

**BLOSS MEMORIAL HEALTHCARE DISTRICT (BMHD)
BOARD OF DIRECTORS MEETING
BOARD ROOM
Thursday, October 26, 2023
2:00 pm**

CALL TO ORDER

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

ROLL CALL

Board Members Present: Vacant, Zone 1; Kory Billings, Board Chair, Zone 2; Kathy Flaherty, Vice Chair, Zone 3; Al Peterson, Treasurer, Zone 4 and Bob Boesch, Secretary, Zone 5

Others Present: Edward Lujano, CEO; Fily Cale, Executive Assistant; Dawnita Castle, CFO; Tom Ebersol, Legal Counsel; Nathan Doty, JWT & Associates @ 2:02 pm and Peter Mojarras, CFHC COO @ 2:04 pm

Absent: Jenna Anderson, Legal Counsel

APPROVAL OF AGENDA

A motion was made / seconded, (Bob Boesch / Alfonse Peterson) to approve the October 26, 2023 as presented. Motion carries.

PUBLIC COMMENTS

None.

APPROVAL OF MINUTES

A. Approval of September 27, 2023 Board of Directors Meeting Minutes, Exhibit 1

Several typos were corrected.

A motion was made / seconded, (Kathy Flaherty / Alfonse Peterson) to accept and approve the September 27, 2023 Board of Directors meeting minutes with corrections, Exhibit 1. Motion carries.

B. Approval of October 11, 2023 Special Board of Directors Meeting, Exhibit 1a

Several typos were corrected.

A motion was made / seconded, (Kathy Flaherty / Bob Boesch) to accept and approve the October 11, 2023 Board of Directors meeting minutes with corrections, Exhibit 1a. Motion carries.

FINANCIAL REPORT

A. Approval of September 27, 2023 Finance Committee Meeting Minutes, Exhibit 2

A motion was made / seconded, (Alfonse Peterson / Bob Boesch) to approve and accept the September 27, 2023 Finance Committee Meeting Minutes, Exhibit 2. Motion carries.

B. September District Financials, Exhibit 3

Dawnita Castle reported that she has now included the Budget to Actual in the Finance and Board packets. A budget is an educated guess of the knowledge that you have at that time. This is a good tool for the board to review and if possible to update, revise and approve a new budget.

For September, BMHD had a net gain before depreciation of \$10,280 compared to a loss of \$104,000 last year. Net income after depreciation was a loss of \$219,038 and this was due to the gain and loss in investments. As BMHD is a non-profit public entity, the financials are based off of accrual basis.

It's different when you're for profit because you want to go off cash basis showing income as a loss for tax purposes. This is not a true loss, it's a decrease in assets, but needs to be recorded monthly. These losses were \$208,854 that effected the net loss. Compared to this time last month, she noted on the Income Statement that the CPI adjustment had changed in the rental income. It usually happens July 1st, however the CPI takes until the end of July to get updated. The YTD was recorded in August and is a little higher, \$165,000 versus what normal rental income is.

September Operating Cash Balance is \$3,733,999 and Days Cash on Hand did increase to 797 days compared to 772 days in August. There are a couple of more months of Sierra Kings cost of \$9,743 although it had been paid it's still being recorded for the next several months.

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

A motion was made / seconded, (Alfonse Peterson / Bob Boesch) to accept the September total payroll of \$9,168.86; total accounts payable of \$219,450.50 for a grand total disbursement of \$228,619.36, Exhibit 3. Motion carries.

CHIEF EXECUTIVE OFFICER REPORT

A. Chiller at Castle Site

Edward Lujano reported that we're still waiting for Simplex to finish the pipe replacement, as they are still waiting for parts. He has also asked them to replace the main water sprinkler pipe, which is part of what they broke.

He also spoke to the groundskeeper this morning, who is replacing the water sprinkler pipe and asked him to forward the bill, which he will take up with Simplex.

B. Police Substation Status

He met with Kory Billings and they were able to get flooring and painting contractors out there and have signed off on quotes. Interior painting will begin on November 13th and flooring will begin on November 20th.

Maintenance also repaired a few items, and will install toilets and a door once the flooring is completed.

OLD BUSINESS / REPORTS

A. August Castle Family Health Centers, Inc Report, Exhibit 5

Peter Mojarras conferenced in as he is attending a physician recruitment event at UCSF Fresno Residency Program.

The Atwater Site will have a soft opening in mid-November.

