



NOTICE OF REGULAR MEETING OF THE BOARD OF DIRECTORS  
MENDOCINO COAST HEALTH CARE DISTRICT

Thursday, March 28, 2024 - 6:00 PM  
Redwoods Room, Adventist Health Mendocino Coast Hospital Campus  
700 River Drive, Fort Bragg, CA.

Supporting documentation for this agenda is available on the website at:  
<https://www.mchcd.org>

PLEASE NOTE: The outer doors to the Outpatient building where the Redwoods Room is located are locked at 7:00 PM. Anyone wishing to attend the meeting in person who arrives after 7:00 PM will see a sign on the doors indicating a phone number that can be used to bring someone from the meeting to open the door. In the event that anyone arrives to attend the meeting after 7:00 PM and does not have a cell phone, the hospital can be accessed through the Emergency Room where a security guard can be requested to provide an escort to the Redwoods Room.

Individuals who need this agenda in an alternative format or who need a disability-related modification or accommodation in order to participate in the meeting should contact the District at 707-937-3089 at least 72 hours prior to the meeting. The Board reserves the right to maintain meeting decorum, mute or remove a member of the public for inappropriate behavior which is disruptive. This Board Meeting is being held in person. Meeting attendees may also join virtually using the Zoom link below. See Attachment A for other links and phone numbers to access this meeting.

Join Zoom Meeting:

<https://zoom.us/j/9210401893?pwd=SE9PY1JBNUZvSEVIY0tYNm9iTdHzdz09&omn=97347972878>

Meeting ID: 921 040 1893  
Passcode: 6346

## CONDUCT OF BUSINESS

### 1. OPEN SESSION

1a) Roll Call: Paul Garza Jr. (Chair), Paul Katzeff (Vice Chair), Susan Savage (Secretary), Sara Spring (Treasurer).

### 2. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

Members of the public are welcome to address the Board on items not listed on the agenda, but within the jurisdiction of the Board. Time is limited to 3 minutes per speaker with a 20-minute total time limit for all public comments. No action or discussion shall be taken on any item presented except that the Board may respond to statements made or questions asked, or may ask questions for clarification. All matters of an administrative nature will be referred to staff. All matters pertaining to the Board may be scheduled for discussion at a future meeting or referred to staff for clarification or a report, at the pleasure of the Board. If general public comment exceeds the 20 minute time limit, members of the public who have not had the opportunity to speak on items not on this agenda will have the opportunity to do so after the business on the agenda is concluded.

### 3. REPORTS

3a) Ca. Hospital Association Update, 6:15 PM - Judy Leach, President, Adventist Health Mendocino Coast Hospital

Recommended Action: None. This item is for information only.

3b) Board Chair's Report - Paul Garza Jr.

Recommended Action: None. This item is for information only.

Attachments: *The Role of Consumer-Centricity in the Future of Health*

3c) Receive Report on Standing Finance committee activities.

Recommended Action: None. This item is for information only.

Attachments: Draft Finance Committee Meeting Minutes, 3/21/24

3d) Agency Administrator's Report - Katharine Wylie, MS Ed

Recommended Action: None. This item is for information only.

Attachments: *Agency Administrator's Report, 3/28/2024*

### 4. CONSENT CALENDAR

The Consent Calendar will be acted upon by the Board at one time without discussion. Any Board member may request that any item be removed from the Consent Calendar for individual consideration.

ITEMS RECOMMENDED FOR APPROVAL:

4a) Approval of Minutes of the February 29, 2024, Regular Meeting and Special Meeting.  
Recommended Action: Approve Minutes of the February 29, 2024. Regular Meeting and Special Meeting.

Attachments: *February 29, 2024. Regular Meeting Minutes and February 29, 2024, Special Meeting Minutes*

4b) Approval of Board Policy 7, Records Retention Policy, and Appendices A & B.  
Recommended Action: Approve Board Policy 7, Records Retention Policy, and Appendices A & B.

Attachments: *Board Resolution Board Policy 7, Records Retention Policy, and Appendices A & B.*

5. REGULAR CALENDAR

5a) Receive Seismic Compliance Team Progress Report and update on community meetings, Robin Garrity, Props & Measures.

Recommended Action: None. This item is for information only.

Attachments: *Staff Report - Community Outreach Meetings*

5b) Review and Consider Approval of Measure C Committee Official Net Tax Receipts and Approved Allocations as of January 1, 2024. The Measure C Unallocated funds total is \$4,795,559, Measure C Committee Chair Jim Hurst.

Recommended Action: Approve the Measure C Committee Official Net Tax Receipts and Approved Allocations as of January 1, 2024.

Attachments: *Measure C Committee Official Net Tax Receipts and Approved Allocations as of January 1, 2024.*

5c) Review and Consider Approval of Measure C Committee recommendations for Allocation of Measure C Funds: 1) 1/22/24 \$100,000 for Cypress Street Roof and \$230,036 for Foundation purchase of an Ambulance, to be owned by the district; 2) 2/12/24 of \$2,255,428 additional allocations for items listed on the *Adventist Health Report on Building Maintenance and Equipment Expenditures, November 1, 2023*, Measure C Committee Chair Jim Hurst.

Recommended Action: Approve Measure C Committee recommendations for Expenditure of Measure C Funds totaling \$2,585,464; Approve transfer of \$1,521,608 from Measure C Restricted Account to a District unrestricted account, leaving a balance of \$2,210,095 in the Restricted Measure C Account.

Attachments: *Approved Allocations by Measure C Committee as of 2/12/2024; Additional Measure C Allocations for Adventist Health, November 1, 2023 Building Maintenance and Equipment Expenditure Report.*

5d) Receive Balance Sheet, 2/29/24, and Consider approval of the Warrant list, March 2024, Treasurer Sara Spring.

Recommended Action: Consider approval of items on the warrant list.

Attachments: *Balance Sheet, 2/29/24 and Warrant list, March 2024*

5e) Review and Consider Approval of 2024 Standing Committee Meetings Calendar, Chair Paul Garza Jr.

Recommended Action: Approve 2024 Standing Committee Meetings Calendar.

Attachments - Standing Committee Meetings Calendar and Staff Report

5f) Review and Consider Approval of Procurement of Chief Financial Officer Services, Chair Paul Garza Jr.

Recommendation: Approve procurement of contracted Chief Financial Officer services.

Attachments: Staff Report, Pathways to Financial Services Matrix, CFO Scope of Work, Letter of Intent - Wayne Allen, Memorandum on Notices Regarding Financial Reporting - Craig Steele, MCHCD Board Counsel, Memorandum on Financial Management Impacts related to Bonds and Capital Projects - Shin Green, Principal, Eastshore Consultants, LLC, Annual Continuing Disclosure Information Statements for Fiscal Year 2022/23 - Willdan, LLC

## 6. COMMENTS FROM THE BOARD

## 7. ADJOURNMENT

The next Regular Meeting of the Board will be held on April 25, 2024, at 6:00 pm, at the Redwoods Room, 700 River Drive, Adventist Health Mendocino Coast Hospital, Fort Bragg, Ca.

Dated: March 25, 2024



Katharine Wylie, MS Ed  
Agency Administrator, MCHCD



# TAB 3

**Deloitte.**



## The dawn of a new health CEO

**The role of consumer-centricity in the  
Future of Health™**

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# Introduction

In the post-pandemic era, an unprecedented shift is unfolding in health care. Artificial intelligence (AI), virtual health, and retail health are driving disruption, changing consumers' needs, demands, and expectations.

Consumers now anticipate something different *and better* in how they navigate, choose, manage, and experience their health and well-being. As such, consumers are becoming the CEOs of their own health journeys.

Increasingly armed with access to extensive health information and emerging technologies, consumers can make executive decisions around their health and health care navigation—challenging what has been the traditional role of clinician providers and health administrators. More than half of surveyed consumers would be very or extremely likely to tell their doctor when they disagree with them,<sup>1</sup> and 63% would even be willing to switch doctors if they do not like the way their doctor communicates.<sup>2</sup> The implication for organizations in the health care industry is profound: They will be reporting up to the consumer, meaning a reorientation of their model is required.

The imbalance of knowledge and decision-making power will no longer prevent consumers with agency to act on their preferences. In the past, medical knowledge gathered through extensive schooling and experience became a gateway for crucial decision-making. But in a world of Generative AI (GenAI), consumers have knowledgeable copilots helping them make decisions. According to our [2023 Health Care Consumer Survey](#), 53% believe GenAI could improve access to health care, and 46% said it had the potential to make health care more affordable.<sup>3</sup>

Savvy consumers are already leveraging tools and technology to take command of their holistic health. Nearly half of consumers surveyed (48%) said they are using GenAI, with health being one of the top reasons for use.<sup>4</sup> And we anticipate the technology will progressively shift power from providers to consumers, as 16% utilized the technology to better understand treatment options according to data from the Deloitte Center for Health Solutions.<sup>5</sup> Virtual health and retail health will also likely move health decision-making to where consumers can make day-by-day, minute-by-minute health decisions instead of episodic care and sick visits. The result can be consumers gaining more decision-making power for their health and health care.

In the [Future of Health](#),<sup>6</sup> clinicians will evolve from being the central figures in health care decisions to adopting roles akin to coaches. This transformation allows clinician providers to be more patient-focused and spend more time addressing patient concerns and less on administrative tasks. The new role is to motivate, inspire, and optimize care, informed by rich, real-time data and insights. Practicing at the higher end of humanity, they will understand individuals' strengths, weaknesses, histories, and health goals to adapt to unique challenges faced by each patient.

As the industry morphs<sup>7</sup> given heightened consumer pressure, we expect that [health care ecosystems will evolve](#) even more rapidly due to shifting ownership of risk, cost, “shoppable” decisions to consumers, GenAI-enabled democratization of knowledge, and transparency and simplicity in possessing your health data. We believe this period of change will be defined by three “consumer cycles,” giving rise to the Future of Health consumer. In this report, we'll examine the drivers behind the industry reassembly, dive deeper into the consumer cycles, and explore how organizations can take action to thrive in the more equitable, consumer-oriented Future of Health.

# What's driving reassembly around the consumer?

As noted, the evolving landscape of health care is being driven and shaped by three pivotal elements: shifting ownership of decisions, GenAI, and possession of health data. Each of these factors plays a crucial role in reconfiguring the industry to better meet the expectations of today's consumers—and to help address trust in the health care ecosystem.

The financial burden for health care consumers continues to increase, with out-of-pocket spending per capita soaring to \$1,315 in 2021, marking a 10.3% increase from the previous year.<sup>8</sup> This surge in expenses has become a critical point of friction in accessing health care. Faced with escalating costs, individuals are often compelled to make difficult choices about where to allocate their financial resources. Unfortunately, for many, this means forgoing essential health care and well-being services.



1. **Shifting decision ownership.** The increased health care costs, combined with a significant gap of insurance and health literacy, places pressure on consumer trust in the health care ecosystem. Behind the out-of-pocket spend lies a continued evolution of what consumers experience as “shoppable” decisions. While consumers can price and compare options for durable medical equipment and generic drugs, out-of-pocket sticker shock is quickly training consumers to question more and more the health services they consume and the value they get as an individual.
2. **Generative AI.** GenAI also is a primary driver of industry reassembly around the consumer—and, frankly, by the consumer. Unlike traditional AI, GenAI can create novel output that appears to be generated by humans,<sup>9</sup> and some consumers are using GenAI to ramp up their health knowledge rapidly and pursue care options. The technology isn't just an incremental improvement but a significant departure from previous AI models. In the near term, GenAI can help health care organizations manage workforce and elevate routine care clinicians to higher impact care; over the long term, GenAI can help develop entirely new talent and care engagement models. Of course, GenAI is only effective if it is equity-enhancing and trust-promoting. Failure to deliver on both will stunt uptake and slow adoption dramatically. Nearly 80% of surveyed consumers said they would not return to the same health care provider if they had an experience where they lost trust.<sup>10</sup>
3. **Data access and possession.** The Future of Health is being profoundly reshaped by the expanding access to and the utilization of data, pivoting the industry's focus toward a consumer-centric model. This transformation is driven by the increased availability of health-related data, from genomic information to lifestyle and environmental factors. Deloitte research found that about 60% of surveyed consumer households own a wearable device—either a smartwatch or fitness tracker—and 87% of wearable owners use them to track health metrics like heart rate, workout duration, and sleep quality.<sup>11</sup> This democratization of health data is empowering consumers, enabling them to make more informed decisions about their health and wellness, which can lead to improved health outcomes and enhanced patient experiences.

The shift in ownership to consumers, the advanced capabilities of Gen AI, and ready access and management of health data can help collectively pave the way for a more trustworthy, individualized, and accessible health care system. As we move forward, it's imperative that these aspects are addressed holistically to help ensure the successful evolution of health care to meet the diverse needs of all consumers.

## Learning from other industries

As we explore the evolving landscape of health care, it may be helpful to draw parallels with other sectors that have undergone similar transformations. These industries demonstrate how reassembly around the consumer and the building of trust, particularly in technology, have reshaped consumer expectations and experiences.



The financial services industry exemplifies this shift. Consumers today enjoy unprecedented access to information about their financial health. This is largely thanks to the advent of consumer-centric services like mobile banking apps. These platforms have revolutionized how people interact with their finances—from digital wallets and virtual mobile credit cards to the emergence of virtual financial advisers. The barriers that once made financial understanding an exclusive domain are rapidly dissolving, signaling a more inclusive and accessible financial future.



Trust in innovative technologies often starts tentatively but grows as systems and structures evolve to bolster confidence. Consider the journey of online shopping: Initially, there was significant reluctance to provide credit card information over the internet. Over time, through enhanced security measures, stricter regulations, and improved risk management, this hesitancy has largely disappeared. Now, online shopping is a norm, with robust protections against fraudulent charges.

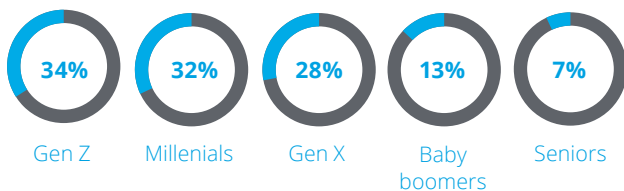


Another pertinent example is the widespread acceptance of GPS technology, Apple Airtag, and navigation apps like Google and Apple Maps. Initially, there was apprehension about sharing location data. However, as these technologies became more sophisticated, convenient, and safe—often at little to no cost—they transformed into indispensable tools for daily life. The transition from asking for directions to relying on real-time, always-on technology epitomizes this shift in trust and dependency.

# Responding to rising consumer expectations

The health care industry stands at a critical juncture, characterized by growing consumer dissatisfaction.

Data from the biennial [Deloitte Survey of US Health Care Consumers](#) speaks volumes: 34% of Gen Z, 32% of millennials, 28% of Gen X, 13% of baby boomers, and 7% of seniors<sup>12</sup> have experienced financial difficulties in managing out-of-pocket health care expenses over the past year. These figures, drawn from extensive surveys, highlight a worrying trend of financial strain across generations.



Source: Deloitte's biennial survey of US consumers and physicians

However, this influx of knowledge is a double-edged sword. While it empowers consumers, it also amplifies their dissatisfaction. The ease of control in other aspects of their lives has led to an unwillingness to accept slow changes in health care. Consumers now expect the same level of immediacy and customization in health care that they experience in other service sectors.

GenAI is revolutionizing health care by enabling precision and nuance in services and products. In an era where consumers are accustomed to highly personalized experiences in other industries (often referred to as the Amazon effect<sup>13</sup>), the health care sector must adapt. Health care services and products will need to be highly specific and configurable to provide an experience that feels uniquely tailored to each individual.

The current state of the health care industry is a reflection of evolving consumer attitudes and expectations. The influx of knowledge and technological advancements are both empowering consumers and challenging the traditional health care paradigms. To meet these evolving demands, the health care industry will likely need to undergo a transformation that prioritizes personalized, transparent, and equitable care.

Consumers are bringing their experience and their executive decision-making power that they have from other industries, and they expect the same in health care—it's driving change.

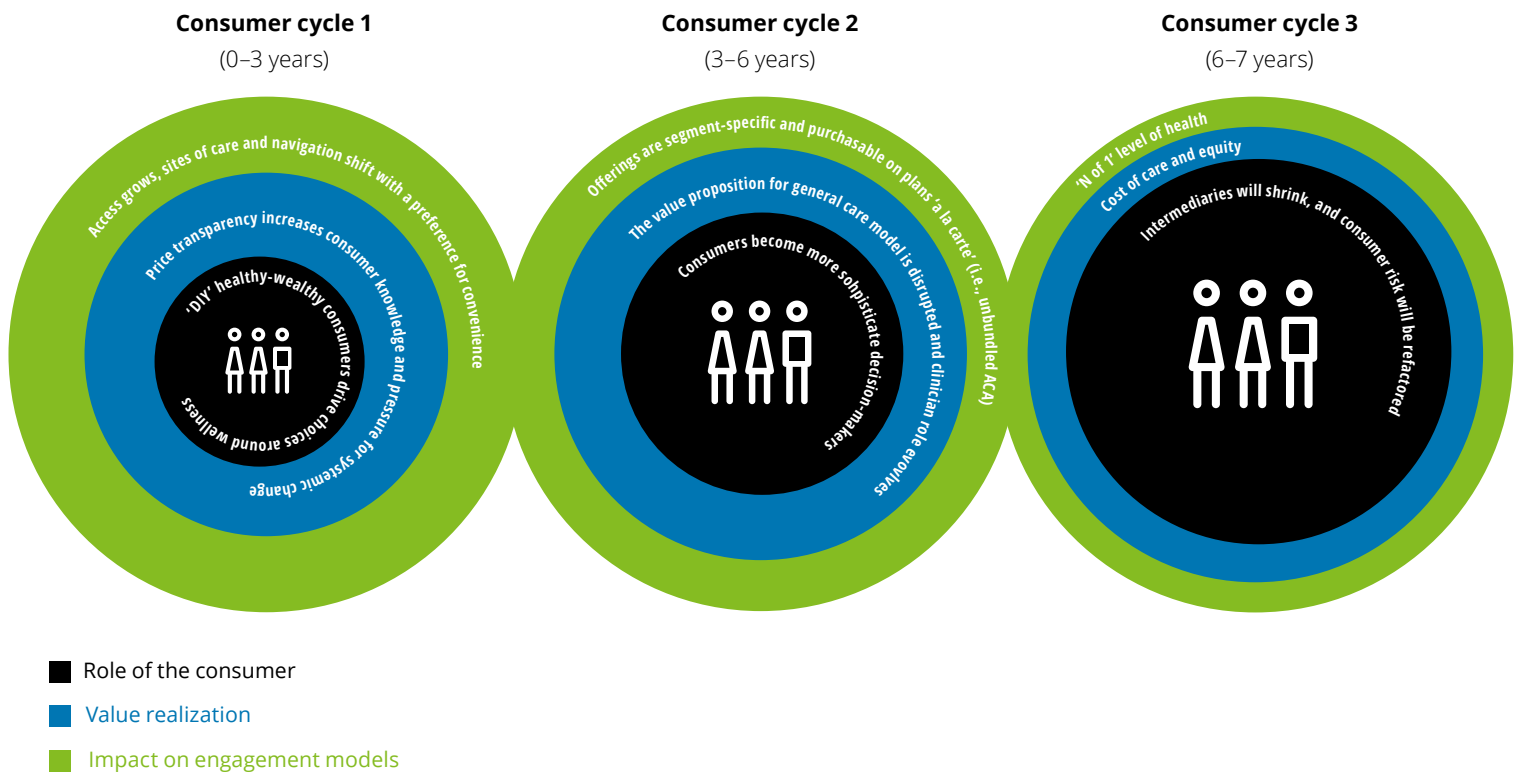




# Unfolding and balancing the industry's power differential

While the path toward a consumer-centric, holistic health experience by 2030 is already taking shape, it is not necessarily linear. Consumers will likely move from nascent self-navigators who drive more “shoppable moments” to evolved health advocates who demand personalized care in a gradual progression. The consumer evolution will be matched by a recasting of industry players that change in size, nature, and focus over time. Rather than a sudden seismic shift, this evolution will occur over the course of three distinct consumer cycles (figure 1).

**Figure 1. Consumer cycles in the Future of Health**





## Consumer cycle 1: The here and now (less intrusive disruption)

The first cycle of disruption in the health care industry, characterized by less intrusive and consumer-centric changes, is underway. This cycle, marked by industry fragmentation, is expected to grow over the next three years and will be driven by new entrants from retail and consumer sectors.

One of the key aspects of this cycle is the emergence of “DIY” health-conscious consumers. According to the biennial Deloitte Survey of US Health Care Consumers, 32% of respondents chose virtual visits because they’re more convenient.<sup>14</sup>

This demographic is making informed choices about their wellness, driving the proliferation of personalized wellness products and experiences. The growing popularity of wearables and digital health services is a testament to this trend, reflecting daily engagement and a heightened focus on personal health monitoring and management.

Transparency in health care is another critical component of this cycle. There’s an increasing demand for price transparency, driven by consumer knowledge and policy changes. This transparency is essential for empowering consumers, allowing them to make more informed decisions. Moreover, advancements in technologies like GenAI are revolutionizing the way health plan benefits are understood and utilized. By bridging gaps in health and health insurance literacy, these technologies simplify complex decisions and facilitate self-service, enhancing consumer empowerment.

The accessibility of health care has improved with the proliferation of convenient care sites like retail clinics, virtual platforms, and home health services, exemplified by One Medical’s hybrid model and tools like ZocDoc, which ease health care navigation.

## Consumer cycle 1 (0–3 years)



### ‘DIY’ healthy-wealthy consumers drive choices around wellness

Proliferation of personalized wellness products and experiences; daily engagement via wearables and digital health

### Price transparency increases consumer knowledge and pressure for systemic change

Policies drive to meet consumer demands for price transparency, providing information to increase shop-ability

### Access grows, sites of care and navigation shift with a preference for convenience

New, non-acute sites emerge; multi-modal care; navigation tools allow independent preferential navigation

## Consumer cycle 2: The savvier health consumer (disrupting general care)

Over the next three to six years, we expect to experience a shift to the second stage, or cycle 2: the savvier health consumer. This cycle is characterized by the emergence of the fully enabled health consumer, a pivotal force disrupting the landscape of general care.

Our data shows 20% of surveyed consumers already use social media for information on public health issues, while only 50% go to their doctor and 21% get information from their health plans.<sup>15</sup> Armed with personal health records and an expanding array of health knowledge, these consumers aren't only more informed but also increasingly demanding in their expectations from health care providers.

