



## MINUTES

### BOARD OF DIRECTORS MEETING THURSDAY, AUGUST 26, 2020

The Board of Directors of the Mendocino Coast Health Care District met in Open session at 5:01 pm. Jessica Grinberg, Chair presiding. Because of the covid emergency, the meeting was held via Zoom.

PRESENT: Mr. de Vall, Ms. McColley, Ms. Grinberg, Mr. Redding, Ms. Spring

#### I. CALL TO ORDER:

An Open Session of the Board of Directors of the Mendocino Coast Health Care District convened at 5:01 p.m. via Zoom with Chair Grinberg presiding.

#### II. ROLL CALL:

PRESENT: Mr. de Vall, Ms. McColley, Ms. Grinberg, Mr. Redding, Ms. Spring Board Members  
BOARD MEMBERS ABSENT: None

#### III. PUBLIC COMMENTS

Malcom MacDonald asked if the Board had hired Jacob Patterson to be the District Manager and commented that there is insufficient public information to know. He commented that Board packets are on occasion not fully complete, namely, some Tab items were blank. He concluded his remarks by saying the Board had failed to properly notify the public and that this might bring unwanted attention from the Grand Jury and others.

#### IV. CLOSED SESSION

The Board then convened a Closed Session with two agenda items

- a. Information/Action: Public Employment: District Manager Government Code § 54957
- b. Information/Action: Proprietary strategies on community outreach survey Government Code §37606 and Health and Safety Code §32106 Discussion will concern potential new programs Estimated Date of Public Disclosure: November 1, 2021

#### V. OPEN SESSION RECONVENED AT 6:00 PM

#### VI. REPORT FROM CLOSED SESSION

Chair Grinberg indicated that there was nothing to report out from the Closed Session

#### VII. PUBLIC COMMENTS

There were no public comments.

#### VIII. APPROVAL OF THE AGENDA

Mr. de Vall moved and Ms. Spring seconded that the agenda be approved. The motion carried by a unanimous vote.

#### IX. Meeting Minutes

Ms. Spring, the Board Secretary, did not submit meeting minutes from the previous Board meeting.



**X. AGENDA ITEM # 10 (OLD BUSINESS)**

INFORMATION/ACTION: Ratification or reconsideration of the action items from the August 12, 2021 meeting.

1. Assignment and Assumption of lease 155 Boatyard Drive -- Jessica Grinberg, Chair
  - Supporting information was found in Tab 1 which is not reproduced here because this agenda item was deferred to a future meeting.
  - Ms. McColley commented that subsequent to the Board approving the assignment of the lease at its previous meeting, new concerns were raised by Mr. Ben Drurie, legal counsel, Hooper & Lundy.
  - Those concerns were the lack of identification of fixtures to be kept or assigned. These were to be included in Appendix B of the draft Agreement but were not.
  - New language was introduced into the Assignment agreement including the revised starting date of Agreement and language that clarified that the Lease would revert to the District in the event that Adventist Health exited the Lease Agreement.
  - Ms. McColley introduced a motion to rescind the previous vote and to consider the revised Agreement. There was no second but a discussion ensued.
  - The revised language and identification of the fixtures were not available at the time of the meeting.
  - This agenda item was deferred to a future meeting by a vote of 4-0 with Mr. da Vall abstaining.

**Action item: Revisit the Assignment Agreement at a future Board meeting**

2. Approval of professional services agreement with District legal counsel
  - Ms. McColley introduced a motion to consider the professional services agreement with Mr. Jacob Patterson. Ms. Spring seconded for discussion.
  - Chair Grinberg clarified that the previous vote to approve the agreement was taken at a meeting that was improperly noticed and therefore was not official. She further commented that the corrective action is to reconsider all action items from the previous meeting.
  - Mr. McDonald commented that the action regarding the agreement lacked transparency. He then read prepared comments that included a concern for the lack of minutes. He indicated that he was confused by matters that had transpired over the role of Mr. Patterson. He commented that the agreement was faulty and reflected upon the person who wrote it. He was concerned that the Board was not fully aware of what he characterized as a controversy surrounding Mr. Patterson. He asked if the Board had discussed conflict of interest by the nature of his legal representing Board members. He concluded that Mr. Patterson was unqualified for the job. His comments went well past the three minutes allowed.
  - Mr. Redding commented that he did not consider Mr. McDonald to be a credible source of advice, noting his seeming obsession with Mr. Patterson led him to assert that Patterson was a controversial figure based on vague conversations with others and further noting the MacDonald had falsely accused Redding of lying to the FPPC.
  - Mr. da Vall interrupted to say that comments should be address the motion.
  - A vote took place on the motion



- i. Redding voted yes
- ii. De Vall and Spring voted no
- iii. McColley and Grinberg abstained.
- iv. The motion was defeated by a vote of 1-2.