CFHC continues to be fairly busy, patient visits have been stable and they are focusing on quality of care. They are also preparing for the flu season and COVID continues to be part of the concerns for the community. They will also be participating with more outreach events.

He also thanked the board of directors for their continued support.

B. Sports Physicals Grant Update, Exhibit 6

Peter Mojarras reported that the grant support that BMHD has provided has benefited the community. As of October 23rd, CFHC has provided 735 sports physicals with 132 remaining of the 867 from the grant. Most of the physicals have been done in the urgent care.

He thanked the board of directors for their support.

NEW BUSINESS

A. CFHC Grant Request from Ung Goodwin Trust, Exhibit 7

Peter Mojarras presented a grant request from the Ung Goodwin Trust for vision services, flu shots and unpaid bills due to hardship for seniors. CFHC is interested in providing these services to the community.

Kory Billings stated that the Investment Committee will be meeting on November 30th and will be looking at what has come available in each of the funds. The board is unaware of what is available until after this meeting.

The recommendation is to place this item on the November agenda.

B. Approval of FYE 2023 Draft Audit, Exhibit 8

Nathan Doty, JWT & Associates presented the FYE 2023 draft audit.

It was an unmodified opinion again, which is a clean opinion, there were no issues with the audit, no material weaknesses or significant deficiencies identified. There were also no audit adjustments, last year there were some late client entries, everything tied out really well this year.

He added that Dawnita Castle was very helpful in answering all of his questions.

A motion was made / seconded, (Kathy Flaherty / Bob Boesch) to approve the FYE 2023 Draft Audit, Exhibit 8. Motion carries.

C. Day Break Lease, Exhibit 9

Edward Lujano stated that he had sent an email to Michael Chai after the last board meeting letting him know of the change over from Castle Family Health Centers to Bloss Memorial Healthcare District. At this time, he has no further information.

Kory Billings stated that the CEO and Kathy Flaherty and a committee will start the discussion process with Michael Chai.

This item will be placed on the November agenda.

A motion was made / seconded, (Kory Billings / Alfonse Peterson) to appoint the CEO and Vice Chair to start the conversation with Day Break to prepare the lease. Motion carries.

D. Approval of Short-Term CEO Contract, Exhibit 10

This item will be discussed in Closed Session and reported out.

BOARD MEMBER REPORTS

None.

APPOINTMENTS / CEREMONIAL MATTERS

None.

AGENDA FOR CLOSED SESSION

PUBLIC EMPLOYEE APPOINTMENT, EMPLOYMENT, PERFORMANCE EVALUATION, DISCIPLINE, DISMISSAL OR RELEASE PURSUANT TO GOVERNMENT CODE §54957(b)

Public Employee Appointment CEO / Executive Director

NEXT MEETING DATE

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

ADJOURNMENT

The regular board meeting adjourned into closed session at 2:20 pm.

The meeting reconvened into public session at 2:36 pm.

Kathy Flaherty, Vice Chair, reported out that the CEO position was offered to Kory J. Billings and he has accepted the position with an annual salary of \$80,000 per year.

Kory Billings has officially resigned from the board of directors as of October 26, 2023.

Edward Lujano congratulated Kory J. Billings. He looks forward to working in collaboration with him for the next few months as Castle Family Health Centers.

Edward Lujano also added that as Kory Billings contract is effective November 1, 2023, and he (Edward Lujano) has two months left on his agreement, he is recommending that Bloss consider buying out his contract for the two months and ending it on October 31, 2023. In those two months he will work collaboratively with Kory Billings and at the same time allow the transition to get all of the necessary information behind it, keep the collaboration in place and keep the working affiliation agreement between Castle and Bloss through December 31, 2023, allowing both CEO's to figure out what support is Castle still going to provide for Bloss and how they will work that out. This still keeps the two-month window active, with Fily Cale and Dawnita Castle here and Peter Mojarras giving his reports.


Tom Ebersole, Legal Counsel, stated that a special meeting would need to be called; there is no legal prohibition from having two simultaneous CEOs for a transition period. If there is to be discussion about having a collaborative period that would need to be put on an agenda, at this point that is not what is in front of the board and you couldn't develop a collective concurrence, as this would be a Brown Act violation.

A special board meeting will be held on Monday, October 30, 2023 at 11am.

As there was no further business, the meeting adjourned at 2:50 pm.

Respectfully Submitted,


Fily Cale
Executive Assistant


Bob Boesch
Board Secretary