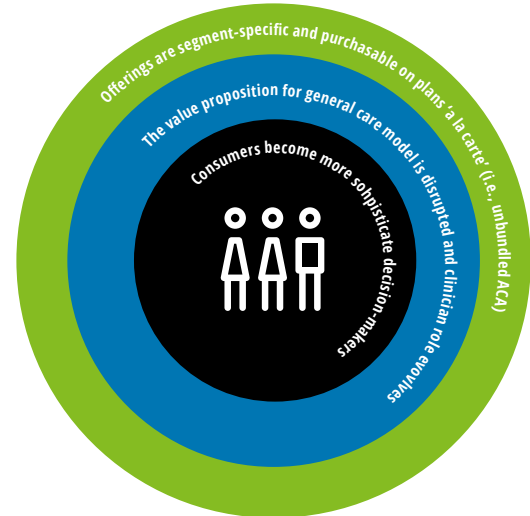
This evolution is fueled by easier access to information and the demand for convenience seen in other industries, compelling consumers to seek more personalized health plans and engage more deeply in their own health management. The traditional general care model faces disruption from these informed consumers, technological advancements such as digital therapeutics and GenAI, and the growing popularity of on-demand and subscription-based models. These innovations have the potential to reduce administrative burdens on clinician providers, potentially enabling them to offer more personalized, one-on-one care.

A significant trend is the segmentation of care offerings, which are increasingly being offered "a la carte" on health plans. This unbundling approach, a departure from the traditional one-size-fits-all model, allows for more customized and specific health care solutions. Companies like Maven Clinic demonstrate this trend, providing tailored offerings built around specific segments. Consequently, health plans are diversifying, offering a broader range of choices, but also introducing lower-cost, higher-risk options for catastrophic care, reflecting a new balance between cost and risk in consumer choices.

Trust plays a vital role in this new era, with consumers placing increased faith in digital solutions, while reassessing their trust in traditional health care and human clinician providers. This distinction marks a fundamental change in the perception and utilization of health care. Cycle 2 represents not just a change in services and models but a fundamental shift in the very ethos of health care provision and consumption.

### Consumer cycle 2

(3–6 years)



#### Consumers become more sophisticated decision-makers

Consumers own their personal health record; sophistication of consumer decision-making increases, asking clinicians and plans more informed questions

#### The value proposition for general care model is disrupted and clinician role evolves

Agency via cash pay; novel health care options such as digital therapeutics; GenAI disrupts traditional providers, on-demand and subscription care models

#### Offerings are segment-specific and purchasable on plans 'a la carte' (i.e., unbundled ACA)

Plans built around specific segments; expanded health plan choices and platforms; catastrophic care option

## Consumer cycle 3: 334 million health executives (universal personalization and equity)

By the year 2030, the health care industry will likely be transformed by cycle 3, a new era of health centered around the consumer. This era is marked by an unprecedented fusion of technology, biology, and personalized care. The core of this transformation is the shift toward far greater individualized care or “N of 1” health modularization, where treatments and health strategies feel uniquely tailored to each person’s needs, utilizing data-driven insights to power individuals’ health journeys. This approach contrasts with the traditional one-size-fits-all model, ensuring that the same health condition can vary significantly between individuals.

This personalized health care will likely be seamlessly integrated into daily life, facilitated by advancements in wearables and digital health technologies. It promotes health consciousness without demanding significant behavioral changes. Another crucial aspect of cycle 3 is the reduction of intermediaries, bringing consumers closer to their care and giving them more control over their health decisions. We’re already seeing early signs of this shift with organizations such as Blue Shield of California’s decision to reduce the degree of benefits control it previously granted to CVS Caremark.<sup>16</sup>

Cost reduction is another considerable benefit of cycle 3, with a focus on integrating equity in health care. Strategies such as subsidized care based on clinical and social determinants of health; new payment models like cash pay, sliding scales, and health stipends; and “N of 1” value-based care are set to emerge. The proliferation of these approaches drives greater choice and ones that are more broadly distributed, ensuring that quality health care is accessible to all, regardless of socioeconomic status.

This cycle of evolution isn’t solely about changing how health care is delivered; it’s about reimagining what health care can be. It’s a vision of a world where everyone, irrespective of their background, has the tools, knowledge, and support to lead healthier, happier lives. Cycle 3 isn’t just a change in health care—it’s a change in how we live.

## Consumer cycle 3 (6–7 years)



### Intermediaries will shrink, and consumer risk will be refactored

Distance between consumers and their care will diminish; fewer choices dictated by plan; consumers take on more financial risk, but options grow

### Cost of care and equity

New payment models emerge; total cost of care decreases as competition increases; meaningful integration of drivers of health into care promotes equity

### ‘N of 1’ level of health

Proliferation of personalized wellness products and experiences; daily engagement via wearables and digital health

## A Future of Health that feels bespoke to the individual

“N of 1” modularization in health care represents the evolution toward personalized care, yet within a framework of mass-produced diagnostics and treatments. This approach acknowledges the unique health care needs of every individual, emphasizing the importance of tailoring care and the financing of that care to what truly matters to the person receiving it. Instead of one-of-a-kind treatments and financing, this model offers a plethora of modular choices—standard, mass-produced options that can be combined in various ways to feel highly specific to the individual.

While nothing in this system is exclusively designed for a single person, the empowerment it offers lies in the ability for individuals to actively participate in shaping their own health experiences. This customization gives the illusion of a highly individualized service. Each choice, drawn from a pool of aggregated solutions, appears custom-made, positioning consumers firmly at the center of their health journeys. The pace and direction of change in this model feel personalized, but they are actually guided by a broader, modular system that caters to individual needs through a combination of universal solutions.

# Actionable strategies for health care ecosystem businesses

As we approach the Future of Health, organizations will likely need to adopt innovative strategies to stay ahead. A key lies in creating or co-creating shoppable moments that cater to the evolving needs of consumers. This approach not only capitalizes on the reassembly of the health sector but also positions health organizations at the forefront of consumer engagement. In recent years, intra- and inter-industry convergence<sup>17</sup> has increased within health (plans, providers, pharmaceuticals, and MedTech) but also between health and consumer, retail, and technology industries. CVS Health's acquisitions of Oak Street Health<sup>18</sup> and Signify Health<sup>19</sup> expand care model optionality across primary and specialty, physical and virtual. Google Cloud is testing GenAI tools to improve caregiver and patient experience with Hackensack Meridian Health<sup>20</sup> as part of their ongoing partnership.

To ensure the consumer is at the center of this transformation, organizations must critically evaluate their messaging and outreach strategies. Are they effectively tailored to reach and engage consumers? Are businesses maximizing consumer-facing channels? In this rapidly changing landscape, four areas demand attention:

1. **Building partnerships and leveraging data:** In an ecosystem where collaboration is essential, forging robust partnerships will likely be key to unlocking new potentials.<sup>21</sup> Integrating platforms across different health sectors, such as pharmaceuticals, health care providers, and technology firms, can lead to innovative solutions. Moreover, using data analytics and GenAI will enable organizations to create more tailored services. This data-driven approach should prioritize privacy and ethical considerations, making it easier for consumers to manage and share their health information securely.
2. **Redefining product offerings:** Health organizations likely need to move beyond traditional services and products to meet the dynamic needs of today's consumers. This involves creating offerings that are not just medically effective but also user-friendly, customizable, and digitally accessible. By incorporating consumer feedback and health data trends into product design, organizations can ensure that their offerings are both relevant and engaging. This approach also includes using digital platforms to provide health education, thereby empowering consumers to make informed choices about their health and wellness.
3. **Changing engagement models:** In today's digital age, engagement must extend beyond the clinic or hospital. Incorporating health interventions into everyday digital channels—like social media, mobile apps, high-touch customer service, and online communities—can significantly increase consumer engagement.<sup>22</sup> These platforms should offer seamless user experiences and provide access to real-time health data, advice, and support. Furthermore, these models should emphasize preventive care and wellness, promoting a more proactive approach to health management. Companies will need to consider what models to invest in for the greatest level of engagement.
4. **Revamping go-to-market strategies:** To effectively reach and influence today's consumers, health organizations should rethink their market strategies. This involves not just advertising and promotion but also understanding the consumer journey and touchpoints. Engaging in cross-industry collaborations, such as partnerships with tech companies or wellness brands, can open new avenues for consumer engagement. Additionally, leveraging digital marketing tools and data analytics will help in crafting more personalized and impactful marketing campaigns. This approach should be adaptive, evolving with consumer trends and technological advancements.

# The Future of Health ushers in a newly empowered health executive

This vision for the Future of Health, though bold, aligns with the inevitable forces of change shaping our industry. The transformation hinges on placing the consumer at the center of the health ecosystem, a significant shift from traditional systems. We believe change isn't just inevitable but essential.

However, the biggest challenge for health organizations will likely be adapting to the shifting consumer expectations and the growing empowerment of patients. Patients are no longer passive recipients of health care; they are becoming the executives of their health decisions, demanding products and services that are essential to their comprehensive health journey.

The time is ripe for a paradigm shift toward a world not only where health care is equitable and centered on the consumer but also where consumers are actively leading their health narrative. It's not just an opportunity; it's an imperative. The Future of Health isn't just about making knowledge accessible to consumers—it's about empowering consumers to become active participants in their health journeys.



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# Endnotes

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20. Google Cloud, "[Hackensack Meridian Health deploys Google Cloud's generative AI tools to improve caregiver and patient experiences](#)," press release, August 29, 2023.
21. Simon Gisby et al., "[New business models in health care: Building platform-enabled ecosystems](#)," Deloitte Insights, February 24, 2022.
22. Deloitte, "[The future of customer engagement in biopharma: Thinking beyond CRM](#)," accessed November 29, 2023.









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FINANCE COMMITTEE MEETING OF THE BOARD OF DIRECTORS  
MENDOCINO COAST HEALTH CARE DISTRICT  
MINUTES

Thursday, March 21, 2024, at 1:00 PM  
MCHCD Office, Adventist Health Mendocino Coast Hospital Campus  
775 River Drive, Fort Bragg, CA.

**1. OPEN SESSION**

Chair Spring called the meeting to order at 1:08 p.m.

This meeting was held in-person and by teleconference in accordance with the Brown Act.

Committee Present: Chair Sara Spring Susan Savage  
Members of the public Present: Terry Ramos, Linda Williams, Toby Wade

Management Team: Agency Administrator Katharine Wylie, MS Ed.

The Agenda was approved as distributed.

**2. PUBLIC COMMENT FOR ITEMS ON THE AGENDA**

Mr. Ramos spoke to the need for complete financial reports.

Miss Williams spoke to the timing of publishing the meeting packet.

**3. NEW BUSINESS**

I. The Committee discussed plans for developing the 2023-24 budget, with Chair Spring noting that it is an authorizing budget and spending may not occur without board authorization. No Budget to Actual report was available.

II. The Committee discussed the Profit and Loss Statement.

Mr. Ramos questioned a \$-4,929,239.42 Net Revenue. Chair Spring agreed to research and report back.

III. The Committee discussed the status of Audits. Chair Spring reported that a Trial balance was submitted to DZA Auditors. DZA will begin the Audit in May 2024.

IV. The committee discussed the Current Status of the Accounts payable list. Chair Spring reported that the IGT money will be received within the next 30 days. Chair Spring reported that all accounts except California Bank of Commerce accounts will be closed within 30 days. Chair Spring reported that California Bank of Commerce staff will

provide a report which documents the receipt of monies from other Banking institutions into the district's various Bank of Commerce Accounts.

V. The committee discussed committee member recruitments.

VI. The committee established a regular monthly meeting calendar: 4/18/24, 5/23/24, 6/20/24, 7/18/24, 8/22/24, 9/18/24 and 10/24/24.

There were no further Committee member comments.

The meeting was adjourned at 2:59 pm.

Respectfully Submitted,

---

Susan Savage, Secretary

District Budget for Fiscal Year 2023

Adopted June 30, 2022

Cash Flow by Month

Notes

**Receipts**

AH Lease Payment

Measure C Parcel Tax

District Tax Receipts

TOTAL PER MONTH

No CPI adjustment

Net includes deduction of fees

CY 2022

**FY2023**

July

Aug.

Sept.

	July	Aug.	Sept.
AH Lease Payment	\$ 875,000	<i>already received</i>	
Measure C Parcel Tax		\$ 135,250	
District Tax Receipts		\$ 64,058	
TOTAL PER MONTH	\$ 875,000	\$ 199,308	\$ -

**Outlays**

Special Parcel Tax Fee, 2% Mendo Co.

CPI

cap

Improvements Fund (maintenance)

Revenue Bonds- Refinanced 2016

HELP II Loan

United Health Group

Feasibility Study for Healthcare Facility

Board Budget Allocation

TOTAL PER MONTH

4.2% 3.0%  
P&I annual  
Fixed monthly payments

	July	Aug.	Sept.
Special Parcel Tax Fee, 2% Mendo Co.		\$ 2,705	
Improvements Fund (maintenance)	\$ 1,091,800		
Revenue Bonds- Refinanced 2016	\$ 46,933	\$ 46,933	\$ 46,933
HELP II Loan	\$ 13,802	\$ 13,802	\$ 13,802
United Health Group	\$ 223,650		
Feasibility Study for Healthcare Facility	\$ 200,000		
Board Budget Allocation	\$ 250,000		
TOTAL PER MONTH	\$ 1,452,535	\$ 63,440	\$ 60,735

NET CASH FLOW

Cumulative Restricted Capital Fund (est.)

NET CASH FLOW	Previous Balance	\$ (577,535)	\$ 135,867	\$ (60,735)
Cumulative Restricted Capital Fund (est.)	\$ 1,000,000	\$ 422,465	\$ 558,332	\$ 497,597

CY 2023

CY 2023									Annual
Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	
			\$ 875,000						\$ 1,750,000
			\$ 866,250			\$ 598,500			\$ 1,575,000
			\$ 503,309			\$ 347,741			\$ 915,108
\$ -	\$ -	\$ -	\$ 2,244,559	\$ -	\$ -	\$ 946,241	\$ -	\$ -	\$ 4,265,108
			\$ 17,325			\$ 11,970			\$ 32,000
			\$ 1,091,800						\$ 2,183,600
\$ 46,933	\$ 46,933	\$ 46,933	\$ 46,933	\$ 46,933	\$ 46,933	\$ 46,933	\$ 46,933	\$ 46,933	\$ 563,200
\$ 13,802	\$ 13,802	\$ 13,802	\$ 13,802	\$ 13,802	\$ 13,802	\$ 13,802	\$ 13,802	\$ 13,802	\$ 165,624
						\$ 223,650			\$ 223,650
			\$ 100,000					\$ 50,000	\$ 200,000
									\$ 250,000
\$ 60,735	\$ 60,735	\$ 60,735	\$ 1,269,860	\$ 60,735	\$ 60,735	\$ 296,355	\$ 60,735	\$ 110,735	\$ 3,618,074
\$ (60,735)	\$ (60,735)	\$ (60,735)	\$ 974,699	\$ (60,735)	\$ (60,735)	\$ 649,886	\$ (60,735)	\$ (110,735)	\$ 647,034
\$ 436,861	\$ 376,126	\$ 315,391	\$ 1,290,090	\$ 1,229,354	\$ 1,168,619	\$ 1,818,505	\$ 1,757,769	\$ 1,647,034	\$ 1,647,034

Adopted June 30, 2022

Cash Flow by Month

Notes

CY 2022						
FY2023						
July	Aug.	Sept.	Oct.	Nov.	Dec.	

Cash Flow by Month

*inflation rate* 10%

**Receipts**

Allocation from District Budget	\$ 250,000	\$ 250,000							
Dividend from LAIF investments									
Total Receipts	\$ 250,000	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Expenses**

	<i>Last year</i>	<i>New</i>							
Employee costs		\$ 62,640	\$ 5,220	\$ 5,220	\$ 5,220	\$ 5,220	\$ 5,220	\$ 5,220	\$ 5,220
Payroll Expenses		12%	\$ 626	\$ 626	\$ 626	\$ 626	\$ 626	\$ 626	\$ 626
Legal Services	\$ 150,000	\$ 50,000	\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,167
Contributions to HRA accounts (max)	4 x \$600/month		\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400
Annual Fee to P&A	1,000								
Financial Services K. McKee & Co.	\$ 2,500		\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300
Beta Insurance -- D&O	\$ 22,022	\$ 23,123							
Beta Insurance -- Tail Health Care Liability	\$ 10,189	\$ 10,393	\$ 866	\$ 866	\$ 866	\$ 866	\$ 866	\$ 866	\$ 866
DZA Audit	\$ 26,500	\$ 19,500		\$ 19,500					
County Property Tax Administrative Services	\$ 16,680								
BNY Mellon	\$ 3,075								
Willdan Financial Services	\$ 3,950								
Office Expenses	\$ 100	\$ 600	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50
Utilities		\$ 1,000	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83
Storage per month	\$ -	\$ 720	\$ 720	\$ 720	\$ 720	\$ 720	\$ 720	\$ 720	\$ 720
Board training	\$ -								
Rackspace server	\$ 105	\$ 105	\$ 105	\$ 105	\$ 105	\$ 105	\$ 105	\$ 105	\$ 105
Streamline (website management)	\$ -	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100
CA Special Districts Association	\$ -	\$ 3,154	\$ 3,154						
Sum of Expenses			\$ 17,791	\$ 14,637	\$ 34,137	\$ 14,637	\$ 14,637	\$ 14,637	\$ 14,637
Contingency	10%		\$ 1,779	\$ 1,464	\$ 3,414	\$ 1,464	\$ 1,464	\$ 1,464	\$ 1,464

Net Operating Balance

Cumulative Cash Flow

\$ 230,429	\$ (16,101)	\$ (37,551)	\$ (16,101)	\$ (16,101)	\$ (16,101)	\$ (16,101)
\$ 230,429	\$ 214,328	\$ 176,777	\$ 160,676	\$ 144,574	\$ 128,473	

CY 2023					
Jan.	Feb.	Mar.	Apr.	May	June

Annual

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250,000
\$ 5,220	\$ 5,220	\$ 5,220	\$ 5,220	\$ 5,220	\$ 5,220	\$ 62,640
\$ 626	\$ 626	\$ 626	\$ 626	\$ 626	\$ 626	\$ 7,517
\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,167	\$ 50,000
\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400	\$ 28,800
\$ 1,250						\$ 1,250
\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 3,600
				\$ 23,123		\$ 23,123
\$ 866	\$ 866	\$ 866	\$ 866	\$ 866	\$ 866	\$ 10,393
						\$ 19,500
					\$ 16,680	\$ 16,680
\$ 3,075						\$ 3,075
\$ 2,585						\$ 2,585
\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 600
\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 1,000
\$ 720	\$ 720	\$ 720	\$ 720	\$ 720	\$ 720	\$ 8,640
\$ 1,000						\$ 1,000
\$ 105	\$ 105	\$ 105	\$ 105	\$ 105	\$ 105	\$ 1,260
\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 1,200
						\$ 3,154
\$ 22,547	\$ 14,637	\$ 14,637	\$ 14,637	\$ 37,760	\$ 31,317	\$ 246,017
\$ 2,255	\$ 1,464	\$ 1,464	\$ 1,464	\$ 3,776	\$ 3,132	\$ 24,602
\$ (24,802)	\$ (16,101)	\$ (16,101)	\$ (16,101)	\$ (41,537)	\$ (34,449)	\$ (20,618)
\$ 103,671	\$ 87,570	\$ 71,468	\$ 55,367	\$ 13,831	\$ (20,618)	

# Mendocino Coast Health Care District

## Statement of Activity July 2023 - February 2024

	JUL 2023	AUG 2023	SEP 2023	OCT 2023	NOV 2023	DEC 2023	JAN 2024	FEB 2024	TOTAL
<b>Revenue</b>									
Hospital Lease Income	875,000.00								\$875,000.00
Property Tax Income			199,296.41						\$199,296.41
Uncategorized Income							177,169.00		\$177,169.00
<b>Total Revenue</b>	<b>\$875,000.00</b>	<b>\$0.00</b>	<b>\$199,296.41</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$177,169.00</b>	<b>\$0.00</b>	<b>\$1,251,465.41</b>
<b>GROSS PROFIT</b>									
	<b>\$875,000.00</b>	<b>\$0.00</b>	<b>\$199,296.41</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$177,169.00</b>	<b>\$0.00</b>	<b>\$1,251,465.41</b>
<b>Expenditures</b>									
Adventist Health Improvements Payment	1,092,727.00						1,092,727.00		\$2,185,454.00
Bank Charges	20.39	18.82	15.03	677.24	3,318.22	661.39	1.00		\$4,712.09
Bond reporting expenses	1,500.00	750.00				825.00			\$3,075.00
Bookkeeping	868.75	750.00	750.00	995.00	995.00	995.00	995.00	995.00	\$7,343.75
COMMUNICATION	400.00		400.00		400.00	400.00		800.00	\$2,400.00
Dues & Memberships							6,500.00		\$6,500.00
HRA Expenses	1,000.00	267.04		487.50		3,124.78	1,075.22	109.75	\$6,064.29
Interest Expense	1,310.06	1,289.24	1,268.38	1,247.49	2,660.82		1,205.61		\$8,981.60
Legal fees	2,275.00	1,250.00	975.00	1,100.00	250.00	3,217.50	2,062.50		\$11,130.00
Liability Insurance	935.42	935.42	1,870.84	935.42	935.42	935.42	935.42	935.42	\$8,418.78
Measure C Rebate						-800.73			\$ -800.73
Melio Credit card fee			3.00	12.25	3.00	10.79			\$29.04
Office Supplies & Software	3,233.00	245.00	245.00	731.44		570.27		72.54	\$5,097.25
Other Business Expenses	262.95			1,693.84					\$1,956.79
Education		850.00	1,850.00	1,079.13			-750.00		\$3,029.13
<b>Total Other Business Expenses</b>	<b>262.95</b>	<b>850.00</b>	<b>1,850.00</b>	<b>2,772.97</b>			<b>-750.00</b>		<b>\$4,985.92</b>
Postage								459.20	\$459.20
Professional Fees	43,814.50	2,400.00	25,683.13	34,470.09	35,713.50	77,146.00	62,389.00	1,087.50	\$282,703.72
Storage Fees	720.00	720.00	720.00	720.00	720.00	720.00	720.00	720.00	\$5,760.00
SUSPENSE								400.00	\$400.00
Utilities	93.21			280.26				330.00	\$703.47
<b>Total Expenditures</b>	<b>\$1,149,160.28</b>	<b>\$9,475.52</b>	<b>\$33,780.38</b>	<b>\$44,429.66</b>	<b>\$44,995.96</b>	<b>\$87,805.42</b>	<b>\$1,167,860.75</b>	<b>\$5,909.41</b>	<b>\$2,543,417.38</b>
<b>NET OPERATING REVENUE</b>	<b>\$ -274,160.28</b>	<b>\$ -9,475.52</b>	<b>\$165,516.03</b>	<b>\$ -44,429.66</b>	<b>\$ -44,995.96</b>	<b>\$ -87,805.42</b>	<b>\$ -990,691.75</b>	<b>\$ -5,909.41</b>	<b>\$ -1,291,951.97</b>
<b>Other Revenue</b>									
Dividends	382.14	403.21							\$785.35
Interest Earned	0.59	0.59	0.57	15.00	1.81	-14.29	6.89		\$11.16
Other Income		95,238.10							\$95,238.10
<b>Total Other Revenue</b>	<b>\$382.73</b>	<b>\$95,641.90</b>	<b>\$0.57</b>	<b>\$15.00</b>	<b>\$1.81</b>	<b>\$ -14.29</b>	<b>\$6.89</b>	<b>\$0.00</b>	<b>\$96,034.61</b>



