dental space, these are old contracts and they have increased. When the dental space came in BMHD wanted to be comparable to Castle Dental Group and Castle Family Dental, it was taken into account that CFHC pays for their own housekeeping and it was reduced to current rate of \$2.13 per square footage.

**A motion was made /seconded, (Alfonse Peterson / Bob Boesch) to extend the agreement until June 30, 2025 as recommended. Kory Billings No; Kathy Flaherty No. Motion fails.**

Kory Billings added that his concern is to make sure that the numbers are set, that a new dollar amount is reflected and the current rate is reflected and revised per square foot.

Tom Ebersole, Legal Counsel, stated that there are several roads forward on this, what was include in the packet is the actual lease agreement and he didn't see a proposed new one. What was proposed from staff is same terms and conditions as the old one, no change in rate or square footage, just changing the date. This is a standard type of amendment. The chair's concern was that he doesn't know what those terms and conditions are and would like to have a firm understanding of that and the maker of the motion can decide whether they want to pause and make sure everyone pulls up the contract and feels good that they know what those numbers are.

Kory Billings is recommending that this item be placed back on the agenda next month with all of the updated information available.

**A motion was made /seconded, (Kory Billings / Alfonse Peterson) to Table this item to next month's agenda. Motion carried.**

### B. Architectural Interior Floor Plan Design RFP Bids, Exhibit 6

Edward Lujano presented two RFP's bids, one from Golden Valley Engineering & Surveying for \$35,000 and one from TMD Drafting Services, LLC for \$31,500.

Tom Ebersole, Legal Counsel, stated that he had a question as to whether or not there is a standard form agreement and there isn't. In situations where there is not a form agreement, he has concern about both agreements. He is informed that the Golden Valley proposal is a very general agreement and would be sufficient for the auditor to be able to justify the payment of the \$35,000. With TMD Drafting he has concerns about the contract because there is some conflicting language in there and terms more favorable to the drafter than to the District and can be made more mutual beneficial. His

recommendation is that whatever the decision is that it would include a motion to accept one or the other, to give direction to staff to have a contract executed by the CEO with approval by counsel to the satisfaction of counsel.

Kory Billings asked if any of these companies had given a time frame. Edward Lujano replied that neither company had come out.

**A motion was made / seconded, Alfonse Peterson / Kory Billings) to accept the bid from TMD Drafting Services, LLC in the amount of \$31,500 and to have a contract that can be executed by the CEO that has been reviewed and approved by legal counsel, Exhibit 6. Motion carried.**

C. Tree Trimming RFP Bids, Exhibit 7

Edward Lujano reported that three bids had been received from Anderson Tree Service, Inc for \$43,900; Joe's Landscaping and Concrete, Inc for \$79,499 and Ward Brothers for \$58,200.

**A motion was made / seconded, Alfonse Peterson / Bob Boesch) to accept the bid from Anderson Tree Service, Inc in the amount of \$43,900 and to have a contract that can be executed by the CEO that has been reviewed and approved by legal counsel, Exhibit 7. Motion carried.**

**BOARD MEMBER REPORT REPORTS**

Kory Billings reported that some committee's have been diligently working.

Kathy Flaherty added she and Bob Boesch will be getting together to review job descriptions.

Kory Billings reported that he and Kathy Flaherty had attended the CFHC Board of Directors meeting on April 27, 2023. They let them know that BMHD was moving forward and hope to continue some form of partnership, and would like board member participation from them and help give BMHD guidance. Their response back to BMHD was that their board members are going to refer to their staff members to work with BMHD instead of keeping the partnership together and working closely. In his opinion, he is a little disappointed because BMHD was asking for a partnership between two organizations working together and an easier communication to their board, but they only want BMHD to deal with their staff.

**APPOINTMENTS / CEREMONIAL MATTERS**

None.

**AGENDA FOR CLOSED SESSION**

None.

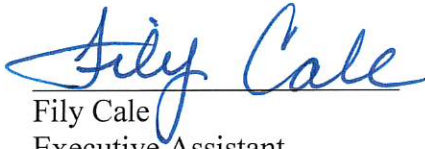
**NEXT MEETING DATE**


The next Board of Directors meeting will be held on Tuesday, May 30, 2023 at 2:00 pm in the Board Room.

**ADJOURNMENT**

As there was no further business, the meeting was adjourned at 2:47 pm

Respectfully Submitted,

  
Fily Cale  
Executive Assistant

  
Bob Boesch  
Board Secretary