**XI. AGENDA ITEM # 11 (OLD BUSINESS)**

INFORMATION/ACTION: Consideration of potential sublease of 516 Cypress Drive, Fort Bragg, California. Jessica Grinberg, Chair. Supporting Information was included in TAB 2 – Sublease terms and draft resolution approving sublease

- Note: New people entered the meeting. These were Judson Howe (AH), Judy Leach (AH) Warren Tetz (AH), Eric (JLL), Bernie Norvell (FB), Tabatha Miller (FB)
- Ms. McColley immediately spoke up in favor of the Sublease. She first advised her Board colleagues to “stay in their lane” and let the planning process be performed by the Fort Bragg. She then introduced a motion to approve the Board Resolution by which the sublease would be approved and was seconded by Ms. Spring
- Mr. Redding asked for clarification of the use envisioned for the Cypress Facility, including the possibility that there would be an overnight population.
- Dan Anderson, Director, Redwood Community Services described the intended use of the facility. He described it as an outpatient service, providing medical and psychiatric care to people, housing those in need of crisis respite, and so on. Respite means that patients can leave voluntarily, which differentiates it from a Crisis Residential Center.
- Mr. de Vall expressed a concern for the impact it would have on nearby residences.
- Ms. Tabatha Miller, the City Manager of Fort Bragg, said the nearby residences would indeed receive notification of the planned use of the Cypress facility. Mr. Redding commented that this statement by Ms. Miller allayed his concern considerably.
- Ms. Grinberg made a request that in the future the Board be given 1-2 months lead time to review matters brought to it for a decision. Mr. de Vall affirmed that idea.
- The Board then voted on the motion and it was approved by a unanimous vote.

**Action Item: Upload a copy of the signed Resolution to the District’s digital storage vault so it can be posted at the District’s website.**

**XII. AGENDA ITEM #12 (New Business)**

INFORMATION/ACTION: Discussion of means of public engagement, including meeting notice methods and procedures, physical and electronic agenda posting locations, and district email accounts. Consider action to identify and recognize an official District notice board location, official District website, official District email accounts, and future hours of operation for the District Office. Amy McColley, Vice Chair

- Ms. Spring discussed ways to distribute the notice of Board meetings more widely by using community Facebook pages, the MCN list serve and our website.
- Ms. McColley discussed the possibility of using services provided by Fort Bragg to assist in the developing website, recording meetings, and similar services. Ms. Spring committed to contacting Ms. Miller
- Ms. Spring introduced a motion seconded by Mr. Redding that the agenda be distributed by Spring on Facebook District 4 and 5 Facebook page, by de Vall using the MCN lists and



contacting the city of Fort Bragg. The motion passed by a unanimous vote.

**Action item: Spring to reach out to Tabatha Miller**  
**Action item: de Vall and Spring as described above before each Board meeting**

**XIII. AGENDA ITEM #13 (New Business)**

INFORMATION/ACTION: Discussion of District policies and procedures for the potential disposition of surplus property owned or leased by the District. Consider declaring surplus and approving the potential disposition of District property identified as non-functioning or obsolete by Adventist Health and direct staff or District Legal Counsel to coordinate with Adventist Health concerning the disposition of that property. Jessica Grinberg, Chair.

- Ms. McColley introduced a motion to accept the recommendations regarding the distribution of the surplus equipment, seconded by Mr. de Vall.
- The ensuing discussion was about making the effort to reach out to more community groups who may have an interest in purchasing the equipment.
- Ms. McColley modified her motion and de Vall seconded so that the District would reach out to community as describe above. **The motion was approved by a unanimous vote but no action item was specified.**
- At this point, Mr. de Vall left the meeting.

**XIV. AGENDA ITEM #14 (Reports)**

INFORMATION/ACTION: Receive report and presentation of the results of the FY 2020 audit by Kami Matzek and Josh Rettinghouse of DZA. John Redding, Treasurer

- This item was deferred to a future Board meeting.

**XV. AGENDA ITEM #15 (Reports)**

INFORMATION/ACTION: Receive finance report and proposed budget amendments. Consider adopting proposed budget amendments and other related actions. John Redding, Treasurer

- Mr. Redding noted that the District budget adopted last month was provisional and that he took the action to update it. He presented this budget for approval.
- Ms. Spring introduced a motion to accept the financial report, which included the revised budget which was seconded by Ms. McColley. The motion passed 4-0 with Mr. de Vall not present.
- The approved budget is attached.
- Further comments discussed the status of the CARES audit, the gradual increase in the District's ability to be independent of AH financial services.

**XVI. AGENDA ITEM #16 (New Business)**

FUTURE AGENDA ITEMS: Ms. Jessica Grinberg, Chair

- Ms. Spring said she would report on her meeting with Tabatha Miller and suggested discussing paying off some of the loans.
- Mr. Redding asked that the audit report by DZA be on the agenda for the next meeting, preferably near the beginning.
- Ms. McColley asked that there be a discussion on the format of Board meetings.