# Mendocino Coast Health Care District

## Statement of Activity July 2023 - February 2024

	JUL 2023	AUG 2023	SEP 2023	OCT 2023	NOV 2023	DEC 2023	JAN 2024	FEB 2024	TOTAL
Other Expenditures									
Need To Verify					611.06	381.53	3,732,329.47		\$3,733,322.06
<b>Total Other Expenditures</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$611.06</b>	<b>\$381.53</b>	<b>\$3,732,329.47</b>	<b>\$0.00</b>	<b>\$3,733,322.06</b>
NET OTHER REVENUE	<b>\$382.73</b>	<b>\$95,641.90</b>	<b>\$0.57</b>	<b>\$15.00</b>	<b>\$ -609.25</b>	<b>\$ -395.82</b>	<b>\$ -3,732,322.58</b>	<b>\$0.00</b>	<b>\$ -3,637,287.45</b>
NET REVENUE	<b>\$ -273,777.55</b>	<b>\$86,166.38</b>	<b>\$165,516.60</b>	<b>\$ -44,414.66</b>	<b>\$ -45,605.21</b>	<b>\$ -88,201.24</b>	<b>\$ -4,723,014.33</b>	<b>\$ -5,909.41</b>	<b>\$ -4,929,239.42</b>

Current Bills Status: March 21, 2024

Vendor Name	Balance	Status	
BETA Healthcare Group		Autopay	
<b>Braggadoon Signs and Graphics</b>	320.82	Pd 3/20/24	
California Health Facilities Financing Authority	13,802.02/ mo	Autopay	HELPII
California Secretary of State			
California Special Districts Association			
<b>Devenney Group</b>	49,139.00		
Dingus Zarecor & Associates			
<b>Eastshore Consulting</b>			
<b>EMC Research</b>	\$26,500.00	Pd \$13,250 3/20/2024	
<b>K. McKee &amp; Co, Inc.</b>	\$750/mo	Autopay	
<b>MCN</b>			
Melio		Autopay	
Mendocino Unified School District			
<b>Mendo Litho</b>	291.92	Pd 3/20/2024	
P & A Administrative Services, Inc.			
Paul Garza, Jr.			
<b>Pelican Storage</b>	827.00	Pd 3/20/2024	
Petrak & Associates, Inc			
<b>Props &amp; Measures</b>	12,300.00	Pd by check	
Rackspace		Autopay	
Redwood Roofers	68,569.50	Pd by check	
<b>Regional Governmental Services</b>	5,760.55		

Current Bills Status: March 21, 2024

RWG Law			
Sara Spring	959,93	Pending receipts	
State of California, Office of Statewide Health Planning and Development			
Streamline		Autopay	
The Bank of New York Mellon			
Tri Counties Bank			
USPS			
Willdan Financial Services			
Zoom			

## Agency Administrator's Report

March 28, 2024

### Community Listening Sessions - Westport (Attach press release and handouts)

At a community meeting in Westport last Tuesday evening, Fire Chief Dan Maxey highlighted the importance of immediate medical response, primarily handled by volunteers and the need for financial support for the fire district and additional medical personnel. . He spoke of the community's preference for privacy. Barriers to good health included a lack of funding for services and infrastructure. Chief Maxey proposed a public awareness campaign for visitors to the area, which could be undertaken by the district, with his help. He also suggested economic support from the district to fund emergency services and training initiatives for Emergency Medical Technicians (EMTs). The vast service area of Westport was discussed, underscoring the need for greater support and awareness of the limitations for emergency services on the northern end of the Mendocino Coast healthcare district.

Coast residents are invited to attend one of the several MCHCD community meetings scheduled over the next several weeks. Additional meetings will be held in Comptche, Elk and Mendocino. A full schedule of meetings will be available in the coming weeks.

Tuesday, April 2 (English), 6:00pm – 7:30pm  
Thursday, April 4 (Spanish), 6:00pm – 7:30pm  
Town Hall, 363 N. Main Street, Fort Bragg

Wednesday, April 10, 6:00pm – 7:30pm  
Caspar Community Center, 15051 Caspar  
Road

### 515 Cypress Drive Emergency Re-Roofing Project

The Cypress Drive re-roofing project has been completed. Since this district will inevitably have to contract for other prevailing-wage projects in the future, an account for the district has been established with Sourcewell. Cooperative purchasing is “Procurement conducted by, or on behalf of, one or more Public Procurement Units” as defined by the American Bar Association Model Procurement Code for State and Local Governments. Sourcewell streamlines the procurement process by developing RFPs and IFBs for national, competitive solicitations that meet or exceed local requirements.

### MCHCD Board Member Vacancy

The purpose of the Mendocino Coast Health Care District is to support thriving, healthy communities on the coast by ensuring continuous, accessible, high-quality, sustainable

health care. We are the body responsible for the hospital facilities in Fort Bragg currently leased to Adventist Health.

The Mendocino Coast Health Care District is governed by a 5-member Board of Directors elected by voters in the District. The current available position is to complete the term of a vacancy created by a resignation. The applicant appointed by the Board to this vacancy will serve until the next regular election in November 2024. The Board meets 1-2 times a month, usually in the evening for approximately 3 hours. Board members also have other duties as agreed to accomplish the work of the Board between meetings. For information on the district, future and past meetings, please visit our website at [www.mchcd.org](http://www.mchcd.org).

We seek a community-minded, solution-oriented, collaborative individual with an interest in health care to join us who is a registered voter and a resident of the health care district. We are particularly interested in participation by members of our growing African American, Latino, and Native American communities. But anyone interested in serving our community by joining the MCHCD Board of Directors is encouraged to apply **by April 17, 2024** to be considered for appointment. If you are interested or would like to know more, please contact Paul Garza Jr., Chair, Board of Directors, [info@mcdh.org](mailto:info@mcdh.org).

### **2023 Annual Continuing Disclosure Information Statement, 3/26/2024**

Dan Davies, disclosure consultant at Willdan Financial Services has issued a report to BNY Mellon Trust Company, N.A. Although the district has not yet been able to provide financial information in a timely manner, this satisfies a part of the ongoing reporting required by the 2016 Election of 2000 GO Refunding Bonds. As of February 28, 2024 the balance on the 2016 bond is \$3,600,000. The entire report is attached to this document.

### **2025 Website Requirements & .gov Website Address**

For a fee, anyone can register a .com, .org, or .us domain. This can make it hard for the public to know if the people behind an online service are who they claim to be. .Gov domains are different because they're only available to U.S.-based government organizations. The public shouldn't have to guess whether the site they're on, or the email in their inbox, is genuine. Use of the .gov top-level domain can help reduce uncertainty and helps the public identify official, trusted information.

As required by January 2025, The transition work to identify this special district as a government organization has begun, with the corrected use of a new website address: [www.mchcd.gov](http://www.mchcd.gov), and a new email domain: [example@mchcd.gov](mailto:example@mchcd.gov), and should be completed soon.

*Katharine (Kathy) Wylie, MS Ed.*  
*Agency Administrator*  
*Mendocino Coast Health Care District*



FOR IMMEDIATE RELEASE  
March 15, 2024

CONTACT: Kathy Wylie  
kwylie@mcdh.org  
650-587-7300 x128

## **Coast Health Care District Wants to Hear from You**

The Mendocino Coast Health Care District board members have scheduled a series of community meetings to learn directly from Coast residents how they can support healthy communities on the Coast by ensuring continuous, accessible, high-quality sustainable health care. Mendocino Coast Health Care District (MCHCD) has gone through major changes in the past five years. In 2020 the MCHCD contracted with Adventist to manage our community coast hospital. The hospital facilities are 52 years old and in need of major repairs and upgrades that would ensure the continued delivery of health care on the Coast. In addition, the state of California has mandated that all hospital facilities across the state be updated to current seismic and earthquake standards by 2030.

Coast residents are invited to attend one of the several MCHCD community meetings scheduled over the next several weeks:

- **Tuesday, March 26**, 6:00pm – 7:30pm  
**Westport Fire Station**, 37551 N. Hwy 1
- **Tuesday, April 2 (English)**, 6:00pm – 7:30pm  
**Thursday, April 4 (Spanish)**, 6:00pm – 7:30pm  
**Town Hall**, 363 N. Main Street, Fort Bragg
- **Wednesday, April 10**, 6:00pm – 7:30pm  
**Caspar Community Center**, 15051 Caspar Road

Additional meetings will be held in Comptche, Elk and Mendocino. A full schedule of meetings will be available in the coming weeks.

###

## Está invitado

a una Reunión Comunitaria sobre Salud  
una conversación sobre el estado de  
nuestra atención médica y recursos  
médicos en la costa de Mendocino

Jueves 4 de Abril

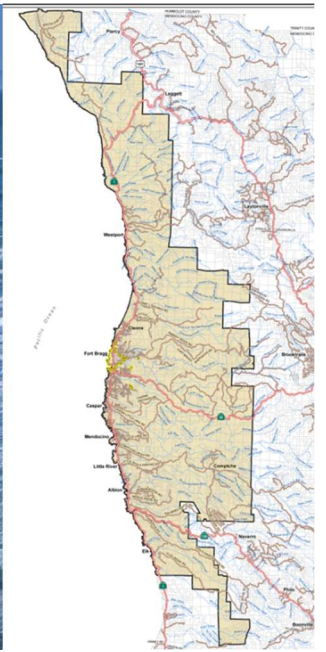
6:00 - 7:30

Town Hall 363 North Main Street

Facilitadora Loreto Rojas

***Comparta sus opiniones sobre el estado de la atención médica en la costa de Mendocino, cuáles son los servicios médicos críticos que necesita su familia y cualquier barrera que le impida a usted y a su familia recibir o mantener una buena salud o un estilo de vida saludable. Los facilitadores y organizadores de reuniones también compartirán actualizaciones sobre los requisitos estatales para el hospital a prueba de terremotos.***





## VACANCY – MENDOCINO COAST HEALTH CARE DISTRICT BOARD

The purpose of the Mendocino Coast Health Care District is to support thriving, healthy communities on the coast by ensuring continuous, accessible, high-quality, sustainable health care. We are the body responsible for the hospital facilities in Fort Bragg currently leased to Adventist Health.

The Mendocino Coast Health Care District is governed by a 5-member Board of Directors elected by voters in the District. The current available position is to complete the term of a vacancy created by a resignation. The applicant appointed by the Board to this vacancy will serve until the next regular election in November 2024. The Board meets 1-2 times a month, usually in the evening for approximately 3 hours. Board members also have other duties as agreed to accomplish the work of the Board between meetings. For information on the district, future and past meetings, please visit our website at [www.mchcd.org](http://www.mchcd.org).

We seek a community-minded, solution-oriented, collaborative individual with an interest in health care to join us who is a registered voter and a resident of the health care district. We are particularly interested in participation by members of our growing African American, Latino, and Native American communities. But anyone interested in serving our community by joining the MCHCD Board of Directors is encouraged to apply **by April 17, 2024**, to be considered for appointment.

### **If you are interested or would like to know more**

*please contact*

Paul Garza Jr., Chair, Board of Directors  
email: [info@mcdh.org](mailto:info@mcdh.org)



Mendocino Coast Health Care District (MCHCD) supports thriving, healthy communities on the Coast by ensuring continuous, accessible, high-quality, sustainable health care. In 2020, due to the uncertainty surrounding the hospital's finances and future, MCHCD contracted with Adventist Health, a large health care network with stable financial and professional resources. Adventist Health Mendocino Coast is a key component of health care services along the Coast, is the largest employer in the region and provides a broader range of services than most Critical Access Hospitals typical in other rural communities.

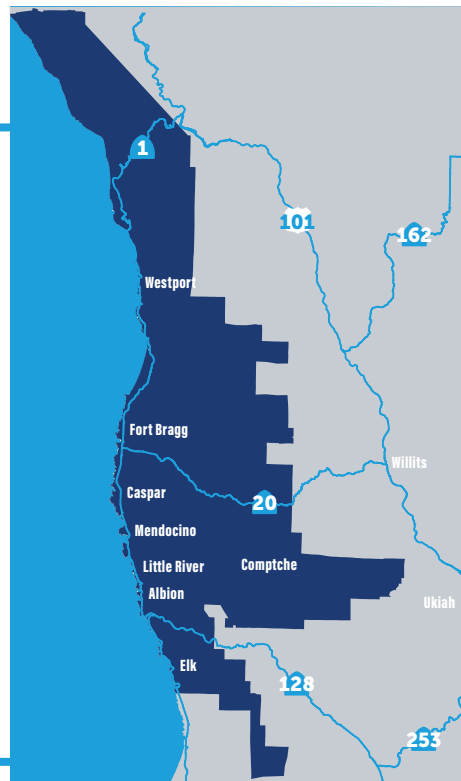
### Major Facility Upgrades and Repairs are Needed in Our Local Hospital Facilities

Some of the hospital facilities are 52 years old and need major repairs and upgrades. In addition to several major maintenance projects and desired capital improvements, the State of California has mandated that all hospitals must be updated to current seismic standards by 2030 or they will be forced to close. (SB 1953) Failure to upgrade or replace our local hospital buildings could result in the closure of the hospital and clinic.

MCHCD is working to identify additional funding sources to meet its goal of upgrading the hospital's facilities in time to meet State law requirements, to avoid potentially closing the hospital. The closure of our local hospital would be a severe detriment to our community. The nearest other hospitals for emergency services are in Willits and Ukiah, and both are 45 minutes to one hour or more away.

### Potential Source of Local Funding

While no decisions have been made at this time, in order to keep the local hospital open, the MCHCD Board of Directors is exploring the options around repairing and upgrading the current hospital facilities as well as a variety of modernization projects that could provide expanded services to our community. One option is a potential bond measure to provide dedicated local funding to repair and upgrade our local hospital that cannot be taken away by the State or used for other purposes. A potential bond measure would require a detailed project list showing how funds would be used and fiscal reporting and oversight would ensure that funds are spent as permitted. However, MCHCD has not made any decision to move forward with a bond measure.



### We Value Your Input

As we plan for the future of our local hospital and other health care needs on the Coast, we want to hear from you. To share your opinions or to ask questions, contact MCHCD Administrator, Kathy Wylie, at [kwylie@mchcd.org](mailto:kwylie@mchcd.org). Learn more at [www.mchcd.org/facilities](http://www.mchcd.org/facilities).

El Distrito Médico de la Costa de Mendocino (MCHCD) apoya a las comunidades prósperas y saludables de la Costa garantizando una atención médica continua, accesible, sostenible y de alta calidad. En 2020, debido a la incertidumbre de finanzas y el futuro del hospital, MCHCD contrató a Adventist Health, una gran red de atención médica con recursos financieros y profesionales estables. Adventist Health Mendocino Coast es un componente clave de los servicios de atención médica de la costa, es el empleador más grande de la región y brinda una gama más amplia de servicios que la mayoría de los hospitales de acceso crítico típicos de otras comunidades rurales.

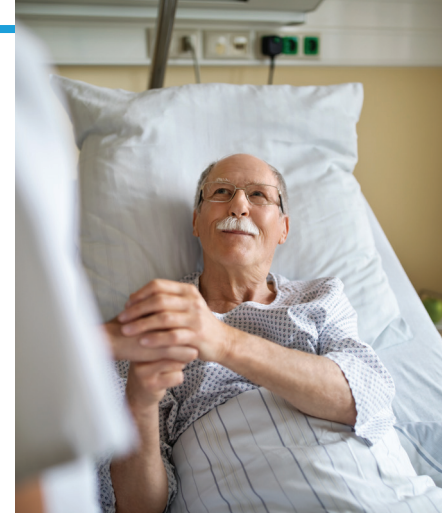
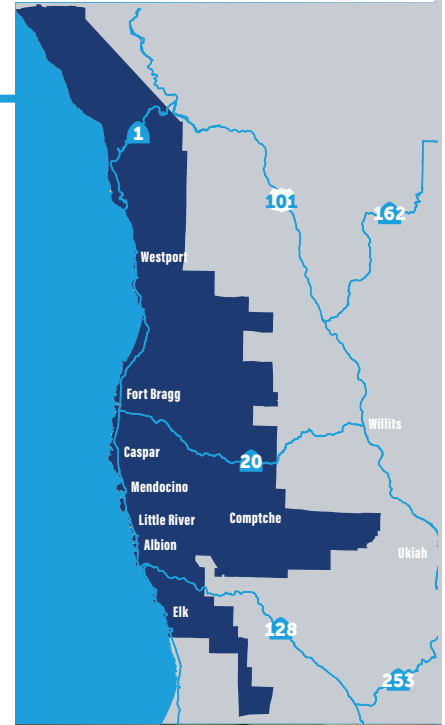
### Se Necesitan Mejoras y Reparaciones Importantes En Nuestras Instalaciones Hospitalarias

Algunas de las instalaciones del hospital tienen 52 años y necesitan reparaciones y mejoras grandes. Además de mantenimiento y mejoras de capital necesarias, el estado de California ha ordenado que todos los hospitales se actualicen a los estándares sísmicos actuales para el año 2030 o serán obligados a cerrar. (SB 1953) No mejorar o reemplazar los edificios de nuestro hospital podría resultar en el cierre del hospital y clínica.

MCHCD está trabajando para identificar fuentes de financiamiento adicionales para cumplir su objetivo de mejorar las instalaciones del hospital a tiempo para cumplir con los requisitos de la ley estatal, para evitar el posible cierre del hospital. El cierre de nuestro hospital local sería un grave perjuicio para nuestra comunidad. Los otros hospitales más cercanos para servicios de emergencia están en Willits y Ukiah, y ambos están entre 45 minutos y una hora, o más.

### Potencial Recurso de Financiamiento Local

La Junta Directiva de MCHCD está explorando opciones de finanzas para reparar y mejorar las instalaciones hospitalarias actuales, incluso varios proyectos de modernización que podrían brindar servicios ampliados a nuestra comunidad. Una opción es una medida de bonos para proporcionar fondos locales dedicados solo a reparar y mejorar nuestro hospital que no se podrán utilizar para otros fines. Una posible medida de bonos requeriría una lista detallada de proyectos que muestre cómo se utilizarían los fondos. Incluso, la medida de bonos requeriría supervisión y informes fiscales para garantizar que los fondos se gasten según permitido. En este momento, MCHCD no ha tomado decisión de seguir adelante con una medida de bonos.

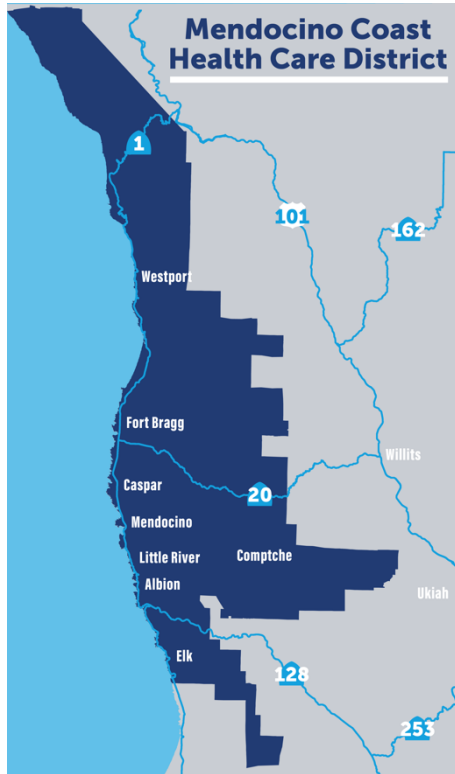


### Valoramos Su Opinión

Queremos saber su opinión mientras planificamos el futuro de nuestro hospital local y otras necesidades de atención médica en la Costa. Para compartir sus opiniones o hacer preguntas, comuníquese con la administradora de MCHCD, Kathy Wylie por correo electrónico a [kwylie@mchcd.org](mailto:kwylie@mchcd.org). Obtenga más información en [www.mchcd.org/facilities](http://www.mchcd.org/facilities).

## Mendocino Coast Health Care District Frequently Asked Questions

### What is the Mendocino Coast Health Care District?



Mendocino Coast Health Care District (MCHCD) was formed in 1967 and spans the Coast from Rockport to Elk. The purpose of the MCHCD is to support thriving, healthy communities on the Coast by ensuring continuous, accessible, high-quality, sustainable health care.

### Who is Adventist Health?

Adventist Health (AH) is a large health care network with stable financial and professional resources that has partnered with MCHCD to provide medical services in our local hospital facilities.

Adventist Health Mendocino Coast provides emergency services, in-patient, and outpatient services as well as health care education to prevent, manage and treat chronic and acute medical conditions. Adventist Health Mendocino Coast is the largest employer in the region and provides a broader range of services than many other Critical Access Hospitals in rural communities.

### What is the relationship between Adventist Health Mendocino Coast and MCHCD?

MCHCD owns and oversees the property and buildings of the current hospital but does not oversee the management of health care and services of the hospital or North Coast Family Health Center. Adventist Health Mendocino Coast hires, manages, and oversees management and all of the doctors, nurses and staff working in the hospital and the North Coast Family Health Center.

### What are the current challenges of MCHCD?

Some of the hospital facilities are 52 years old and need major repairs and upgrades. In addition to several major maintenance projects and desired capital improvements, through [SB 1953](#) the State of California has mandated that all hospitals must be updated to current seismic standards by 2030 or they will be forced to close.

### What will happen if the hospital facilities are not updated?

The closure of the hospital would be a severe detriment to the health and overall well-being of our local communities. The other nearest hospitals are in Willits and Ukiah, and both are forty-five minutes to one hour or more away.

**Is there an economic impact to the Coast if the local hospital is forced to close?**

Yes. The local hospital is the largest employer on the Coast and there would be a significant impact on the local economy if it were to close. Studies show the impact of the hospital closure to the Coast economy could exceed \$100 million annually.

**Is there a plan to update the hospital facilities?**

MCHCD is working to identify additional funding sources to meet its goal of upgrading the hospital's facilities in time to meet State law requirements, to avoid potentially closing the hospital. One option is a potential bond measure to provide dedicated local funding for repairs and upgrades to our hospital facilities and ensure our local hospital remains open and compliant with the law.

**How can I be sure funds from a potential bond measure would be spent as promised?**

A potential measure would include strict fiscal accountability provisions, including:

- A detailed project list would be required to identify the projects to be funded by the potential measure
- All funds would be locally controlled and could not be taken by the State or used for other purposes
- Annual audits and public financial disclosures would ensure proper use of funds
- Require an independent Citizens' Oversight Committee to ensure funds are spent as promised

**Who could vote on a potential bond measure?**

All registered voters who live in the Mendocino Coast Health Care District would be eligible to vote on a potential measure. The district spans the Coast from Rockport to Elk and inland to Comptche (See approximate map in Q1).

**How can I learn more?**

As we plan for the future of our local hospital and other health care needs on the Coast, we want to hear from you. To share your opinions or to ask questions, contact MCHCD Administrator, Kathy Wylie, at [kwylie@mchcd.org](mailto:kwylie@mchcd.org).

## Distrito Medico de la Costa de Mendocino Preguntas Frecuentes



### ¿Qué es el Distrito Medico de la Costa de Mendocino (MCHCD)?

El Distrito Medico de la Costa de Mendocino (MCHCD) se formó en 1967 con el propósito de apoyar comunidades prósperas y saludables en la Costa garantizando atención médica continua, accesible, sostenible y de alta calidad. MCHCD extiende servicio medico por la costa desde Rockport hasta Elk.

### ¿Quién es Adventist Health (AH) o Salud Adventista?

Adventist Health (AH) es una gran red de atención médica con recursos financieros y profesionales que se ha asociado con MCHCD para brindar servicios médicos en nuestras instalaciones hospitalarias locales.

Adventist Health brinda servicios de emergencia, servicios hospitalarios y ambulatorios, así como educación sobre atención médica para prevenir, controlar y tratar afecciones médicas crónicas y agudas. Adventist Health es

el empleador más grande de la región y brinda una gama más amplia de servicios que muchos otros hospitales de acceso crítico en comunidades rurales.

### ¿Cuál es la relación entre Adventist Health y MCHCD?

MCHCD posee y supervisa la propiedad y los edificios del hospital actual, pero no administra la atención médica y los servicios del hospital. Incluso, Adventist Health Mendocino Coast contrata, administra y supervisa a todos los médicos, enfermeras y personal que trabaja en el hospital y el Centro de Salud Familiar de la Costa Norte.

### ¿Cuáles son los desafíos actuales de MCHCD?

Algunas de las instalaciones del hospital tienen 52 años y necesitan reparaciones y mejoras de infraestructura grandes. Además de mantenimiento y mejoras de capital, a través de la ley SB 1953, el estado de California ha ordenado que todos los hospitales deben actualizarse a los estándares sísmicos actuales para 2030 o se verán obligados a cerrar.

### ¿Qué pasará si las mejoras de instalaciones del hospital no se actualizan?

El cierre del hospital sería un grave perjuicio para la salud y el bienestar general de nuestras comunidades locales. Los otros hospitales más cercanos están en las ciudades de Willits y Ukiah, y ambos están a entre cuarenta y cinco minutos y una hora o más.

### **¿Hay un impacto económico para la Costa si el hospital MCHCD es obligado a cerrar?**

Sí. El hospital MCHCD es el mayor empleador en la costa y habría un impacto significativo en la economía local si cerrara. Los estudios muestran que el impacto del cierre del hospital en la economía de la Costa podría exceder \$100 millones al año.

### **¿Existe algún plan para actualizar las instalaciones del hospital MCHCD?**

MCHCD continúa investigando medios de financiamiento para cumplir su objetivo de mejorar las instalaciones del hospital a tiempo para cumplir con los requisitos de la ley estatal y evitar el posible cierre del hospital. Una opción es una posible medida de bonos para proporcionar fondos locales dedicados a reparaciones y mejoras de nuestras instalaciones hospitalarias y garantizar que nuestro hospital local permanezca abierto.

### **¿Que garantía tenemos que los fondos de bonos se gastarán según lo prometido?**

Una posible medida incluiría disposiciones estrictas de responsabilidad fiscal, que incluyen:

- Será proporcionada una lista detallada de proyectos que se financiarán.
- Todos los fondos estarían controlados localmente y no podrían ser tomados por el Estado ni utilizados para otros fines.
- Serán proporcionadas auditorías anuales y declaraciones financieras públicas para garantizar que los fondos fueron utilizados de manera autorizada.
- Requerir un Comité de Supervisión Independiente para garantizar que los fondos se gasten según lo prometido.

### **¿Quién podría votar en la posible medida de bonos?**

Todos los votantes registrados que viven en el Distrito Médico de la Costa de Mendocino (MCHCD) serían elegibles para votar sobre una posible medida de bonos. El distrito se extiende por la costa desde Rockport hasta Elk y hacia el interior hasta Comptche (consulte el mapa aproximado en la pregunta 1).

### **¿Dónde puedo obtener información adicional?**

Para compartir sus opiniones o hacer preguntas, comuníquese con la administradora de MCHCD, Kathy Wylie, en [kwylie@mchcd.org](mailto:kwylie@mchcd.org). Su opinión es importante para nosotros mientras planificamos el futuro de nuestro hospital y otras necesidades de atención médica en la Costa.

# **MENDOCINO COAST HEALTH CARE DISTRICT**

**\$4,125,000**  
**ELECTION OF 2000 GENERAL OBLIGATION**  
**REFUNDING BONDS, SERIES 2016**

**Mendocino County, California**  
**Dated: December 15, 2016**  
**Base CUSIP<sup>+</sup>: 586580**



## **2023 ANNUAL CONTINUING DISCLOSURE** **INFORMATION STATEMENT**

**As of March 26, 2024**



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## LIST OF PARTICIPANTS

<p><b>MENDOCINO COAST HEALTH CARE DISTRICT</b> <i>www.mcdh.org</i></p>
<p>Sara Spring Board Treasurer 700 River Drive Fort Bragg, California 95437 (707) 937-0813</p>
<p><b>DISCLOSURE CONSULTANT &amp; DISSEMINATION AGENT</b></p>
<p>Willdan Financial Services * Temecula, California 92590 (951) 587-3500 <i>www.willdan.com</i></p>
<p><b>UNDERWRITER</b></p>
<p>William Blair &amp; Company, LLC Los Angeles, California</p>
<p><b>BOND COUNSEL &amp; DISCLOSURE COUNSEL</b></p>
<p>Norton Rose Fulbright US LLP Los Angeles, California</p>
<p><b>PAYING AGENT</b></p>
<p>The Bank of New York Mellon Trust Company, N.A. San Francisco, California</p>

\* In its role as Disclosure Consultant and Dissemination Agent, Willdan Financial Services has not passed upon the accuracy, completeness or fairness of the statements contained herein.



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## **I. INTRODUCTION**

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The Mendocino Coast Health Care District (the “District”) issued \$4,125,000 Election of 2000 General Obligation Refunding Bonds, Series 2016 (the “Bonds”). The Bonds were issued to refund the Current Interest Bonds portion of the District’s Election of 2000 General Obligation Bonds.

The District encompasses approximately 680 square miles and extends approximately 70 miles south from the Humboldt/Mendocino County line. The District is bordered on the west by the Pacific Ocean and includes the City of Fort Bragg, California (the “City”) and the communities of Westport, Mendocino, Albion and Elk. The District owns and operates the Mendocino Coast District Hospital (the “Hospital”), a 25-bed acute care facility licensed by the State of California Department of Public Health. The Hospital is a critical access hospital. The Hospital is located at 700 River Drive, in the City, which is approximately 165 miles north of San Francisco and approximately a fifty-minute drive from the next closest hospital.

The Bonds are general obligations of the District. The Board of Supervisors of Mendocino County is empowered and is obligated to levy *ad valorem* taxes, without limitation of rate or amount, upon all property within the District subject to taxation by the District (except certain personal property which is taxable at limited rates), for the payment of interest on and principal of the Bonds when due.

This Annual Continuing Disclosure Information Statement (the “Report”) is being provided pursuant to a covenant made by the District for the benefit of the holders of the Bonds and includes the information specified in a Continuing Disclosure Certificate. For further information and a more complete description of the District and the Bonds, reference is made to the Official Statement dated November 18, 2016.

The information set forth herein has been furnished by the District and by other sources, which is believed to be accurate and reliable, but is not guaranteed as to accuracy or completeness. Statements contained in this Report that involve estimates, forecasts, or other matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. Further, the information and expressions of opinion contained herein are subject to change without notice and the delivery of this Report will not, under any circumstances, create any implication that there has been no change in the affairs of the District or any other parties described herein.

**THIS REPORT IS OF A FACTUAL NATURE WITHOUT SUBJECTIVE ASSUMPTIONS, OPINIONS, OR VIEWS AND MAY NOT BE RELIED UPON AS ADVICE OR RECOMMENDATION TO PURCHASE OR SELL ANY PRODUCT OR UTILIZE ANY PARTICULAR STRATEGY RELATING TO THE ISSUANCE OF MUNICIPAL SECURITIES OR PURCHASE OF FINANCIAL PRODUCTS. IN PROVIDING THIS REPORT, WILLDAN FINANCIAL SERVICES AND ITS EMPLOYEES (COLLECTIVELY “WILLDAN”) DO NOT RECOMMEND ANY ACTIONS AND ARE NOT ACTING AS AN ADVISOR TO ANY MUNICIPAL ENTITY, BOARD, OFFICER, AGENT, EMPLOYEE OR OBLIGATED PERSON PURSUANT TO SECTION 15B OF THE EXCHANGE ACT UNLESS SPECIFICALLY AGREED TO IN A SEPARATE WRITING WITH THE RECIPIENT. PRIOR TO ACTING ON ANY INFORMATION OR MATERIAL CONTAINED IN THIS REPORT, YOU SHOULD DISCUSS IT WITH APPROPRIATE INTERNAL OR EXTERNAL ADVISORS AND EXPERTS AND ONLY RELY UPON THEIR ADVICE.**

## ***II. REFERENCE TO PREVIOUSLY FILED INFORMATION***

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For historical information, reference is made to the Reports previously filed on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access website ("EMMA").

## ***III. BOND INFORMATION***

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### **A. PRINCIPAL OUTSTANDING**

<b>Bond Issue</b>	<b>As of February 28, 2024</b>
Election of 2000 GO Refunding Bonds	\$3,600,000

## ***IV. FINANCIAL INFORMATION***

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### **A. AUDITED FINANCIAL STATEMENTS**

The District's audited financial statements for the fiscal year ended June 30, 2023 will be separately filed on EMMA, when available, and are hereby incorporated by reference into this Report.

The District's audited financial statements for the fiscal year ended June 30, 2023 were not available at the time of this Report. There is no anticipated date of completion of the audited financial statements for the fiscal year ended June 30, 2023 at this time.

## V. OPERATING INFORMATION

### A. GENERAL FUND BUDGET

The following table sets forth the General Fund Revenue and Expenses reflecting the adopted budget for the most recent six fiscal years.

**Updated information for the following table will be provided at a later date in a supplement to this Report.**

	Fiscal Year					
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
<b>Operating Revenues</b>						
Inpatient	\$29,013,570	\$25,455,161	\$28,175,451	\$26,217,904	\$24,273,651	\$23,688,000
Swing Bed	3,016,229	2,582,668	2,992,227	2,944,547	3,173,403	2,500,000
Outpatient	59,835,989	60,917,311	64,722,883	70,748,934	80,038,914	85,456,000
North Coast Family Health Ctr	3,529,237	5,915,310	4,997,910	6,034,195	5,361,623	5,594,000
Home Health	1,337,577	1,321,350	1,229,046	1,227,971	1,382,328	2,060,000
<b>Total Patient Service Revenues</b>	<b>\$96,732,602</b>	<b>\$96,191,800</b>	<b>\$102,117,517</b>	<b>\$107,173,551</b>	<b>\$114,229,919</b>	<b>\$119,298,000</b>
<b>Revenue Deductions</b>						
Current Year Contractuals	\$52,399,095	\$47,893,538	\$44,706,043	\$54,476,498	\$61,691,354	\$64,106,000
Policy Discounts	491,997	231,194	8,216,692	330,574	228,628	0
Bad Debt	1,451,236	1,098,688	1,065,926	876,456	1,307,708	1,770,000
Charity	125,774	71,900	115,957	104,307	61,653	120,000
<b>Total Deductions</b>	<b>\$54,468,102</b>	<b>\$49,295,320</b>	<b>\$54,104,618</b>	<b>\$55,787,835</b>	<b>\$63,289,343</b>	<b>\$65,996,000</b>
<b>Net Patient Service Revenue</b>	<b>\$42,264,500</b>	<b>\$46,896,480</b>	<b>\$48,012,899</b>	<b>\$51,385,716</b>	<b>\$50,940,576</b>	<b>\$53,302,000</b>
Tax Revenues	\$697,596	\$711,392	\$732,750	\$730,968	\$735,238	\$2,396,000
Other Operating Revenues	858,161	661,805	2,233,724	2,384,448	2,428,861	1,131,000
<b>Total Operating Revenues</b>	<b>\$43,820,257</b>	<b>\$48,269,677</b>	<b>\$50,979,373</b>	<b>\$54,501,132</b>	<b>\$54,104,675</b>	<b>\$56,829,000</b>
<b>Operating Expenses</b>						
Salaries & Wages - Staff	\$15,231,612	\$14,693,556	\$16,450,078	\$17,033,724	\$17,046,298	\$17,999,000
Employee Benefits	9,579,282	9,651,139	9,825,826	10,381,312	8,772,301	8,856,000
Professional Fees - Physician	5,226,623	6,115,238	5,812,141	5,759,721	5,311,325	6,527,000
Other Professional Fees (Regi, Cont, Other)	1,296,312	2,276,523	2,778,597	3,856,277	6,771,575	5,981,000
Supplies (Implants, Drugs, Medical, Other)	7,010,714	6,802,289	7,576,275	8,586,885	8,559,102	8,873,000
Purchased Services	1,556,806	1,297,046	1,406,389	1,366,284	1,387,482	1,567,000
Repairs & Maintenance	889,620	891,044	972,830	953,731	919,699	974,000
Utilities	662,544	764,127	752,745	764,173	773,338	843,000
Insurance	664,104	718,989	622,944	559,919	519,254	562,000
Interest	863,963	903,153	891,949	863,322	837,580	608,000
Depreciation and Amortization	2,422,964	2,679,356	2,608,348	2,704,135	1,875,943	1,536,000
Rental/Lease	488,534	571,038	621,959	742,690	547,907	550,000
Other Expense	1,003,194	1,038,686	1,528,192	1,855,641	1,581,689	1,508,000
<b>Total Operating Expenses</b>	<b>\$46,896,272</b>	<b>\$48,402,184</b>	<b>\$51,848,273</b>	<b>\$55,427,814</b>	<b>\$54,903,493</b>	<b>\$56,384,000</b>
Net Revenue (Loss) From Operating Expenses	(\$3,076,015)	(\$132,507)	(\$868,900)	(\$926,682)	(\$798,818)	\$445,000
<b>Non-Operating Revenues (Expenses)</b>						
Funded Depreciation Income	\$14,321	\$10,000	\$10,471	\$10,629	\$28,000	\$30,000
Contributions	300,000	500,000	512,043	350,000	350,000	325,000
Other Non-Operating Revenues (Expenses)	222,466	0	0	0	0	0
<b>Net Non-Operating Revenues (Expenses)</b>	<b>\$536,787</b>	<b>\$510,000</b>	<b>\$522,514</b>	<b>\$360,629</b>	<b>\$378,000</b>	<b>\$355,000</b>
<b>Excess for Growth &amp; Dev. After Debt Service</b>	<b>(\$2,206,636)</b>	<b>\$710,085</b>	<b>(\$13,794)</b>	<b>(\$233,461)</b>	<b>(\$88,226)</b>	<b>(\$800,000)</b>

Note: Beginning and ending fund balances are not a component of the adopted General Fund budget and have therefore been excluded from the table above.

**B. ASSESSED VALUES OF TAXABLE PROPERTY**

<b>Fiscal Year</b>	<b>Local Secured</b>	<b>Utility</b>	<b>Unsecured</b>	<b>Total Assessed Valuation</b>	<b>Annual Percentage Change</b>
2018/19	\$3,356,191,515	\$0	\$59,674,748	\$3,415,866,263	4.11%
2019/20	3,458,786,151	0	62,816,338	3,521,602,489	3.10%
2020/21	3,571,121,316	0	61,670,253	3,632,791,569	3.16%
2021/22	3,628,994,518	0	61,099,929	3,690,094,447	1.58%
2022/23	3,798,799,832	2,030,000	69,667,584	3,870,497,416	4.89%
2023/24	3,988,073,091	6,146,043	67,193,685	4,061,412,819	4.93%

Source: California Municipal Statistics, Inc.

**C. TEETER PLAN**

The County utilizes the Teeter Plan for assessment levy and distribution. This method guarantees distribution of 100% of the assessments levied to the taxing entity, with the County retaining all penalties and interest.

**D. OUTSTANDING DISTRICT INDEBTEDNESS**

***Information for the fiscal years ending June 30, 2020; June 30, 2021; June 30, 2022 and June 30, 2023 will be provided at a later date in a supplement to this Report.***

For information regarding the outstanding district indebtedness as of the Fiscal Year Ended June 30, 2019, reference is made to the **Note 7** of the District’s audited financial statements for the fiscal year ended 2019, which have been separately filed through the Municipal Securities Rulemaking Board’s EMMA website.

## E. LARGEST PROPERTY OWNERS

The following table sets forth the twenty (20) largest secured property taxpayers for fiscal year 2023/24.

Property Owner	Land Use	2023/24 Secured Assessed Valuation	% of Total <sup>(1)</sup>
Mendocino Redwood Company LLC	Timber	\$22,975,167	0.58%
Lyme Redwood Timberlands LLC	Timber	17,175,885	0.43%
Georgia Pacific LLC	Industrial	16,134,657	0.40%
Rap Investors LP	Hotel	12,312,285	0.31%
Heritage House LP	Hotel	12,060,192	0.30%
The Boatyard Associates Phase II	Shopping Center	11,210,452	0.28%
Van L. Phillips Trust	Residential	9,968,162	0.25%
Tenants Choice LLC	Hotel	9,307,810	0.23%
SCP Mendocino LLC	Hotel	8,266,786	0.21%
Safeway Inc.	Supermarket	8,049,843	0.20%
Stephen A. Ricks Trust	Residential	7,989,171	0.20%
Jedediah D. & Megan Ayres, Trustees	Hotel	7,376,536	0.18%
Greenling LLC	Residential	7,185,688	0.18%
Siamex Investment Corp.	Rural Property	6,959,586	0.17%
GP Investors S LLC	Hotel	6,909,516	0.17%
Jackson Grube Family Inc.	Hotel	6,535,493	0.16%
Jeff and Joan Stanford	Hotel	6,042,852	0.15%
Michael A. & Maribelle Anderson, Trustees	Industrial	6,018,051	0.15%
CPH Mendo Hotel LLC	Hotel	5,891,230	0.15%
Little River Inn, Inc.	Hotel	5,807,250	0.15%
<b>Total</b>		<b>\$194,176,612</b>	<b>4.87%</b>

(1) 2023/24 Local Secured Assessed Valuation: \$3,988,073,091.

**Note:** For information on the principal property owners for the preceding fiscal year, reference is made to the 2022 Report, dated as of March 19, 2023, filed on EMMA.

Source: California Municipal Statistics, Inc.

**VI. OCCURRENCE OF LISTED EVENTS**

---

The Continuing Disclosure Covenants outline the Occurrence of Listed Events that must be reported in not more than ten (10) business days after the occurrence of the event, **irrespective of any determination as to whether such event may or may not be deemed material**. The District has no knowledge that any of the events listed below have occurred that have not been previously reported during the fiscal year ended June 30, 2023.

- 1. Principal and interest payment delinquencies on the Bonds.
- 2. Unscheduled draws on debt service reserves reflecting financial difficulties.
- 3. Unscheduled draws on credit enhancements reflecting financial difficulties.
- 4. Substitution of credit or liquidity providers, or their failure to perform.
- 5. Adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds.
- 6. Defeasances.
- 7. Tender offers.
- 8. Bankruptcy, insolvency, receivership or similar proceedings pertaining to the District.
- 9. Ratings changes.

The Continuing Disclosure Covenants outline the Occurrence of Listed Events that must be reported in not more than ten (10) business days after the occurrence of the event, **if deemed material**. The District has no knowledge that any of the events listed below have occurred that have not been previously reported during the fiscal year ended June 30, 2023.

- 10. Mergers, consolidations, acquisitions, the sale of all or substantially all of the assets of the District or the dissolution of the District.
- 11. Appointment of a successor or additional Trustee or the change of the name of the Trustee or any successor or additional Trustee.
- 12. Non-payment related defaults.
- 13. Modifications to the rights of Holders.
- 14. Optional, contingent or unscheduled certificate calls, prepayment or redemptions other than defeasances.
- 15. Release, substitution or sale of property securing repayment of the Bonds.

## **APPENDIX**

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### **General Fund and Actual Results**

*Information for the fiscal year ending June 30, 2019; June 30, 2020; June 30, 2021; June 30, 2022 and June 30, 2023 will be provided at a later date in a supplement to this Report.*



# TAB 4



REGULAR MEETING OF THE BOARD OF DIRECTORS  
MENDOCINO COAST HEALTH CARE DISTRICT  
MINUTES

Thursday, February 29, 2024, at 6:00 PM  
Redwoods Room, Adventist Health Mendocino Coast Hospital Campus  
700 River Drive, Fort Bragg, CA.

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**1. OPEN SESSION**

Chair Garza called the meeting to order at 6:00 p.m.

This meeting was held in-person and by teleconference in accordance to the Brown Act.

Directors Present:      Chair Pual Garza, Jr.                      Secretary Susan Savage  
                                 Treasurer Sara Spring                      Director Lee Finney

Directors Absent:      Vice Chair Katzeff

A quorum of the Board was present.

Management Team:      Agency Administrator Katherine Wylie  
                                 Clerk of the Board Norma I. Alley, MMC

**2. PUBLIC COMMENT FOR ITEMS ON THE AGENDA**

Miss Williams spoke to the future of the District and non-response to recent Public Records Act request.