**XVII. AGENDA ITEM #17**

PUBLIC COMMENTS

- Ms. Judy Leach, President of the hospital, commented that as
- In patient census is 21, the highest in years.
- ICUs are full and people are waiting in the ER due to surge
- Expressed her gratitude for the District's providing employees with a well-received chicken sandwich lunch

**XVIII. AGENDA ITEM #18**

BOARD COMMENTS

- Ms. McColley thanked Mr. McDonald for his comments and said how challenging it is to work and find time to devote volunteer time.
- Ms. Spring echoed that sentiment and pledged to "do better".

**XIX. ADJOURNMENT**

The meeting was adjourned at 8:35 pm by Chair Grinberg

Meeting minutes prepared and submitted by:

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John Redding, Treasurer of the Board  
October 12, 2021



## ATTACHMENT

### Board Budget changes

1. Replaced office manager with a higher level person
2. Added Financial Services by K. McKee & Co.
3. Combined Legal Services (inside and outside)
4. Eliminated outside consulting services
5. Paid HCL insurance in one payment
6. Revised CARES Audit to \$23,500 as invoiced in August
7. No change to the District's budget

### Notes

- Budget projects a \$95k loss
- One time expenses are \$43,500
- Contingency or reserves are \$37,000

Cash Flow by Month	Notes	CY 2021												Annual			
		CY 2022															
		July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June				
<b>Receipts</b>																	
Allocation from District's Net Cash Flow																	
Dividend from LAIF Investments	0.44%	\$ 14,849,709	\$ 5,445	\$ 5,445	\$ 5,445	\$ 5,445	\$ 5,445	\$ 5,445	\$ 5,445	\$ 5,445	\$ 5,445	\$ 5,445	\$ 5,445	\$ 5,445	\$ 5,445	\$ 5,445	\$ 65,339
<b>Total Receipts</b>			\$ 255,445	\$ 5,445	\$ 5,445	\$ 5,445	\$ 5,445	\$ 5,445	\$ 5,445	\$ 5,445	\$ 5,445	\$ 5,445	\$ 5,445	\$ 5,445	\$ 5,445	\$ 5,445	\$ 315,339
<b>Expenses</b>																	
Open Management Position(s)		\$ 80,000			\$ 6,667	\$ 6,667	\$ 6,667	\$ 6,667	\$ 6,667	\$ 6,667	\$ 6,667	\$ 6,667	\$ 6,667	\$ 6,667	\$ 6,667	\$ 6,667	\$ 66,667
Contributions to HSA	\$ 600	6	\$ 3,600	\$ 3,600	\$ 3,600	\$ 3,600	\$ 3,600	\$ 3,600	\$ 3,600	\$ 3,600	\$ 3,600	\$ 3,600	\$ 3,600	\$ 3,600	\$ 3,600	\$ 3,600	\$ 43,200
Financial Services K. McKee & Co.	\$ 500		\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 6,000
Legal Services	\$ 9,000 per month		\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 108,000
D&A audits	\$27,000 for FY2021 audit							\$ 27,000									\$ 27,000
D&O Insurance	\$22,022 per year				\$ 22,022												\$ 22,022
Healthcare Entity Comprehensive Liability	\$10,189 per year				\$ 10,189												\$ 10,189
Property Tax Administrative Services	\$16,680 per year				\$ 16,680												\$ 16,680
Utilities	Est. date of occupancy is January.								\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 6,000
Property Insurance for 775 River Drive									\$ 2,000								\$ 2,000
Office Expenses	\$ 50 per month		\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 600
Phone and internet	\$ 100 per month		\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 1,200
Hospital Anniversary activities	\$ 5,000 one time		\$ 5,000														\$ 5,000
Refurbishment of Neva Canon Room	\$15,000 one time				\$ 15,000												\$ 15,000
Potential New Programs	\$20,000 per year		\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 20,000
CARES Audit	\$23,500			\$ 23,500													\$ 23,500
Other (including memberships)																	
<b>Sum of Expenses</b>			\$ 68,808	\$ 38,417	\$ 36,583	\$ 21,583	\$ 21,583	\$ 48,583	\$ 24,583	\$ 22,583	\$ 22,583	\$ 22,583	\$ 22,583	\$ 22,583	\$ 22,583	\$ 22,583	\$ 373,058
Contingency	10%		\$ 6,881	\$ 3,842	\$ 3,658	\$ 2,158	\$ 2,158	\$ 4,858	\$ 2,458	\$ 2,258	\$ 2,258	\$ 2,258	\$ 2,258	\$ 2,258	\$ 2,258	\$ 2,258	\$ 37,306
Net Operating Balance			\$ 179,757	\$ (36,813)	\$ (34,797)	\$ (18,297)	\$ (18,297)	\$ (47,997)	\$ (21,597)	\$ (19,397)	\$ (19,397)	\$ (19,397)	\$ (19,397)	\$ (19,397)	\$ (19,397)	\$ (19,397)	\$ (95,025)
Cash Flow			\$ 179,757	\$ 142,943	\$ 108,146	\$ 89,850	\$ 71,553	\$ 23,556	\$ 1,959	\$ (17,438)	\$ (36,834)	\$ (56,231)	\$ (75,628)	\$ (95,025)			