Mr. McDonald spoke to the order of business, public comments, and requested matters be on a future agenda.

Karen Bowers highlighted Director Finney's service on the Board and thanked all the Board Members for their service.

**3. REPORTS**

3a) Adventist Health Report on Solar installation

Adventist Health Mendocino Coast Hospital Facilities Manager Peter Johnston presented a brief update and fielded questions from the Board.

### 3b) Board Chair's Report

Chair Garza provided an update noting the Board was working diligently on transparency noting progress made. He requested for the meeting material be posted on the website at the same time the agenda is published and posted, the committees get on a regular schedule, and agenda note detail of Board action requested. He noted there was material pertaining to the Brown Act in the packet and stated managing the Brown Act is difficult, which is why the District has a management team to assist.

### 3c) Director's Reports on Standing and Ad Hoc committee activities.

Secretary Savage noted she was looking into the Grassroots Institute's health care work group.

### 3d) Agency Administrator's Report

Katharine Wylie presented a brief report updating the Board on District matters.

Chair Garza called for public comments.

Mr. McDonald provided general comments regarding the presentation.

Seeing no further comments, Chair Garza closed public comments.

## **4. CONSENT CALENDAR**

Request was made for Item 4.b and 4.c to be discussed and considered separately.

### **4a) Approval of Minutes of the January 25, 2024, Regular Meeting and February 8, 2024, Special Meeting**

Chair Garza called for public comment.

Mr. McDonald spoke to the minutes and possible correction to the February minutes. Director Finney confirmed correction was needed.

Seeing no further comments, Chair Garza closed public comment.

Motion: Treasurer Spring made a motion to approve the minutes with correction to the February 8, 2024, minutes. Motion was seconded by Director Finney. The motion was approved by a 4 Yes/0 No/1 Absent (Katzeff) vote.

### **4b) Approval of Board Resolution 2024-1, Tri-Counties Bank Signature Authority**

Chair Garza called for public comment.

Miss Williams provided general comments pertaining to this item.

Mr. McDonald provided general comments pertaining to this item.

Seeing no further comments, Chair Garza closed public comment.

Motion: Director Finney made a motion to approve Resolution 2024-2. Motion was seconded by Chair Garza. The motion was approved by a 4 Yes/0 No/1 Absent (Katzeff) vote.

**4c) Review Communications received by the District since January 25, 2024.**

Treasurer Spring inquired on the GL Bruno matter and the Perry claim. Chair Garza fielded the inquiry.

Direction was provided to staff to work with Treasurer to submit overdue reports; staff to gather information on possible real estate purchase offer, and to follow up with insurance regarding Perry claim.

**5. REGULAR CALENDAR**

**5a) Receive Seismic Compliance Team Progress Report and consider authorization for expenditures for costs of holding six community meetings, not to exceed \$1500.**

Secretary Savage and Agency Administrator Wylie introduced this item.

Robin Gerrity provided a brief summary and fielded questions from the Board.

Chair Garza called for public comments.

Mr. McDonald provided general comments regarding the presentation.

Wayne Allen provided general comments regarding the presentation.

Seeing no further comments, Chair Garza closed public comment.

Motion: Secretary Savage made a motion to accept the report and approve expenditures for community meetings, not to exceed \$1000. Motion was seconded by Director Finney. The motion was approved by a 3 Yes/0 No/1 Abstain (Spring)/1 Absent (Katzeff) vote.

**5b) Review and Approve Draft Board Policy 6 - Electronic Documents Retention.**

Chair Garza called for public comments.

Mr. McDonald provided general comments regarding the presentation.

Seeing no further comments, Chair Garza closed public comment.

Motion: Director Finney made a motion to approve Policy 6, subject to review by the Board's attorney and advisement on retention. Motion was seconded by Treasurer Spring.

Discussion commenced regarding retention and release in the Public Records Act request of text messages. Direction was given to staff to work with the Boards attorney for review and provide advisement on this matter.

Vote on Motion: The motion was approved by a 4 Yes/0 No/1 Absent (Katzeff) vote.

### **5c) Review and Approve Board Policy 7 - Records Retention, Appendix A, Appendix B.**

Chair Garza called for public comments.

Mr. McDonald provided general comments regarding the item.

Seeing no further comments, Chair Garza closed public comment.

Motion: Secretary Savage made a motion to approve Policy 7. Motion was seconded by Chair Garza.

Discussion commenced amongst the Board regarding retention of Item #1, how to read the retention schedule, and need for each of the columns.

Chair Garza called for postponement of the item. Hearing no objection, the item was postponed to the March 28, 2024, Board Meeting.

### **5d) Review and Consider Approval of health care forum at Cotton Auditorium and expenditure not to exceed \$1000.**

Chair Garza and Agency Administrator Wylie presented the report and suggested researching a new location.

Board had general inquiry regarding creating an ad-hoc committee to plan the event.

Chair Garza called for public comment.

Mr. Ramos volunteered to serve on the planning ad-hoc committee.

Seeing no further comments, Chair Garza closed public comment.

Motion: Secretary Savage made a motion to approve participation in planning the forum and create an ad-hoc committee. Motion was seconded by Treasurer Spring. The motion was approved by a 4 Yes/0 No/1 Absent (Katzeff) vote.

Chair Garza appointed Vice Chair Katzeff and Mr. Ramos to the ad-hoc committee.

### **5e) Consideration of approval of the Board's Standing committee meetings calendar**

Chair Garza introduced the item.

Secretary Savage requested the Finance Committee be removed so they can work on a schedule at their next meeting on March 21 and present a schedule at the next regular Board meeting.

Chair Garza called for public comment.

Mr. Ramos provided general comments regarding the item.

Mr. McDonald provided general comments regarding the item.

Seeing no further comments, Chair Garza closed public comment.

Motion: Secretary Savage made a motion to approve the meeting calendar, removing the Finance Committee. Motion was seconded by Treasurer Spring. The motion was approved by a 4 Yes/0 No/1 Absent (Katzeff) vote.

**5g) Review and accept Director Finney’s Letter of Resignation, effective March 1, 2024.**

Motion: Chair Garza made a motion to accept Director Finney’s letter of resignation. Motion was seconded by Treasurer Spring. The motion was approved by a 4 Yes/0 No/1 Absent (Katzeff) vote.

Chair Garza, Treasurer Spring, and Secretary Savage read a proclamation into the record that recognized all the hard work and dedication Director Finney has given to the District. Chair Garza presented the proclamation to Director Finney.

**6. COMMENTS FROM THE BOARD**

There were no comments from the Board.

**7. ADJOURNMENT**

Seeing no further business, Chair Garza adjourned the meeting at 8:21 p.m.

Respectfully Submitted,

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Norma I. Alley, MMC, Clerk of the Board



SPECIAL MEETING OF THE BOARD OF DIRECTORS  
MENDOCINO COAST HEALTH CARE DISTRICT  
MINUTES

Thursday, February 29, 2024, at 6:05 PM  
or immediately following the 2/29/2024 Regular meeting of the Board.  
Redwoods Room, Adventist Health Mendocino Coast Hospital Campus  
700 River Drive, Fort Bragg, CA.

---

**1. OPEN SESSION**

Chair Garza called the meeting to order at 8:31 p.m.

This meeting was held in-person and by teleconference in accordance to the Brown Act.

Directors Present:           Chair Pual Garza, Jr.                           Secretary Susan Savage  
                                  Treasurer Sara Spring                         Director Lee Finney

Directors Absent:           Vice Chair Katzeff

A quorum of the Board was present.

Management Team:       Agency Administrator Katherine Wiley  
                                  Clerk of the Board Norma I. Alley, MMC

**2. PUBLIC COMMENT FOR ITEMS ON THE AGENDA**

Mr. McDonald spoke to order of business and public comments.

Miss Williams spoke to the timing of publishing the meeting packet.

**3. REPORTS**

Treasurer's Report - Director Sara Spring

Treasurer Spring presented a brief report updating the Board on financial matters and fielded questions from the Board.

Chair Garza called for public comments.

Mr. McDonald provided general comments regarding the presentation.

Seeing no further comments, Chair Garza closed public comments.

#### **4. REGULAR CALENDAR**

##### **4a) Consideration of approval of the 2/27/24 Warrant list**

Treasurer Spring introduced this item, provided a brief summary, and fielded questions from the Board.

Chair Garza called for public comments.

Miss Williams provided general comments regarding the presentation.

Mrs. Garza provided general comments regarding the presentation.

Mr. McDonald provided general comments regarding the presentation.

Seeing no further comments, Chair Garza closed public comment.

Motion: Chair Garza made a motion to approve the warrant list and Treasurer's Springs request for reimbursement upon proof with receipts. Motion was seconded by Secretary Savage. The motion was approved on a 3 Yes/0 No/1 Abstain (Spring)/1 Absent (Katzeff) vote.

##### **4b) Consideration of approval of Business Online Banking Agreements and Authorizations Letter, granting Tri-Counties Bank Signature Authority for online transactions**

Chair Garza pulled this item from consideration as the matter was resolved by a previous Board Action at the February 29, 2024, Regular Board Meeting.

##### **4c) Consideration of approval of Board Resolution 2024-4, Tri-Counties Bank Signature Authority, Executive Director**

Chair Garza introduced this item.

Secretary Savage noted the accounts were no longer active.

Chair Garza called for public comments.

Mr. McDonald provided general comments regarding the presentation.

Seeing no further comments, Chair Garza closed public comments.

Motion: Director Finney made a motion to grant the Agency Administrator read only access and authorize access to the Tri-Counties Bank accounts. Motion was seconded by Chair Garza. The motion was approved on a 3 Yes/1 No (Springs)/1 Absent (Katzeff) vote.



**5. ADJOURNMENT**

Seeing no further business, Chair Garza adjourned the meeting at 9:37 p.m.

Respectfully Submitted,

*Norma I. Alley*

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Norma I. Alley, MMC, Clerk of the Board

## RECORDS RETENTION

### POLICY #7

March 28, 2024

#### **Article 1: Purpose**

The purpose of this policy is to:

- Provide guidelines to staff regarding the retention or disposal of District records
- Provide for the identification, maintenance, safeguarding and disposal of records in the normal course of business
- Ensure prompt and accurate retrieval of records
- Ensure compliance with legal and regulatory requirements

#### **Article 2: Retention and Disposition of Records**

- The Executive Director is authorized by the Board of Directors to implement this policy, and to approve the disposition (recycling or shredding) of any or all records that meet the qualifications governing the retention and disposal of records as defined by the records retention schedule established in Appendices A and B, attached to this policy and incorporated herein by this reference.
- All records listed in Groups 1-4, inclusive, of Appendix B are permanent records of the District and shall not be destroyed.
- All original records identified in the Records Retention Schedule shall be retained in the District offices for the number of years indicated in the retention column in Appendix B.
- An inventory of disposed records shall be retained as a permanent record.
- No records, papers or documents shall be destroyed where there is a continuing need for such records for such matters as holds for pending litigation, special projects, audits, etc.

Records, papers or documents which are not expressly required by law to be filed and preserved may be destroyed if all of the following conditions are met:

- The record, paper or document is photographed, micro-photographed, reproduced on film, or copied to an approved electronic media
- The photographs, micro-photographs, or other reproductions on film are maintained in conveniently accessible and searchable files

### **Article 3: Non-Records**

The following records, if not retained by the District in the ordinary course of business, are exempt from disclosure and may be destroyed at any time without Board authorization or consultation with the General Counsel, as these are considered non-records:

- Duplicated documents (original-subject to aforementioned requirements).
- Rough or preliminary drafts, notes or working papers (except audit), not retained in the ordinary course of business
- Cards, listings, nonpermanent indices, other papers used for controlling work
- or transitory files

### **Article 4: Record Format**

For records existing in paper form, retention periods apply to the original paper copy only unless a digitized version exists in a Trusted System.

Electronic records will be retained as if they were paper documents and are subject to the retention schedule. Therefore, any electronic files, including emails that fall into one of the document types in this Policy shall be maintained for the required amount of time.

### **Article 5: Confidentiality**

The District is committed to ensuring the security and confidentiality of those records within its custody or control that contain personal, private, or proprietary information the District is required by applicable law to protect as confidential. When such records are due to be destroyed under this Policy, they will be shredded, erased, or otherwise modified or destroyed to make them unreadable or indecipherable through any means. All disposed records must be logged onto the District's inventory of disposed records and kept permanently.

### **Article 6: Legal and Contractual Requirements:**

To the extent that any applicable laws or regulations exceed the retention periods in the schedule in Appendix B, the applicable laws will control. Further, to the extent that contractual records retention requirements exceed the retention periods in the retention schedule, the contractual requirements will control. No originals of records related to open or recently closed contracts and subject to contractual retention requirements may be destroyed without the approval of the Executive Director.



**Approval Signatures:**

\_\_\_\_\_  
Chair, Board of Directors

\_\_\_\_\_  
Date

\_\_\_\_\_  
Secretary, Board of Directors

\_\_\_\_\_  
Date

draft

**POLICY 7 - APPENDIX A  
RECORDS RETENTION & STORAGE DEFINITIONS**

1. **AUTHORIZATION.** Approval from the Executive Director, as authorized by the District's Board of Directors.

2. **ACCOUNTING RECORDS.** Include but are not limited to the following:

a. **SOURCE DOCUMENTS**

- (1) Invoices
- (2) Warrants
- (3) Requisitions/Purchase Orders (attached to invoices)
- (4) Cash Receipts
- (5) Claims (attached to warrants in place of invoices)
- (6) Bank Statements
- (7) Bank Deposits
- (8) Checks
- (9) Bills
- (10) Various accounting authorizations taken from Board minutes, resolutions or contracts

b. **JOURNALS**

- (1) Cash Receipts
- (2) Accounts Receivable or Payable Register
- (3) Check or Warrant (payables)
- (4) General Journal
- (5) Payroll Journal

c. **LEDGERS**

- (1) Expenditure
- (2) Revenue
- (3) Accounts Payable or Receivable Ledger
- (4) Construction
- (5) General Ledger
- (6) Assets/Depreciation

d. **TRIAL BALANCE**

e. STATEMENTS (Interim or Certified - Individual or All Fund)

- (1) Balance Sheet
- (2) Analysis of Changes in Available Fund Balance
- (3) Cash Receipts and Disbursements
- (4) Inventory of Fixed Assets (Purchasing)

f. JOURNAL ENTRIES

g. PAYROLL and PERSONNEL RECORDS include but are not limited to the following:

- (1) Accident reports, injury claims and settlements
- (2) Applications, changes or terminations of employees
- (3) Earnings records and summaries
- (4) Fidelity Bonds
- (5) Garnishments
- (6) Insurance records of employees
- (7) Job Descriptions
- (8) Medical Histories
- (9) Retirements
- (10) Time Cards

h. OTHER

- (1) Inventory Records (Purchasing)
- (2) Capital Asset Records (Purchasing)
- (3) Depreciation Schedule
- (4) Cost Accounting Records

3. LIFE. The inclusive or operational or valid dates of a document.

4. RECORD. Any “writing” as defined in Government Code § 6252(f), which includes: any handwriting, typewriting, printing, photostating, photographing, photocopying, transmitting by electronic mail or facsimile, and every other means of recording upon any tangible thing any form of communication or representation, including letters, words, pictures, sounds, or symbols, or combinations thereof, and any record thereby created, regardless of the manner in which the record has been stored that is issued by or received in a department, and maintained and used as information in the conduct of its operations or the public’s business.

5. **RECORD COPY.** The District copy of a document or file.
6. **RECORD SERIES.** A group of records, generally filed together, and having the same reference and retention value.
7. **RECORDS CENTER.** The site selected for storage of inactive records.
8. **RECORDS DISPOSAL.** The planning for and/or the physical operation involved in the transfer of records to the Records Center, or the authorized destruction of records pursuant to the approved Records Retention Schedule.
9. **RECORDS RETENTION SCHEDULE.** The consolidated, approved schedule list of all District records which timetables the life and disposal of all records.
10. **RETENTION CODE.** Abbreviation of retention action which appears on the retention schedule.
11. **VITAL RECORDS.** Records which, because of the information they contain, are essential to one or all of the following:
  - a. The resumption and/or continuation of operations;
  - b. The re-creation of the legal and financial status of the District, in case of a disaster;
  - c. The fulfillment of obligations to bondholders, customers, and employees.Vital records include but are not limited to the following [detail the records structure of the District, stating the retention time for each class of records. Those times can be drawn from the recommendations of the Secretary of State (<http://archives.cdn.sos.ca.gov/local-gov-program/pdf/records-management-8.pdf>) or developed with the advice of legal counsel, as there are many laws governing records retention]:

- (1) Agreements
- (2) Annexations and detachments
- (3) As-built drawings
- (4) Audits
- (5) Contract drawings
- (6) Customer statements
- (7) Deeds
- (8) Depreciation schedule
- (9) Disposal of surplus & excess property
- (10) Disposal of scrap materials
- (11) District insurance records
- (12) District water rights
- (13) Employee accident reports, injury claims & settlements
- (14) Employee earning records
- (15) Employee fidelity bonds
- (16) Employee insurance records
- (17) Encroachment permits (by others)
- (18) Encroachment permits
- (19) Facility improvement plans
- (20) Improvement districts
- (21) Individual water rights
- (22) Individual claims/settlements
- (23) Inventory
- (24) Journal vouchers
- (25) Ledgers
- (26) Licenses & permits (to operate)
- (27) Loans & grants
- (28) Maps
- (29) Minutes of Board meetings
- (30) Payroll register
- (31) Policies, Rules & Regulations
- (32) Purchase orders & requisitions
- (33) Restricted materials permits
- (34) Rights of ways & easements
- (35) Spray permits
- (36) Statements of Economic Interest
- (37)
- (38)
- (39)
- (40)



POLICY 7 - APPENDIX B  
RECORDS RETENTION & STORAGE SUMMARY

OP = Original or Photographic copy  
ES = May be destroyed if stored in electronic media

Group #	Title/Description	Original	Duplicate	Retention Periods		
				Office	Record Center	Retain or destroy
1	Records affecting property or titles thereof	X		2 years	OP	ES
2	Records required to be kept permanently by statute	X		2 years	OP	ES
3	Minutes, Ordinances and Resolutions of Board	X		2 years	OP	ES
4	Documents with lasting Historic, Administrative, Legal, Fiscal or Research Value	X		2 years	OP	ES
5	Correspondence, Operational Reports, and information upon which District Policy has been established	X		2 years	10 years	12 years
6	Duplicates of #5 above when retention is necessary for reference	X		2 years		2 years
7	Records requiring retention for more than 5 years, but no more than 15 years by statute or administrative value	X		2 years	13 years	15 years
8	Duplicates needed for Administrative purposes for 5 to 10 years		X	2 years	13 years	15 years
9	All other original District records, or instruments, books or papers that are considered public documents not included in Groups 1 through 8.	X		2 years	1 year	3 years
10	Duplicates and other documents not public records required to be maintained for administrative purposes.	X	X	2 years	3 years	5 years

Group #	Title/Description	Original	Duplicate	Retention Periods		
				Office	Record Center	Retain or destroy
11	Duplicate records requiring retention for administrative purposes such as reference material for making up budgets, planning and programming.		X	3 years		3 years
12	Reference files (copies of documents which duplicate the record copies filed elsewhere in the District; documents which require no action and are non-record; rough drafts, notes, and similar working papers accumulated in preparation of a communication, study or other document, and cards, listings, indexes and other papers used for controlling work).		X	1 year		1 year
13	Transitory files, including letters of transmittal (when not a public record), suspense copies when reply has been received, routine requests for information and publication, tracer letters, and other duplicate copies no longer needed.	X	X	3 months		3 months
14	Original documents disposable upon occurrence of an event or an action (i.e., audit, job completion, completion of contract, etc.) or upon obsolescence, supersession, revocation	X		2 years	3 years	5 years
15	Policy files and reference sets of publications		X	Indefinite		Indefinite
16	Duplicates or non-record documents required for administrative needs but destroyable on occurrence of an event or an action		X	Indefinite		Indefinite

# TAB 5



**TO:** BOARD OF DIRECTORS **BOD Meeting: 03/28/2024**  
**FROM:** Kathy Wylie, Agency Administrator **Item: 5a**

**SUBJECT: RECEIVE SEISMIC COMPLIANCE TEAM PROGRESS REPORT AND  
UPDATE ON COMMUNITY MEETINGS**

**RECOMMENDATION**

None. This item is for information only.

**BACKGROUND**

The hospital facilities are 52 years old and in need of major repairs and upgrades that would ensure the continued delivery of health care on the Coast. In addition, the state of California has mandated that all hospital facilities across the state be updated to current seismic and earthquake standards by 2030.

The Mendocino Coast Health Care District board members have scheduled a series of community meetings to learn directly from Coast residents how they can support healthy communities on the Coast by ensuring continuous, accessible, high-quality sustainable health care. Mendocino Coast Health Care District (MCHCD) has gone through major changes in the past five years. In 2020 the MCHCD contracted with Adventist to manage our community coast hospital.

Coast residents are invited to attend one of the several MCHCD community meetings scheduled over the next several weeks, listed below. Additional meetings will be held in Comptche, Elk and Mendocino. A full schedule of meetings will be available in the coming weeks.

A summary of Community responses and concerns will be presented to the board for further consideration at an upcoming regular board meeting.

**FISCAL IMPACT**

The MCHCD Board has previously authorized \$1000 for facilities and Spanish-translation costs for the community meetings.

**Tuesday, March 26,**  
6:00pm – 7:30pm

**Westport Fire Station,** 37551 N. Hwy 1,  
Westport

**Tuesday, April 2 (English),**  
6:00pm – 7:30pm

**Town Hall,** 363 N. Main Street, Fort Bragg

**Thursday, April 4 (Spanish),**  
6:00pm – 7:30pm

**Town Hall,** 363 N. Main Street, Fort Bragg

**Wednesday, April 10,**  
6:00pm – 7:30pm

**Caspar Community Center,** 15051 Caspar  
Road

3.28.24

RE: Report on State-required Seismic Retrofit Planning, Mendocino Coast Hospital Facility

Next Steps:

- SPC-4D MTCAP Phase
  - SPC stands for Structural Performance Category and relates to elements that hold up the building columns, beams, etc.
  - MTCAP stands for Material Testing and Conditions Assessment Program. This process involves taking physical samples of the building structure and testing them to make sure that the elements meet the physical properties that the basis of design used to come up with the proposed upgrade.
  - We will be submitting a proposal next week for this effort which will mainly be structural and geotechnical involvement. The proposal will be for the MTCAP design and the new geotechnical report. Per the Seismic Compliance Plan that was approved by the board and HCAI this phase started in Q2-2024.
- NPC-4 Evaluation:
  - This package was submitted to HCAI at the end of last year, per the interim deadline requirements and is currently under review by HCAI. We have not seen and updates from them regarding the package.
- NPC-5 Evaluation:
  - This package was submitted to HCAI at the end of last year, per the interim deadline requirements and is currently under review by HCAI. We have not seen and updates from them regarding the package.

Dudley Campbell  
Devenney Group

**OFFICIAL RECORD OF MEASURE C FUNDS  
NET OF APPROVED ALLOCATIONS JANUARY 1, 2024**

<u>Date</u>	<u>Gross Parcel Tax Receipts</u>	<u>Assess</u>	<u>Rebates</u>	<u>Net Parcel Tax Receipts</u>	<u>Capital Projects Approved</u>	<u>Balance</u>
<u>2018</u>						
10/15	100			100		100
<u>2019</u>						
1/14	965,606	(19,312)		946,294		946,394
2/28			(18,144)	(18,144)		928,250
4/3			(5,040)	(5,040)		923,210
4/17			(1,584)	(1,584)		921,626
4/26	667,146	(13,343)		653,803		1,575,429
5/8					(700,000)	875,429 Medtech upgrade
5/30			(1,152)	(1,152)		874,277
6/7			(1,296)	(1,296)		872,981
7/19			(4,608)	(4,608)		868,373
7/24			(288)	(288)		868,085
8/9			(1,296)	(1,296)		866,789
8/20	121,445	(2,429)		119,016		985,805
10/15					(56,088)	929,717 ED Flooring
					(24,650)	905,067 Nitrous manifold
12/4			(864)	(864)		904,203
12/17	904,939	(18,099)		886,840		1,791,043
12/19			(576)	(576)		1,790,467
<u>2020</u>						
1/31					(136,568)	1,653,899 LOGIQ Ultrasound
1/31					(314,564)	1,339,335 NCFHC
1/31					(314,564)	1,024,771 ED
1/31					(314,564)	710,207 Labor & Delivery
5/31	625,231	(12,505)		612,726		1,322,933
7/15			(3,168)	(3,168)		1,319,765
9/15	111,327	(2,267)		109,060		1,428,825
12/17	890,906	(17,815)		873,091		2,301,916
<u>2021</u>						
2/18					(2,225,478)	76,438 Roof, HVAC, Ambulance,
4/23	615,436	(12,309)		603,127		679,565 Fire Sprinklers, and
8/26	113,946	(2,267)		111,679		791,244 Surgical Waster
10/19			(5,040)	(5,040)		786,204
29-Dec	884,110	(17,682)		866,428		1,652,632
<u>2022</u>						
4/14	610,304	(12,206)		598,098		2,250,730
19-Aug	112,483	(2,250)		110,233		2,360,963
29-Dec	882,605	(17,652)		864,953		3,225,916
<u>2023</u>						
3-Feb		(720)		(720)		3,225,196
13-Apr	609,130		(12,183)	596,947		3,822,143
31-Aug	110,553	(2,246)		108,307		3,930,451
12/21/2023	882,763		(17,655)	865,108		4,795,559
<b>CURRENT TOTALS</b>	<b>9,108,030</b>	<b>(153,102)</b>	<b>(72,894)</b>	<b>8,882,035</b>	<b>(4,086,476)</b>	<b>4,795,559</b>

Remaining Unallocated Measure C Funds **4,795,559**  
Measure C Restricted Account Balance 12/31/23 **3,731,703**  
True-up needed **1,063,856**

**APPROVED MEASURE C ALLOCATIONS AS OF FEBRUARY 12, 2024**

<u>Date</u>	<u>Gross</u>		<u>Net</u>		<u>Capital</u>		<u>Balance</u>
	<u>Receipts</u>	<u>Assess</u>	<u>Rebates</u>	<u>Parcel Tax</u>	<u>Projects</u>	<u>Approved</u>	
<u>2018</u>							
10/15	100			100			100
<u>2019</u>							
1/14	965,606	(19,312)		946,294			946,394
2/28			(18,144)	(18,144)			928,250
4/3			(5,040)	(5,040)			923,210
4/17			(1,584)	(1,584)			921,626
4/26	667,146	(13,343)		653,803			1,575,429
5/8					(700,000)		875,429
5/30			(1,152)	(1,152)			874,277
6/7			(1,296)	(1,296)			872,981
7/19			(4,608)	(4,608)			868,373
7/24			(288)	(288)			868,085
8/9			(1,296)	(1,296)			866,789
8/20	121,445	(2,429)		119,016			985,805
10/15					(56,088)		929,717
					(24,650)		905,067
12/4			(864)	(864)			904,203
12/17	904,939	(18,099)		886,840			1,791,043
12/19			(576)	(576)			1,790,467
<u>2020</u>							
1/31					(136,568)		1,653,899
1/31					(314,564)		1,339,335
1/31					(314,564)		1,024,771
1/31					(314,564)		710,207
5/31	625,231	(12,505)		612,726			1,322,933
7/15			(3,168)	(3,168)			1,319,765
9/15	111,327	(2,267)		109,060			1,428,825
12/17	890,906	(17,815)		873,091			2,301,916
<u>2021</u>							
2/18					(2,225,478)		76,438
4/23	615,436	(12,309)		603,127			679,565
8/26	113,946	(2,267)		111,679			791,244
10/19			(5,040)	(5,040)			786,204
29-Dec	884,110	(17,682)		866,428			1,652,632

Roof rep,HVAC,AmbInc,fire sprkl,surg waste  
**NOTE: REVISED ABOVE ALLOCATION 7/7/22**



4/14	610,304	(12,206)	598,098	2,250,730	
19-Aug	112,483	(2,250)	110,233	2,360,963	
29-Dec	882,605	(17,652)	864,953	3,225,916	
<u>2023</u>					
3-Feb		(720)	(720)	3,225,196	
13-Apr	609,130		596,947	3,822,143	
31-Aug	110,553	(2,246)	108,307	3,930,451	
21-Dec	882,763	(17,655)	865,108	4,795,559	
<u>2024</u>					
22-Jan				4,695,559	Cypress Street Roof
22-Jan				4,465,523	Ambulance (Foundation)
12-Feb				4,278,721	Auto Transfer Switch
				3,319,033	Medical Air Replacement
				3,300,466	Central Sterile Supply/Surgery Hvac
				3,292,356	Fire Sprinkler Pipe Rust
				3,235,316	Roof-Main Hospital
				3,100,316	Fire Roll-Down
				2,967,594	Infection Control (Lobby Flooring)
				2,907,114	Oncology-Infection Control
				2,631,116	Infection Control (RT, Cardio, Med Rooms)
				2,477,661	Infection Control Flooring
				2,477,353	3D Mammography
				2,466,151	Ambulance Unit Replacement
				2,401,151	Legionella Compliance Equipment
				2,380,635	ER Hot Water Heater
				2,210,095	Zoll Defibrillators
CURRENT TOTALS	9,108,030	(153,102)	8,882,035	2,210,095	
		(72,894)	(6,671,940)		

**SUMMARY**

UNALLOCATED FUNDS AS OF JANUARY 1, 2024	\$4,795,559	NOT THE BANK BALANCE
TOTAL OF 2024 ALLOCATION OF MEASURE C FUNDS 2/12/24	\$2,585,464	
UNALLOCATED FUNDS AS OF FEBRUARY 13, 2024	2,210,095	NOT THE BANK BALANCE
MEASURE C RESTRICTED ACCOUNT BALANCE 12/31/23	3,731,703	
AMOUNT OF FUNDS THAT CAN BE UNRESTRICTED	1,521,608	
BALANCE OF MEASURE AFTER UNRESTRICTION (TRANSFER)	2,210,095	NEW BANK BALANCE

**ADDITIONAL MEASURE C ALLOCATIONS 2/12/24 FOR  
ADVENTIST HEALTH NOVEMBER 1, 2023 REPORT ON BUILDING MAINTENANCE AND EQUIPMENT EXPENDITURES**

PROJECTS	MEASURE C		MEASURE C FUNDS SPENT	AH EXPENDITURE	TOTAL COST	COMPLETION DATE	ADDITIONAL MEASURE C ALLOCATION
	ALLOCATION	FUNDS SPENT					
Auto Transfer Switch-Emergency Power	660,000	616,802	230,000	846,802	FY2024 QTR 1	186,802	
Medical Air Replacement	283,001	419,694	822,995	1,242,689	FY2023QTR4	959,688	
Sterile Processing Feasibility & Engineering Review	0	0	55,490	55,490	Completed	0	
Central Sterile Supply/Surgery HVAC	424,250	442,817	0	442,817	Completed	18,567	
Fire Sprinkler Pip Rust Issues	35,502	0	43,612	79,114	Completed	8,110	
PSB - Single HVAV Replacement	0	0	58,800	58,800	Completed	More information	
Roof - Main Hospital Repairs	375,997	0	57,040	57040	Completed	57,040	
Roof - Patient Support Building Replacement	0	0	316,469	316,460	Completed	0	
Fire Roll-Down NFPA Code Mandatory Replacement (4)	0	0	135,000	135,000	FY2023QTR4	135,000	
AHMC Lab Equipment Replacement	0	0	1,038,000	1,038,000	FY2024QTR3	More information	
Infection Control (Lobby Flooring)	0	0	132,722	132,722	Completed	132,722	
Oncology - Infection control environmental updates	0	0	60,480	60,480	Completed	60,480	
Infection Control - Furniture Red, ER Waiting, Front Lobby, PT, Lab	0	0	111,090	111,090	Completed	0	
Infection Control (RT, Cardio, Med Rooms flooring replacement	0	0	275,998	275,998	Completed	275,998	
Infection Control Flooring Respiratory Therapy, Cardio, Med Rooms	0	0	153,455	153,455	Completed	153,455	
3 D Mammography - Facility remodel for equipment install	163,788	0	164,096	164,096	Completed	308	
Platelet Agitator lab	0	0	10,051	10,051	Completed	0	
Surgery - (2) ESU Machine (2 Force Triad Ligature	29,898	0	29,898	29,898	Completed	0	
Surgery - Medical Waste Device	41,903	0	41,903	41,903	Completed	0	
Radio System - Emergency Management	30365	0	30,364	30,364	Completed	0	
Ambulance Unit Replacement	180,774	0	191,976	191,976	Completed	11,202	
Legionella compliance equipment replacemente	0	0	65,000	65,000	FY2023QTR4	65,000	
Emergency Department Hot Water Heater	0	20,516	0	20,516	Completed	20,516	
Regulatory/Deferred Maintenance	0	329,631	0	329,631	Completed	More information	
Zoll Defibrillators (7)	0	170,540	0	170,540	Completed	170,540	
<b>TOTALS</b>	<b>2,225,478</b>	<b>2,000,000</b>	<b>4,024,439</b>	<b>6,024,439</b>		<b>2,255,428</b>	

MENDOCINO COAST HEALTH CARE DISTRICT  
BALANCE SHEET  
AS OF FEBRUARY 29 , 2023

ASSETS

CURRENT ASSETS

BANK ACCOUNTS

SAVINGS BANK CORE 0660 AS OF 1/17/24	CLOSED
SAVINGS BANK GIFT & MEMORIAL 0686	CLOSED
SAVINGS BANK PLAN 3748	CLOSED
SAVINGS BANK HH 0678 AS OF 1/8/24	CLOSED
TRI COUNTIES AP 7244	\$ 183,770.54
TRI COUNTIES DEPOSIT 7219	\$ 448,545.01
TRI COUNTIES MEASURE C 5258	CLOSED
TRI COUNTIES TAX ACCOUNT 5861	\$ 378,744.60
BANK OF AMERICA 0155	\$ 733,923.47
BANK OF AMERICA AP 1268	CLOSED
BANK OF AMERICA HH AP 3743	\$ 24,369.05
BANK OF AMERICA HH PR 7680	CLOSED
BANK OF AMERICA MASTER 1263	\$ 436,227.81
BANK OF AMERICA PR 1282	CLOSED
CALIFORNIA BANK OF COMMERCE 5786	\$ (20.00)
CALIFORNIA BANK OF COMMERCE 5778	\$ 3,821,013.19
MEASURE C FUNDS	
CALIFORNIA BANK OF COMMERCE 5760	\$ 1,360,246.30
CALIFORNIA BANK OF COMMERCE 5752	\$ -
CALIFORNIA BANK OF COMMERCE 5745	\$ -
CALIFORNIA BANK OF COMMERCE 5737	\$ 2,044,210.01
CALIFORNIA BANK OF COMMERCE 5729	\$ 250,000.00

TOTAL BANK ACCOUNTS \$ 9,681,029.98

OTHER ACCOUNTS

LOCAL AGENCY INVESTMENT FUND *	\$ 3,543,675.82
ALLYSON HUNDLEY-FORD FUND *	\$ 28,764.00
THESE FUNDS ARE IN LAIF	
STORAGE DEPOSIT	\$ 1,606.00

TOTAL OTHER ACCOUNTS \$ 3,574,045.82

ACCOUNTS RECIEVABLE

CA DHCS IGT \$ 1,095,350.00

TOTAL ACCOUNTS RECIEVABLE \$ 1,095,350.00

MENDOCINO COAST HEALTH CARE DISTRICT  
BALANCE SHEET

TOTAL CURRENT ASSETS	AS OF FEBRUARY 29 , 2023	\$ 14,350,425.80
FIXED ASSETS		\$ 14,597,314.87
<b>TOTAL ASSETS</b>		<b>\$ 28,947,740.67</b>
LIABILITIES		
LONG TERM LIABILITIES		
UNITED HEALTH CARE LOAN*		\$ 210,000.00
2016 REFUNDING BONDS *		\$ 2,875,000.00
HELP II LOAN *		\$ 698,111.59
<b>TOTAL LIABILITIES</b>		<b>\$ 3,783,111.59</b>
<b>TOTAL ASSETS MINUS LIABILITIES</b>		<b>\$ 25,164,629.08</b>

PLEASE NOTE THE BALANCE SHEET IS A WORK IN PROCESS  
FISCAL 2020/2021 NEEDS TO BE COMPLETED, AS WELL AS SEPERATION OF FUNDS  
WITH AH PRIOR TO COMPLETE AND ACCURATE REPORTING

MENDOCINO COAST HEALTH CARE DISTRICT

MARCH 2024

WARRANT LIST

PAID INVOICES

	INVOICE #	AMOUNT	PD
1 BRAGGADOON SIGNS & GRAPHICS	6082	\$ 320.82	
2 MENDO LITHO	STMT	\$ 291.92	
3 REDWOOD ROOFERS		\$ 68,569.50	CK 12561
4 SARA SPRING	POSTAGE	\$ 6.73	
SARA SPRING	SUPPLIES	\$ 5.54	
5 SUSAN SAVAGE	SUPPLIES	\$ 40.80	
6 EMC RESEARCH	17519	\$13,250.00	

NEED APPROVAL

1 DEVENNY GROUP	20649	\$ 6,875.00	
2 RGS	16424	\$ 211.20	
RGS	16423	\$ 5,549.35	
RGS	16178	\$ 6,600.00	
RGS	16363	\$ 13,200.00	
RGS	16544	\$ 13,200.00	

# \$320.82

Review and pay

Powered by QuickBooks

Dear Kathy Wiley,

Here's your revised invoice! My apologies.

Thanks for your business!  
Braggadoon Signs & Graphics

**Bill to**

Kathy Wiley  
Mendocino Coast Health Care  
District  
775 River Drive  
Fort Bragg, CA 95437

**Signs:File prep - signs**

\$90.00

File builds + prep for production including site visits and mockups - billed per hour - 1 hour minimum - hourly rate shown

1 X \$90.00

**Graphics:Window**

\$212.00T

Cut cast vinyl / white / surface prep + installation / office door up to 36" wide / intermediate

1 X \$212.00 Fort Bragg

Subtotal	\$302.00
Tax (8.875%)	\$18.82
Total	\$320.82
Balance due	\$320.82

Please note:

- A 10% interest charge will be incurred on accounts over 30 days.

---

Review and pay

---

Braggadoon Signs & Graphics

435 N. Main Street Fort Bragg, CA 95437 US

(707) 964-5050 [kiersten@braggadoon.com](mailto:kiersten@braggadoon.com) [Braggadoon.com](http://Braggadoon.com)

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If you receive an email that seems fraudulent, please check with the business owner before paying.



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--  
Kiersten Hanna, Director  
Braggadoon Signs & Graphics



**Mendo Litho**

100 North Franklin Street  
Fort Bragg, CA 95437

Phone # (707) 964-0062      mendolitho@mcn.org

<b>Date</b>
3/4/2024

<b>To:</b>
Mendocino Coast Healthcare District PO Box 579 Fort Bragg, CA 95437

<b>Amount Due</b>	<b>Amount Enc.</b>
\$291.92	

Date	Transaction	Amount	Balance
01/04/2024	INV #21732. Orig. Amount \$15.29. agenda 010424	15.29	15.29
01/25/2024	INV #21759. Orig. Amount \$165.52. Jan 25 2024	165.52	180.81
02/07/2024	INV #21773. Orig. Amount \$8.42. special agenda 2/8/24	8.42	189.23
02/12/2024	INV #21775. Orig. Amount \$7.73. measure C special agenda 2 12 2024	7.73	196.96
02/29/2024	INV #21805. Orig. Amount \$94.96. MCHCH agenda special 022924	94.96	291.92

**Thank You!**  
We appreciate your business.

CURRENT	1-30 DAYS PAST DUE	31-60 DAYS PAST DUE	61-90 DAYS PAST DUE	OVER 90 DAYS PAST DUE	Amount Due
111.11	180.81	0.00	0.00	0.00	\$291.92



# REDWOOD ROOFERS

17851 NORTH HIGHWAY 1  
FORT BRAGG, CA 95437  
(707) 937-1700

## INVOICE

22 March 2024

Mendocino Coast Health Care District  
775 River Drive  
Fort Bragg, CA 95437

ID NUMBER: 515CYPRESSDRIVEFORTBRAGGCA95437COMMERICAL

Date	Description	Cost
1 February 2024	<b>Roofing Bid:</b> Mendocino Coast Health Care District   515 Cypress Drive   Fort Bragg, CA 95437   Commercial Building. <b>Cost Of Labor &amp; Materials.</b>	\$120,375.00
	<b>SUBTOTAL</b>	\$120,375.00
14 February 2024	Payment On Account   Check # 52533	-\$61,187.50
	<b>SUBTOTAL</b>	\$59,187.50
26 February 2024	<b>Change Order:</b> Mendocino Coast Health Care District   515 Cypress Drive   Fort Bragg, CA 95437   Commercial Building  Ridge & Intake Venting. <b>Cost Of Labor &amp; Materials.</b>	\$3,840.00
	<b>SUBTOTAL</b>	\$63,027.50
27 February 2024	<b>Gutters:</b> Mendocino Coast Health Care District   515 Cypress Drive   Fort Bragg, CA 95437   Commercial Building  Gutters. <b>Cost Of Labor &amp; Materials.</b>	\$5,442.00
	<b>SUBTOTAL</b>	\$68,469.50
20 March 2024	Payment On Account   Check # 12561	-\$68,569.50
	<b>TOTAL DUE</b>	-\$100.00



Dakota Murray | General Manager  
Redwood Roofers | Contractor's License # 957548  
707.937.1700 (Phone) | 707.937.4345 (FAX)  
[info@redwoodroofers.com](mailto:info@redwoodroofers.com) | [www.redwoodroofers.com](http://www.redwoodroofers.com)

Thursday, 2/1/24 4:59 PM PST

# RICK WOOD

CALIFORNIA SPECIAL DISTRICT ASSOC.

1112 I St Ste 200

Sacramento CA 95814-2836

Shipment Details 9405536105536273720861

<b>Ship From Address: Sara SPRING</b> Sara SPRING 41751 Little River Airport Rd Little River CA 95456-9649	<b>Package Details</b> <b>Package Type:</b> Envelope, Padded Envelope, Poly Bag, Soft Pack, or Box in a Bag <b>Dimensions:</b> 13x10" <b>Weight:</b> 1 lbs 5.75 oz <b>Free Online Delivery Confirmation</b>	<b>Label Details</b> <b>Label Size:</b> 4x6" <b>Label Filetype:</b> PDF
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Service	Cost
Priority Mail Cubic, Zone 2 Estimated delivery 02/07/24 by 6:00 PM if shipped on 02/05/24	\$6.73
<b>Total Cost</b>	<b>\$6.73</b>
<b>Ship Date</b>	Thursday, 2/1/24
<b>Email Recipients (PDT)</b>	No Email Address set

Pay Sara SPRING  
 \$6.73 Postage  
 5.54 Office Supplies  
 -----  
 12.27

# DOLLAR TREE

Store# 5853  
 189 Boatyard Drive  
 Fort Bragg CA 95437-5741

(707) 962-6050

DESCRIPTION	QTY	PRICE	TOTAL
PAD LEGAL 3PK 5X8 90 SHEETS	1	1.25	1.25T
PAD LEGAL 3PK 5X8 90 SHEETS	1	1.25	1.25T
BIC CLIC STIC PRVAGUARD BLK5PK	1	1.25	1.25T
BIC CLIC STIC PRVAGUARD BLK5PK	1	1.25	1.25T
Bag Fee	1	0.10	0.10N
Sub Total			\$5.10
SALES TAX			\$0.44
Total			\$5.54
American Expres			\$5.54
*****1008			Approved
Purchase			Cntctless
Auth/Trace Number: 826000/724786			

NOW SHOP ON-LINE AT DOLLARTREE.COM

\*\*\*\*\*  
 \* We will gladly exchange any unopened item \*  
 \* with original receipt. We do not offer refunds. \*  
 \*\*\*\*\*

1721 05853 72 172 7772 7/20/23 20:07

Sales Associate:Self-Checkout User

*✓ to SAC*



410 North Main Street  
Fort Bragg, California, 95437  
United States  
7079648800

**Sales Receipt**  
07/20/2023 1:02 pm

Ticket: 220000049152  
Register: Register 1  
Employee: Tessa

Items	#	Price
Chocolate Originals*	2	\$5.50
Chocolate Truffle*	10	\$35.00
Shopping Bags*	1	\$0.10
Subtotal		\$40.60
Total Tax		\$0.00
<b>Total</b>		<b>\$40.60</b>
Tip		\$0.00

✓ to SUSAN

**PAYMENTS**

Debit Card \$40.60

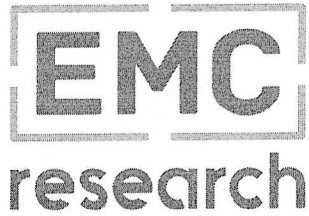
\* No Tax Applied  
Thank You!



**TRANSACTION DETAILS**

Sale \$40.60  
VISA DEBIT \*\*\*\*\*1726  
Date: 07/20/2023 1:02 pm  
Method: contact\_emv  
Auth Code: 130922  
AID: A0000000031010  
APN: VISA DEBIT  
Account Type: checking  
Cryptogram: 387838B3E0B44B78

Pay Susan Savage  
\$40.60 Supplies



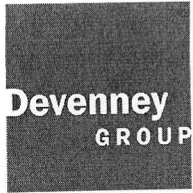
# Invoice

<b><u>Bill to</u></b>	<b><u>Date</u></b>	<b><u>Invoice #</u></b>
Mendocino Coast Healthcare District 700 River Dr. Fort Bragg, CA 95437	11/29/2023	17519
	<b><u>Terms</u></b>	<b><u>EMC Job#</u></b>
	Due on receipt	24-09105

DESCRIPTION	AMOUNT
Quantitative Research Mendocino Coast Health Care District/Adventist Health Community Assessment	13,250.00
200 Telephone/Online Interviews at 18 minutes each	
Initial 50% billing for questionnaire design and field management	
\$26,500 Total Fee	
\$13,250 Current Invoice	
\$13,250 Balance to be billed	
Our W-9 and electronic payment instructions are attached. If paying by check, please remit payment to PO Box 14349 Columbus, OH 43214.	

Please remit payment to PO Box 14349 Columbus, OH 43214.  
Thank you!

**Total** **\$13,250.00**



February 13, 2024  
 Invoice No: 20649

MENDOCINO COAST HEALTHCARE DISTRICT  
 Mendocino Coast Health Care District  
 P.O. Box 579  
 Fort Bragg, CA 95437-0579

Project 18000.00 MCDH - MENDOCINO COAST DISTRICT HOSPITAL CONCEPTUAL  
 DESIGN CONCEPT DEVELOPMENT

**Professional Services for the Period: January 01, 2024 to January 31, 2024**

Phase	100	BASIC SERVICES				
Phase	Phase Fee	Percent Complete	Fee Earned	Prior Billing	Current Fee	
ARCHITECTURAL	97,650.00	100.00	97,650.00	97,650.00	0.00	
SPECIAL PLANNING	16,000.00	100.00	16,000.00	16,000.00	0.00	
COST ESTIMATING	25,000.00	100.00	25,000.00	25,000.00	0.00	
SUPPORT						
OPERATIONAL						
PLANNING						
Total Fee	138,650.00		138,650.00	138,650.00	0.00	
		<b>Total Fee</b>				<b>0.00</b>
<b>Billing Limits</b>		<b>Current</b>	<b>Prior</b>	<b>To-Date</b>		
Expenses		0.00	3,608.97	3,608.97		
Limit				11,310.00		
Remaining				7,701.03		
			<b>Phase Total</b>			<b>0.00</b>

Phase	101	ASA #1: STRUCTURAL				
Total Fee	44,450.00					
Percent Complete	100.00	Total Earned		44,450.00		
		Previous Fee Billing		44,450.00		
		Current Fee Billing		0.00		
		<b>Total Fee</b>				<b>0.00</b>

Billing Limits	Current	Prior	To-Date
Expenses	0.00	0.00	0.00
Limit			2,945.00
Remaining			2,945.00
<b>Phase Total</b>			<b>0.00</b>

Phase	102	ASA #2: GRANT APP/OPERATIONAL PLAN		
Total Fee	142,570.00			
Percent Complete	100.00	Total Earned	142,570.00	
		Previous Fee Billing	142,570.00	
		Current Fee Billing	0.00	
		<b>Total Fee</b>		<b>0.00</b>

Billing Limits	Current	Prior	To-Date
Expenses	0.00	1,188.63	1,188.63
Limit			20,000.00
Remaining			18,811.37
<b>Phase Total</b>			<b>0.00</b>

Phase	103	ASA #3: 2024 EVALUATION		
Total Fee	68,750.00			
Percent Complete	100.00	Total Earned	68,750.00	
		Previous Fee Billing	61,875.00	
		Current Fee Billing	6,875.00	
		<b>Total Fee</b>		<b>6,875.00</b>

Billing Limits	Current	Prior	To-Date
Expenses	0.00	0.00	0.00
Limit			1,375.00
Remaining			1,375.00
<b>Phase Total</b>			<b>\$6,875.00</b>

**Total this Invoice** \$6,875.00

**Outstanding Invoices**

Number	Date	Balance
20385	9/19/2023	25,683.13 <i>pd</i>
20524	12/18/2023	77,146.00 <i>pd</i>
20573	1/11/2024	49,139.00 <i>pd</i>
<b>Total</b>		<b>151,968.13</b>

Project Manager Dudley Campbell



# Invoice

PO Box 1350  
Carmel Valley, CA 93924

Date	Invoice #
1/2/2024	16424

**Bill To:**

Mendocino Coast Health Care District

P.O. No.	Due Date	Inv Sent
	3/31/2024	3/12/2024

Date	Description	Amount
1/02/2024	Contract Services for December Services - please see attached	211.20

Electronic Payment Information: Five Star Bank Routing:121143037 Account:003528782	<b>Total</b>	<b>\$211.20</b>
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**MCHCD - Support Svc**

Month: **December, 2023**

Hours and Rates by Pay Period					
	1st -15th		16th - EOM		Monthly
Advisor	Reg Hrs	Bill Rate	Reg Hrs	Bill Rate	Total Billed
GL	0.00	\$ -	1.20	\$ 176.00	\$ 211.20
<b>Totals</b>	<b>0.00</b>		<b>1.20</b>		<b>\$ 211.20</b>



# Client Activity Report

December 2023

Client	Task	Comment	Hours
<b>Mendocino Coast Health Care District</b> <b>7022-000 - MCHCD - Support Services</b>			Client Hours 1.20
			Task Hours 1.20
	12/19/2023	Planning	0.40
	12/20/2023	Proj. MGMT	0.30
	12/21/2023	General Assignment Time	0.30
12/26/2023	Planning	0.20	



PO Box 1350  
Carmel Valley, CA 93924

# Invoice

Date	Invoice #
1/31/2024	16423

Bill To:
Mendocino Coast Health Care District

P.O. No.	Due Date	Inv Sent
	3/31/2024	3/12/2024

Date	Description	Amount
1/31/2024	Contract Services for January - please see attached	5,549.35

Electronic Payment Information: Five Star Bank Routing: 121143037 Account: 003528782	<b>Total</b> \$5,549.35
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**MCHCD - Support Svc**

Month: **January, 2024**

<b>Hours and Rates by Pay Period</b>					
	<b>1st -15th</b>		<b>16th - EOM</b>		<b>Monthly</b>
<b>Advisor</b>	<b>Reg Hrs</b>	<b>Bill Rate</b>	<b>Reg Hrs</b>	<b>Bill Rate</b>	<b>Total Billed</b>
MB	7.35	\$ 175.00	19.10	\$ 175.00	\$ 4,628.75
JC	2.50	\$ 150.00	0.00	\$ -	\$ 375.00
GL	0.10	\$ 176.00	3.00	\$ 176.00	\$ 545.60
<b>Totals</b>	<b>9.95</b>		<b>22.10</b>		<b>\$ 5,549.35</b>



PO Box 1350  
Carmel Valley, CA 93924

# Invoice

Date	Invoice #
12/31/2023	16178

Bill To:
Mendocino Coast Health Care District

P.O. No.	Due Date	Inv Sent
	1/30/2024	1/22/2024

Date	Description	Amount
12/31/2023	Contract Service Fee for second half of December - Agency Administrator Srvc  Balanced billed to date is \$6,600 against an NTE of \$92,400 1 of 7 Payments	6,600.00

Electronic Payment Information: Five Star Bank Routing: 121143037 Account: 003528782	<b>Total</b> <b>\$6,600.00</b>
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# Invoice

PO Box 1350  
Carmel Valley, CA 93924

Date	Invoice #
1/31/2024	16363

**Bill To:**

Mendocino Coast Health Care District

P.O. No.	Due Date	Inv Sent
	3/1/2024	2/21/2024

Date	Description	Amount
	Contract Service Fee for January - Agency Administrator Srves  Balanced billed to date is \$19,800 against an NTE of \$92,400 2 of 7 Payments	13,200.00

Electronic Payment Information: Five Star Bank Routing: 121143037 Account: 003528782	<b>Total</b> <b>\$13,200.00</b>
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# Invoice

PO Box 1350  
Carmel Valley, CA 93924

Date	Invoice #
2/29/2024	16544

**Bill To:**  
Mendocino Coast Health Care District

P.O. No.	Due Date	Inv Sent
	3/31/2024	3/22/2024

Date	Description	Amount
2/29/2024	Contract Service Fee for February - Agency Administrator Srvcs  Balanced billed to date is \$33,000 against an NTE of \$92,400 3 of 7 Payments	13,200.00

Electronic Payment Information: Five Star Bank Routing: 121143037 Account: 003528782	<b>Total</b> <b>\$13,200.00</b>
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**TO:** BOARD OF DIRECTORS **BOD Meeting: 03/28/2024**  
**FROM:** Paul Garza, Board Chair **Item: 5e**  
**SUBJECT: REVIEW AND CONSIDER APPROVAL OF 2024 STANDING COMMITTEE MEETINGS CALENDAR**

**RECOMMENDATION**

Board Action to consider and approve a 2024 Standing Committee Meetings Calendar.

**BACKGROUND**

A review of Article III, Section 1(a) of the District’s bylaws reveals that at the time standing committees are appointed, a calendar of meetings is also to be adopted. Additionally, Article III, Section 2(b) requires that standing committees report to the Board at least quarterly. When committee appointments were made this on January 25, 2024, the Board did not complete the process of calendaring meetings as required.

**ANALYSIS**

The Board should comply with its own bylaws. Prompt remediation of this oversight is required. Furthermore, regular meetings of standing committees along with quarterly reports will ensure that progress is made on key issues, policies and projects. Sections 3 and 4 of Article III provide guidance as to the types of policies and projects these committees should address; and it is of particular note that the activities of the Finance Committee are connected to annual requirements for budget adoption, independent audit completion and Measure C committee activity. Thus, timeliness of Finance Committee meetings in particular is essential not just to progress but to compliance.

A proposed meeting schedule is attached for the Board’s consideration. The dates provided for Finance Committee meetings were those proposed by the Finance Committee at their March 21, 2024 meeting. The proximity of these proposed meetings to the Board’s regular meeting each month may mean that matters discussed or recommended at a Finance Committee meeting cannot be timely agendized for the regular Board meeting in the same month. Any impacts of such delay could be ameliorated with sufficient planning of the Finance Committee’s activities and agendas in order to timely achieve the Board’s necessary financial activities.

**FISCAL IMPACT**

There are no significant fiscal impacts of calendaring standing committee meetings as required by the District’s bylaws.



# MCHCD Committee Meetings

	SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Week 1		Planning Committee meeting agenda post due by 1:00pm		5:00pm Deadline to submit agenda items for Finance Committee meeting	Planning Committee meeting, 1:00pm		
Week 2							
Week 3		Finance Committee Meeting agenda post due by 1:00pm		5:00pm Deadline to submit Agenda items for Regular BOD mtg.	Finance Committee meeting, 1:00pm		
Week 4		BOD Regular Meeting agenda post due by 6:00pm		1:00pm Deadline to submit agenda items Planning Committee	BOD Regular Meeting, 6:00pm		
Week 5							
Measure C Meetings:							
1/22/24, 4/22/24, 9/16/24 at 1:00pm	Agenda posting deadlines: 1/19/24, 4/19/24, 9/13/24, 1:00pm	Agenda items due: 1/16/24, 4/16/24, 9/10/24, 5:00pm					



**TO:** BOARD OF DIRECTORS **BOD Meeting: 03/28/2024**  
**FROM:** Paul Garza, Board Chair **Item: 5f**  
**SUBJECT: REVIEW AND CONSIDER APPROVAL OF PROCUREMENT OF CHIEF FINANCIAL OFFICER SERVICES.**

**RECOMMENDATION**

Board Action to consider and approve a process to procure a contract for Chief Financial Officer (CFO) services.

**BACKGROUND**

A brief examination of the published financial documents of the District reveals significant concerns. The District's most recent audited financials are for the FY ending June 30, 2020. Between March 23, 2023 and March 21, 2024, the standing Finance Committee did not meet, despite the requirements in the District's bylaws for regular meetings at least quarterly reporting. Budget documents and financial reports are inconsistent in content and format, and timing of delivery is sporadic. This creates transparency issues for both the Board and the public. It is unclear whether the expenditures of the District are properly authorized, as the Board rescinded Fiscal Control Policy #3 on September 21, 2023, and has not issued further policy clarifying any delegation of authority with regard to payment of expenses. The District's investment policy, adopted on September 21, 2023, likewise is unclear as to the authorization to make investments.

In short, the financial management practices of the District for several years have fallen short of compliance with established bylaws and regulatory requirements. These deficiencies have consequences. Recently, the District received correspondence from the State Controller as well as several financial organizations with oversight or trustee roles relevant to the District's revenue bonds, requesting financial documentation, and outlining penalties for failure to comply. This correspondence was presented last month; and a new letter from Willdan received since is attached. I requested an opinion from legal counsel as to the potential consequences of non-compliance, which range from fines to possible prosecution; and recommendations for remediation – see memo attached.

Additionally, the District is urgently required to make key decisions about acquiring significant funding for mandated capital improvements. Comprehensive financial policies, accounting and reports are essential to both decision making by the Board, and access to cost-effective options for funding.

## **ANALYSIS**

Since affiliation, the District has been unstaffed, and efforts by members of the Board to fill the financial management role have not been successful; unsurprisingly, as the District had a CFO and accounting staff performing this work prior to affiliation. The work needed for accurate, compliant and transparent financial recordkeeping and reporting truly exceeds the capacity of a part-time unpaid Board. Recently, the District contracted with CSDA for financial activity support, but this service is limited in scope and duration; CSDA is not staffed to provide the level of support required. The District has a critical and immediate need for restructuring its financial management approach. To address the identified deficiencies, bring financial reports up to date, and ensure future compliance with regulatory requirements, it is imperative to contract for the services of a professional and qualified Chief Financial Officer (CFO). The appointment of a CFO will provide the necessary expertise to navigate complex financial matters, establish robust financial policies and controls, and oversee the production of accurate and timely financial reports. Furthermore, the CFO will play a crucial role in ensuring adherence to both the organization's bylaws and regulatory standards, thereby mitigating the risk of incurring penalties and reputational damage. By contracting for CFO services, the District can immediately address our current financial challenges and lay a solid foundation for sustainable financial management practices.

There are no restrictions or requirements in District Policy that precludes or limits the Board from selecting a contractor to perform these duties, nor is there a limitation in the Health and Safety code.

Failure to take immediate action not only jeopardizes future access to funding, as well as compliance with regulatory requirements but also undermines public trust and confidence regarding the use of taxpayer funds.

## **OPTIONS**

A draft scope of services for a contract CFO is attached for the Board's consideration. Essential qualifications for a service provider include California governmental finance experience which includes knowledge of fund accounting and categorical (restricted) funding requirements. In the short-term and due to immediate demands for financial records, a provider would also have experience in the health care industry, as industry-specific regulations apply. A lack of understanding of these principles has resulted in much of the lack of clarity that the Board has struggled to overcome in order to make effective decisions.

The RGS team has identified either a sole source or an RFQ process as appropriate alternatives to transparently and promptly obtain a qualified contractor. Sole source procurements generally include considerations such as:

- Unique specifications/circumstances/requirements
- Service or goods available only from a single source, supported by due diligence that was performed in determining that this is the only solution to the user's need.
- Services are needed to address an emergent or related time-sensitive need.

A potential sole source service provider is available. Mr. Wayne Allen, former CEO of the Mendocino District Hospital, and now a consultant providing healthcare financial services, has indicated a willingness to provide short-term CFO services to assist the Board with required corrections as well as the establishment of policy and process to properly maintain financial controls, records and compliance. Mr. Allen is highly qualified, and his specific familiarity with the District would result in immediate positive outcomes; a learning curve must otherwise be anticipated, should another qualified service provider be available. If this option is preferred, the Board may authorize the Chair to negotiate a contract for service, subject to review and concurrence of legal counsel.

Should an RFQ process be considered, the RGS team has identified 5 potential providers who could be solicited directly and promptly for a Statement of Qualifications. These organizations were sourced through their affiliation with the California Society for Municipal Finance Officers, and appear to offer potentially relevant consulting and financial services with appropriate California public sector expertise. Please note that RGS has no experience with any of the providers, and is relying on website presentations of qualifications. If this option is preferred, the Board may appoint an ad hoc committee to issue an RFQ, review responses, and recommend a provider with whom the Chair may negotiate a contract for service, subject to review and concurrence of legal counsel.

In either case, the contract for services will be promptly presented to the full Board for approval. The Board's authorization of one of these expeditious processes to retain a qualified consultant as CFO will demonstrate our commitment to sound governance practices, mitigate financial risks, and position our organization for long-term success and sustainability.

### **FISCAL IMPACT**

**There are significant fiscal impacts of obtaining contracted CFO services.** Such services should be expected to cost between \$50,000 and \$100,000 annually, depending on the scope of work, effectiveness of systems, and backlog of incomplete financial records.

**Mendocino Health Care District Pathways to Procure Basic Financial Services**

Option	Description	Pros	Cons	Comments
Request for Proposal (RFP) <sup>1</sup>	Competitive, Publicly Noticed Proposal Process	Highly Transparent, Can cast the widest net for potential vendors	Time Consuming, RFP and RFI are the most costly process	Generally used for mid to higher dollar purchases Contracts anticipated to be multi-year Usually publicized and promoted, allowing time for vendors/contractors to prepare their responses Process is longer than an RFQ. Should require respondents have public agency accounting experience, To assure a good RFP, RGS can issue and assist with Selection, but RGS would decline to respond if we were involved in the procurement due to conflict.
Invitation For Bids (IFB) <sup>2</sup>	Competitive, Publicly Noticed Proposal Process	Highly Transparent, Can cast the widest net for potential vendors	Time Consuming, RFP and RFI are the most costly process	Generally used for mid to higher dollar purchases Contracts anticipated to be multi-year Usually publicized and promoted, allowing time for vendors/contractors to prepare their responses Process is longer than an RFQ. Should require respondents have public agency accounting experience, To assure a good RFP, RGS can issue and assist with Selection, but RGS would decline to respond if we were involved in the procurement due to conflict.
Professional Services Selection/ Request for Qualifications	District invites firms to submit proposals informally	Time Expedient, 2nd only to Sole Source. Quick turnaround process which can be completed within a fewest working days.	Less Transparent than RFQ	Good common description of need will still be required. No need to publish notices. Informal Process. <sup>3</sup> Recommended option for lower cost purchases. Can include both current providers of services and outreach to new. Terms and Conditions may be "boilerplate" but must be specified.
District Position	Employee hired directly by District	Traditional Approach with high Public Acceptance High, Equal or Less time expedient than Professional Services Selection	District lacks Administrative infrastructure. Highest Liability Risk, including compensation and benefit liabilities. Hiring and selection Process TBA, If restricted to locals qualified persons may nit be available. Moderately Transparent if done in accordance with best practices.	Not Recommended for this agency, see Cons
Direct Purchase	For Professional Services, governing board may select the contractor	Most expeditious and efficient	Least Transparent	If used, recommend short term trial or easily terminated agreement.
Sole Source	Board selects a single vendor. Used when only one vendor is qualified, or able to provide	NA	NA	Does not yet meet criteria i.e. need appears to be one that can be met by more than one vendor.

**Footnotes**

<sup>1</sup>IFB is preferably used when the specifications (for materials or equipment) or the scope of work (construction or services) is captured in detail, with little room for ambiguity or interpretation.  
Awarded based on the lowest responsive/responsible bidder  
Generally Terms and Conditions are "as is" and are non-negotiable

<sup>2</sup>RFP is preferable used when the specifications or scope of work is generally broader or less detailed.  
The awarding entity is looking to the contracting public to provide solutions based on their expertise  
A set of criteria are issued with the solicitation and the contract award is based on the scoring of each criterion to determine the highest ranked proposer who can provide the best value for the awarding entity  
Terms and Conditions can be negotiated before incorporation into the final contract

<sup>3</sup> informal Process  
The solicitation or request is usually not published  
Terms and Conditions are related to suppliers/vendors while requesting quote and are usually "boilerplate" and non-negotiable  
Purchasing Authority (or designee) directly contacts multiple suppliers/vendors for quotes either via phone or email

## **Scope of Work**

### **Chief Financial Officer**

Provides expert consultation and advice to the Board of Directors regarding the fiscal activities and financial reports of the district. The CFO provides expert professional advice to contracted accounting service provider(s), as well as review to ensure that performance aligns with the district's goals.

Key services include but are not limited to

- Assess and recommend improvements for all fiscal-related services and activities including accounting, reporting audit project management and budget recommendations, including budget calendar, and budget revisions as needed.
- Recommend fiscal policies and procedures aligned with compliance, best practices of the industry, and District goals.
- Develop and present financial strategies.
- Provide Fiscal Impact analysis as requested for items under Board consideration
- Monitor and report on financial trends, investment portfolios, and economic conditions.
- Facilitate operational activities among external agencies and other stakeholders.
- Prepare reports and correspondence.
- Assist in District Lease negotiations
- Provide board member training as needed.

Qualified contractors will demonstrate extensive knowledge and applied experience in:

- California public agency fiscal management.
- Pertinent federal, state, and local regulations for the operation of health care special districts
- Effective administrative workflows, documentation and methods

March 25, 2024

Mr. Paul Garza Jr., Chair  
Mendocino Coast Health Care District  
Board of Directors  
775 River Drive  
Fort Bragg, CA. 95437

Sent via Email: [pgarza@mcdh.org](mailto:pgarza@mcdh.org)

Hi Mr. Garza,

At your MCHCD Board meeting on February 29, 2024, I had the opportunity to express my concern about the lack of credibility that was apparent to me with the missing agenda item of financial reports. After digging deeper into your website financial materials, I reviewed your Jan 2024 Balance Sheet agenda item. The two-page attachment showed the December 31, 2023 Balance Sheet and about \$10M dollars in the cash category. That large amount caught my attention and raised in my mind some compliance questions:

- Has MCHCD been following the Prudent Investor Standard for preservation of those investment dollars while keeping the risk of loss minimal?
- Has MCHCD established the designated funds on the Balance Sheet per the Lease and Operations Transfer Agreement with Adventist Health?
- Has MCHCD developed a plan to comply with the default notices from the Bond Trustee (BNY Mellon) and the CA Health Facilities Financing Authority?
- Has MCHCD developed with collaboration with Adventist Health its five-year business model plan? What is the community needs survey saying? What are financial resources saying?
- How did the bank cash balances increase from about \$10M as of December 31, 2023 to over \$13M as of February 29, 2024?
- Has MCHCD had its single audit of COVID Provider Relief Funds for compliance requirements as mandated by the United States Office of Management and Budget?

I will sum up the above comments this way: A part of the mission of the Board used to state "Meet its financial, contractual and regulatory obligations." If that statement is still in effect, there is room for improvement with the current state of affairs.

Instead of just raising questions and negative concerns, I want to offer my services to the District Board and those services would be included in a "Interim CFO & Strategy Consultant Agreement." If the Board of Directors wish to pursue that, they will include:

**Qualifications:** I have worked in the hospital environment for over forty years in the C-suite (CEO, CFO & COO). About ten of those years were at MCHCD (three stages of employment and two stages of consulting agreements). I am very familiar with the current Lease and Operations Transfer Agreement with Adventist Health. MCHCD is rapidly approaching the five-year anniversary with its clauses for a substantial rent increase and early termination.

**Scope of Work and Timelines (flexibility will occur as surprises develop):**

Within the 1<sup>st</sup> 90 days- (1) propose an updated Investment Policy, (2) rearrange current cash holdings to comply with the new Investment Policy, (3) review and modify, as necessary, the finance policies/procedures which will include an approval process for all disbursements, (4) oversee the development of the fiscal 2024-2025 annual budget (including cash flow statement) and a 3-year capital expenditures budget, (5) publish an accurate year-to-date Balance Sheet and Income Statement.

Within the 2<sup>nd</sup> 90 days- (1) oversee the completion of the annual audit for fiscal year ending 06-30-2024 and other annual mandated reports to external agencies, (2) evaluate insurance policies for adequate coverage assessment, (3) continue to fine-tune the finance policies/procedures and launch new ones where appropriate.

Within the 3<sup>rd</sup> 90 days- (1) Explore availability of long-term financing funds, (2) participate in discussions/negotiations with Adventist Health regarding the Lease and Operations Transfer Agreement, (3) if new Board members are elected, work with them on financial orientation classes.

**Fees & Agreement Terms:** The above scope of work is for 270 days so I will propose an agreement term of 9 months. I am available to get started on April 1, 2024 so the start date would be that date and the term length would run until December 31, 2024. However, the agreement will have a termination clause with a 30-day cancellation notice without cause for either party. The fee will be \$3,000 per month. This has been greatly discounted from my standard fee due to my loyalty and long-standing business relationship with MCHCD. It is expected that the services will be provided from my remote office.

Please let me know if you have any questions. I plan on attending your March 28, 2024 Board meeting via Zoom.

In a separate email to you, I will send my cell number and email address.

Respectfully submitted,



Wayne C. Allen

Cc: Katharine Wylie  
Agency Administrator, MCHCD





Craig A. Steele

T 805.439.3515  
F 800.552.0078  
E csteele@rwglaw.com

847 Monterey Street, Suite 206  
San Luis Obispo, California 93401  
rwglaw.com

# MEMORANDUM

TO: Honorable Chair and Members of the Board  
FROM: Craig A. Steele and Lolly A. Enriquez  
DATE: March 21, 2024  
SUBJECT: Notices Regarding Financial Reporting

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## INTRODUCTION

State law requires the Mendocino Coast Health Care District (“District”) to prepare audited financial statements every year.<sup>1</sup> We have been informed that the District has not prepared these statements for at least the past two fiscal years. The District has recently received notices from various entities related to its failure to provide financial statements and required reports, and copies of those notices have been provided to us to review. At the request of the Chair, this memo summarizes the notices and potential implications related to the District’s failure to file financial statements.

## DISCUSSION

### Letter from State Controller

The District received a letter, dated February 29, 2024, from the State Controller stating that the District failed to file with that office a Financial Transaction Report for the fiscal year ending June 30, 2023. State law requires the officer of the District who has charge of the financial records to annually provide to the Controller, within seven months after the close of each fiscal year, a report of all the financial transactions of the District during the preceding fiscal year.<sup>2</sup> It may be that the same financial reports required under the Health & Safety Code will meet this requirement.<sup>3</sup> The District must also submit to the Controller information on the annual compensation of its elected officials, officers, and employees for the previous calendar year no later than April 30th.<sup>4</sup>

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<sup>1</sup> See Health and Safety Code Section 321233.

<sup>2</sup> See Government Code Section 53891.

<sup>3</sup> See Government Code Section 53891.1

<sup>4</sup> See Government Code Section 53891(a) and 53892(l).

If the officer who must make such filing fails to file the reports within 20 days after receipt of a written notice from the Controller, the District may be subject to a fine to the State in the amount of either \$1,000, \$2,500 or \$5,000, depending upon the District's total revenue in the prior year. In addition, the Controller can request the Attorney General prosecute the officer or the District.<sup>5</sup>

If the District's reports are not timely made or there is reason to believe that a report is false, the Controller must appoint an accountant to make an investigation to obtain the information. If an investigation occurs in two successive years, a certified copy of the results of the investigation last made must be transmitted to the grand jury of Mendocino County. The District will be liable for all costs of such investigations.<sup>6</sup>

### **E-mail from California Health Facilities Financing Authority**

The California Health Facilities Financing Authority ("CHFFA") issues bonds on behalf of hospital districts and also provides loans. Based on CHFFA's email to the District, dated February 23, 2024, we assume the District has an obligation to furnish annual financial statements to CHFFA and that such statements have not been supplied, which may ultimately constitute a default under any loan documents that the District may have entered into with CHFFA. We would need to review the specific documents to determine what the consequences are for not filing the audit with CHFFA, and we are not aware of any actual notice of default.

### **Letter from Willdan**

The District received a letter from Willdan, dated November 7, 2023, in regards to the District's annual reporting requirements pursuant to continuing disclosure agreements entered into in connection with the District's outstanding general obligation bonds and revenue bonds, for which Willdan serves as dissemination agent. Such reports must be filed with the Municipal Securities Rulemaking Board ("MSRB"). The rationale for providing annual continuing disclosure reports is to provide investors with updated information on an annual basis in order for the investor to make an informed investment decision. Per the continuing disclosure agreements, if the District fails to comply, the underwriter of the bonds or bondholders can take any appropriate action including seeking specific performance by court order.

Failure to prepare annual financial reports could prevent the District from issuing Bonds or other debt obligations in the future, as that information may be necessary to assess the creditworthiness of the District. In addition, the Official Statement will have to disclose all failures to comply with continuing disclosure obligations for the previous 5 years.

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<sup>5</sup> See Government Code Section 53895.

<sup>6</sup> See. Government Code Section 12464.

**Letter from Bank of New York Mellon Trust Company**

According to the letter from the Bank of New York Mellon Trust Company (“BNY”), who is the trustee for the District’s revenue bonds, the District failed to file financial statements and a no-default certificate with the Trustee as required under the District’s Indenture related to its revenue bonds. Failure to comply with a covenant under the Indenture constitutes an Event of Default under the Indenture if such default continues for 60 days after written notice has been given to the District by the Trustee of such default. If an Event of Default occurs, the Trustee or bondholder may, upon notice in writing to the District, declare all principal, and accrued interest, on the Bonds immediately due and payable; however, no such declaration can be made if the Contract of Insurance with the Office of Statewide Health Planning and Development of the State of California is in effect.

**SUMMARY**

The District, through the officer who has charge of the District’s financial records, is required to prepare annual audited financial statements and other reports pursuant to State Law, and is required to timely provide such financial statements to various agencies, including the State Controller, CHFFA, BNY, and the MSRB. Obviously, we are not aware of any other reporting obligations the District may not have met. Failure to file such financial statements and reports could result in monetary fines, actions to compel specific performance, acceleration of payment on Bonds, reports to the County grand jury, prosecution by the Attorney General, and the inability to issue additional bonds or other obligations. It is therefore our strong recommendation that your Board take additional steps to ensure that the District prepares and files all past due audited financial statements and other required reports as soon as possible. Given the failure to make such important filings on-time under the current financial management structure, the Board would be well-advised to consider bringing on new staff or a consultant to get this work done as soon as possible.

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# EASTSHORE CONSULTING

FINANCIAL ADVISORY & FACILITIES PLANNING • FISCAL CONSULTING • ELECTION STRATEGIES & PUBLIC RELATIONS

To: Board of Directors  
Katherine Wylie, Agency Administrator  
Mendocino Coast Health Care District

From: Shin Green, Principal  
Eastshore Consulting LLC

Date: March 25, 2024

Re: Financial Management Impacts related to Bonds and Capital Projects

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Eastshore Consulting has been privileged to work with the Mendocino Health Care District (District) since 2013. Over the past decade, Eastshore has assisted the District in various activities including the approval and administration of a parcel tax, refinancing of General Obligation Bonds and planning for future facilities needs. Since the affiliation of the District with Adventist Health, and loss of dedicated full-time administrative staff serving the District, we have noticed that the District has struggled with various aspects of its financial accounting and reporting. While this is totally understandable given the transition to an affiliated entity, we would note that the lack of a dedicated District finance-focused staff member has placed the District out of compliance on certain debt related covenants as well as made it difficult to meet other financial reporting and compliance requirements specific to the debt of the District. Further, as the District prepares to seek a somewhat sizable community investment in the District's facilities, the current state of financial management and reporting of the District could negatively impact the effectiveness of any potential future bond, resulting in the need to pay additional interest expenses.

As a public entity, the District is subject to myriad requirements specific to maintaining financial records accounting and financial reporting. Specific to the debt of the District, its prior General Obligation and Revenue Bonds were issued with covenants to provide ongoing financial information to investors annually, inclusive of audited financial statements. These obligations for timely reporting of finances fall under SEC Rule 15c2-12, which is applicable as the majority of the District's debt obligations issued through a public offering of securities. Indeed, with each public debt offering, the District executed a "Continuing Disclosure Certificate", committing to provide its audited financial statements and additional financial information on hospital operations within 90 days after the end of each fiscal year.

It is important to understand that the provision of annual Continuing Disclosure information is utilized by bond owners and other market participants to evaluate the District's creditworthiness for any prospective debt issuance. Indeed, having a history of not providing timely Continuing Disclosure information can make it exceedingly difficult to obtain independent credit ratings for prospective new debt issuances. In fact, many rating agencies utilize entities' annual Continuing Disclosure filings to conduct reviews of credit ratings. While the District has not had a discrete credit rating, instead historically utilizing insurance via the State of California to establish creditworthiness, in our experience, such insurance does not wholly supplant investor analysis of an issuers' creditworthiness. To the extent an entity has an uninsured rating which is of investment grade (generally considered "BBB+" or better), it will see lower interest rates for prospective borrowings. If the entity does not have an underlying rating, it will generally be treated as a non-investment grade issuer with investment grade insurance. Ultimately, this distinction will typically result in a higher interest rate and cost of funds.



Specific to any potential issuance of new debt, the District should also understand that while underwriting banks will assist in the issuance of debt irrespective of rating assignments, such entities will generally not assist in the issuance of debt for issuers that are not in compliance with Continuing Disclosure requirements for an extended period of time. This mainly has to do with the need to enter into covenants with such an issuance to provide Continuing Disclosure information which, if there is a history of non-compliance, makes such promises ring hollow to investors. It is for this reason that Eastshore strongly recommends that the District take actions to ensure it can better position itself to complete audits and provide regular, accurate and complete financial information. Indeed, it is exceedingly rare that bonds are sold without having a somewhat current audit report due to the resulting complexities and added costs resulting from not having a current audit available. Eastshore has never issued a bond offering where the most recent audit was significantly more than a year old.

Understanding that the District will also be engaged in potentially tens of millions of dollars in construction projects, it will also be critical to ensure that there is a dedicated individual or firm tasked with the project accounting. The information generated from a focus on project accounting is critical for many obvious reasons (accountability, budgeting, cash flow, etc.). Additionally (and for similar, if less obvious reason), accurate project accounting is critical to ensuring that funding is obtained in a timely manner to avoid costly construction delays *as well as* ensuring that funding is obtained only when needed to ensure that excess interest expense is not incurred for future debt issuances.

With a potential new General Obligation (GO) Bond, it will be critical to make the most efficient use of taxpayer investment as possible – for any given GO Bond tax rate, the amount of funding which can be generated for projects is maximized when interest expense is minimized, allowing for more tax dollars to be applied to the repayment of principal and not interest. Generally, when investors evaluate potential investment in a specific entity's bonds, they are examining information like ratings and financial performance – all of which is informed by evaluation of audits and financial reports of the entity. Lower credit ratings and entities without current financial information will usually be assigned a differential in their interest rates to compensate for "defect" in their credit. For example, an issuer with a "A+" rating may experience interest rates of 0.1% higher than an entity with a higher "AA" rating. Applying this differential to one GO Bond authorization under consideration increases projected repayment costs by \$524,000 in total (for a \$39 million total bond program).

If the District were to proceed without the ability to produce regular financial reports and audits, it is safe to say that we would project interest rates to be higher by at least 0.1% and probably more on the order of 0.25%. Such an increase could easily result in over \$1.5 million in additional interest expense or more. Functionally, the lack of timely financial reporting and audit reports will remove a number of potential investors and limit the number of investment banks willing to work with the District, all of which do not help in obtaining the best deal possible for taxpayers and the District.

The above information is narrowly focused on the impacts which the current lack of dedicated financial management staff as related to debt financings. Eastshore is aware that similar deficiencies in the financial accounting for the District would also complicate other normal reporting requirements as well as place limitations on the District's ability to be competitive for grant and other funding sources, which may be needed in addition to local bond funds to complete the rehabilitation of the hospital which must occur over the next several years. And Eastshore believes that given the many potential "costs" of not having timely financial reporting to both the potential bond and other funding sources, the District would be greatly served and economically benefitted by retaining a dedicated individual or firm to assist in the day-to-day accounting



requirements as well as additional reporting requirements the District is currently faced with or will need to address in the near future.

While it may be viable to proceed under the status quo, Eastshore highly recommends that a dedicated individual or firm be retained to return the District to compliance with reporting requirements before it proceeds with the issuance of any potential new bond and that such assistance be retained until at least completion of the hospital rehabilitation project is complete. The dollar amounts are too large, the risks too great and the potential efficiencies gained to impactful to *not* merit consideration of retaining a dedicated individual. And such an individual may be able to better interface with Adventist to set up systems and procedures to ensure that there is a defined process in place to keep the District in good standing so that it can make the most of the upcoming transformational activities which will hopefully set the course for the District over the next several decades.

While we can provide even more areas where a dedicated finance-focused staff member could be of assistance (such as parcel tax administration or provision of State financial reporting requirements), we have narrowly focused on the impacts to a potential bond and project to rehabilitate the hospital facilities. On that topic alone, we feel strongly that an individual dedicated to financial matters would be a beneficial addition to the District's team, keeping in mind that project accounting functions could be supported in part with bond proceeds and potential savings could make such a position somewhat neutral budgetarily.

If you should have any questions or require any additional information more immediately, please do not hesitate to contact me, Shin Green, at (510) 725-2930, or by e-mail at [shin@eastshoreconsulting.com](mailto:shin@eastshoreconsulting.com).

Thank you.



November 7, 2023

Ms. Lee Finney  
Mendocino Coast District Hospital  
700 River Drive  
Fort Bragg, CA 95437

*Via email: lfinney@mcdh.org*

***RE: Annual Continuing Disclosure Information Statements for Fiscal Year 2022/23***

***FOR: 2016 Insured Refunding Revenue Bonds (Annual Report Due 11/27/23)***  
***2001 General Obligation Bonds (Annual Report Due 3/27/24)***  
***2016 General Obligation Refunding Bonds (Annual Report Due 3/27/24)***

Dear Ms. Finney:

We are in the process of completing the Annual Continuing Disclosure Information Statements for your review prior to dissemination to the MSRB's Electronic Municipal Market Access website ("EMMA") for the above referenced bond issues. In order to finalize the drafts, we will need the following information from the Hospital:

- **Please confirm** that Mendocino County still operates on the Teeter Plan
- The District Hospital's Audited Financial Statements for fiscal year 2019/20, 2020/21, 2021/22 & 2022/23
- The District Hospital's General Fund Budget vs. Actual Results for fiscal year 2018/19, 2019/20, 2020/21, 2021/22 & 2022/23
- Adopted Budget for fiscal year 2020/21, 2021/22, 2022/23 & 2023/24
- Information on any private placement debt issued during the last 12 months or anticipated to be issued in the next 12 months
- Miscellaneous Updates (**see following pages**)

Given the due dates of the reports and in order to provide adequate time for analysis and review, please provide the information by **November 21, 2023**. Receipt of the requested information will be considered authorization to prepare the reports. Upon receipt of the above requested information, we will prepare drafts of the reports for your review.

If you should have any questions regarding this request, please do not hesitate to contact me at (951) 587-3520.

Sincerely,  
Willdan Financial Services



Dave Davies, Assistant Director  
Federal Compliance Division  
ddavies@willdan.com

**F. PRO FORMA DEBT SERVICE COVERAGE**

**To Update:**

The following table sets forth debt service coverage (utilizing maximum annual debt service) for the 2016 Bonds.

		<b>Fiscal Year Ended June 30,</b>			
		<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Excess Revenues over Expenditures	\$338,432				
Plus: Depreciation and Amortization	1,360,849				
Plus: Interest Expense	474,093				
Net Revenues Available for Debt Service	\$2,173,374				
Total Pro Forma Maximum Annual Debt Service <sup>(1)</sup>	\$811,250				
Pro Forma Debt Service Coverage	2.68				

(1) Equals Maximum Annual Debt Service in fiscal year 2019/20.  
**Note:** The calculations above are consistent with the Regulatory Agreement.



## G. DAYS CASH ON HAND

To Update:

Below is a chart showing the Days Cash on Hand for the last five fiscal years, calculated in compliance with the provisions of the Regulatory Agreement:

	Fiscal Years Ended June 30,				
	2019	2020	2021	2022	2023
<b>Cash and Cash Equivalents</b>					
Cash	\$2,032,752	\$8,315,845			
Board-Designated Funds <sup>(1)</sup>	4,376,979	3,456,956			
<b>Total Cash and Cash Equivalents</b>	<b>\$6,409,731</b>	<b>\$11,772,801</b>			
<b>Operating Expenses</b>					
Operating Expenses	\$59,128,592	\$60,050,833			
Interest Expense	(561,451)	(474,093)			
Depreciation and Amortization	(1,481,931)	(1,360,849)			
<b>Total Operating Expense</b>	<b>\$57,085,210</b>	<b>\$58,215,891</b>			
Number of Days in Fiscal Year	365	366			
Number of Days Cash on Hand	41	74			

(1) These funds are assets limited as to use include contributor restricted funds, amounts designated by the Board of Directors for replacement or purchases of capital assets, and other specific purposes, and amounts held by trustees under specified agreements. Assets limited as to use consist primarily of deposits on hand with local banking and investment institutions, and bond trustees. The Hospital does not have an official funded depreciation account and no such account will be presented in this table.

## H. GENERAL FUND BUDGET

### To Update (5 Years to Update):

The following table sets forth the General Fund Revenue and Expenses reflecting the adopted budget for the six most recent fiscal years.

	Fiscal Year					
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
<b>Operating Revenues</b>						
Inpatient	\$23,688,000					
Swing Bed	2,500,000					
Outpatient	85,456,000					
North Coast Family Health Ctr	5,594,000					
Home Health	2,060,000					
<b>Total Patient Service Revenues</b>	<b>\$119,298,000</b>					
<b>Revenue Deductions</b>						
Current Year Contractuals	\$64,106,000					
Policy Discounts	0					
Bad Debt	1,770,000					
Charity	120,000					
<b>Total Deductions</b>	<b>\$65,996,000</b>					
<b>Net Patient Service Revenue</b>	<b>\$53,302,000</b>					
Tax Revenues	\$2,396,000					
Other Operating Revenues	1,131,000					
<b>Total Operating Revenues</b>	<b>\$56,829,000</b>					
<b>Operating Expenses</b>						
Salaries & Wages - Staff	\$17,999,000					
Employee Benefits	8,856,000					
Professional Fees - Physician	6,527,000					
Other Professional Fees (Regi, Cont, Other)	5,981,000					
Supplies (Implants, Drugs, Medical, Other)	8,873,000					
Purchased Services	1,567,000					
Repairs & Maintenance	974,000					
Utilities	843,000					
Insurance	562,000					
Interest	608,000					
Depreciation and Amortization	1,536,000					
Rental/Lease	550,000					
Other Expense	1,508,000					
<b>Total Operating Expenses</b>	<b>\$56,384,000</b>					
Net Revenue (Loss) From Operating Expenses	\$445,000					
<b>Non-Operating Revenues (Expenses)</b>						
Funded Depreciation Income	\$30,000					
Contributions	325,000					
Other Non-Operating Revenues (Expenses)	0					
<b>Net Non-Operating Revenues (Expenses)</b>	<b>\$355,000</b>					
<b>Excess for Growth &amp; Dev. After Debt Service</b>	<b>(\$800,000)</b>					

**Note:** Beginning and ending fund balances are not a component of the adopted General Fund budget and have therefore been excluded from the table above.

## Attachment A

Topic: MCHCD Regular Board Meeting

Time: March 28, 2024 6:00 PM

Join Zoom Meeting

<https://zoom.us/j/9210401893?pwd=SE9PY1JBNUZvSEVIY0tYm9iTDhhdz09&omn=97347972878>

Meeting ID: 921 040 1893

Passcode: 634678

One tap mobile

+16699009128,,9210401893#,,,,\*634678# US (San Jose)

+16694449171,,9210401893#,,,,\*634678# US

Dial by your location

- +1 669 900 9128 US (San Jose)
- +1 669 444 9171 US
- +1 719 359 4580 US
- +1 253 205 0468 US
- +1 253 215 8782 US (Tacoma)
- +1 346 248 7799 US (Houston)
- +1 301 715 8592 US (Washington DC)
- +1 305 224 1968 US
- +1 309 205 3325 US
- +1 312 626 6799 US (Chicago)
- +1 360 209 5623 US
- +1 386 347 5053 US
- +1 507 473 4847 US
- +1 564 217 2000 US
- +1 646 558 8656 US (New York)
- +1 646 931 3860 US
- +1 689 278 1000 US

Meeting ID: 921 040 1893

Passcode: 634678