

**PACIFIC COMMUNITIES HEALTH DISTRICT
REGULAR MEETING MINUTES OF THE BOARD OF DIRECTORS**

MONDAY, October 20th, 2014

PRESENT: Ralph Breitenstein, MD, Vice Chairperson
David Long, MD, Secretary
Bonnie Saxton, Director at Large

ABSENT: Fred Postlewait, Kath Schonau

ALSO PRESENT: David Bigelow, CEO, SPHS
Kathryn Doksum, Coast Finance Director, SPHS
Jamie Kraft, Manager of Administration, Samaritan Pacific Health Services
Chris Minor, Atty, PC
Ursula Marinelli, PCHD Foundation Director
Jon Conner, Director of Plant Services, Engineering, SPHS
Derek Tokos, City of Newport
Spencer Nebel, City of Newport
Matt Updenkelder, PCHD Foundation Board Member

CALLED TO ORDER: Vice Chairperson Breitenstein called the Regular Monthly meeting of the Board of Directors to order at approximately 4:32 p.m. in the Education Conference room of Samaritan Pacific Communities Hospital.

ASSISTIVE HEARING DEVICES:

Vice Chairperson Breitenstein announced that hearing devices are available with 24 hr. prior notice.

CITIZEN COMMENTS: Vice Chair Breitenstein opened the meeting for citizen comments. Hearing none, the meeting proceeded.

CONFIRMATION OF AGENDA ITEMS: Vice Chair Breitenstein requested confirmation of the meeting agenda. It was agreed to move the City of Newport presentation and the Audit results to the beginning of the agenda.

APPROVAL OF MINUTES: Vice Chair Breitenstein called for approval of the minutes of the September 2014 Regular meeting. *Director Long made a motion to approve the minutes Director Saxton seconded the motion which carried by a voice vote.*

FINANCIAL REPORT– Kathryn Doksum presented the September Financial Reports for board review and approval. Presented were Check and Deposit Detail reports, Net Asset/Liabilities reports, Profit and Loss statement and the Government Fund Report. *There was consensus to receive the financial reports as*

presented. The new financial report has been streamlined for efficiency and will be presented in People Soft format beginning in November.

City Of Newport-Urban Renewal District – Derek Tokos and Spencer Nebel presented a map of the proposed Urban Renewal District for Newport. The project is still in the research phase and ECO Northwest has been retained to perform a feasibility study. The City Council will review the study at a future date and will vote on the matter. The purpose of creating an Urban Renewal District is to increase the flow of traffic through Newport, bring more traffic to businesses off of Hwy 101 and invest in infrastructure. There are currently three options being considered by the City Council. If approved, the Urban Renewal District would be completely functional in 8-10 months. Mr. Tokos stressed the importance of partnering with the hospital throughout the entire process. The impact on the PCHD would be to freeze the annual tax base and defer the annual increases to the Urban Renewal District for up to a 20 year period. It is expected that if approved the first taxing year for the Urban Renewal District will be 2016. Mr. Tokos has agreed to update the Board as this process continues.

2013-2014 Audit – Signe Grimstad, CPA presented the 2013-2014 Pacific Communities Health District Audit results for board review and approval. Of note was a decrease in net position of 2% and a minor error on classified ad dates for the annual budget meeting. The opinion of the audit is clean and Ms. Grimstad noted that the bookkeeping process was easy to read and flowed nicely by accounting standards. *There was a motion made by Director Long to accept the 2013-2014 Audit report. The motion was seconded by Director Saxton and carried by a unanimous voice vote.*

SPHS Update – Mr. Bigelow reported Samaritan Pacific Health Services has a positive bottom line of 1.6 million as of Sep 30th. Mr. Bigelow also reported on and presented a handout to the board of a proposed timeline for a 2015 potential bond measure. Neenam Company who utilizes the “archistruction” model will be on site Oct 23 & 24 in order to evaluate our current facilities plan in order to make recommendations. After their visit they will provide a written report approximately three weeks later. Mr. Bigelow also reported the Riley & Associates had conducted a phone survey of approximately 400 households on the feasibility of building a near replacement hospital with an overall approval rating of 66% which was considered very favorable by the committee. Pyramid communications has also made a proposal to assist with the bond campaign process. Mr. Minor mentioned that the District Board members cannot campaign in support of a potential bond as representatives of the board. He also mentioned that an amendment to the SHS, PCHD, SPHS Lease and Operating agreement would be in order if there is a successful bond campaign. Mr. Bigelow has agreed to update at future board meetings as appropriate.

LEGAL COUNSEL- Mr. Minor reported briefly on the annual letter received from our accountant. There were questions from the Directors regarding a letter sent from Signe Grimstad, CPA. Mr. Minor reported that the letter is standard and is used to determine whether any litigation usually a minimum of 94k is pending in order to provide material information which could affect the annual audit. There is no litigation pending at this time.

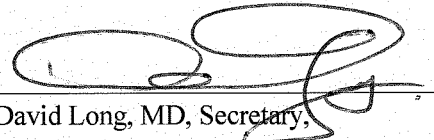
CHE Update – Jon Conner informed the board that construction on the Center for Health Education is currently two weeks behind schedule due to the weather. The contractor plans to install tilt up walls on

Nov 10-11. Mr. Conner reported that there was an issue with the rebar when the concrete slabs were poured but that has since been resolved. There is concern that the Guaranteed Maximum Price (GMP) will be higher than expected and is currently running at 250k over budget. Mr. Bigelow reported that he has requested that Samaritan Health Services shift 76k from the kitchen budget to building and equipment to help defray the construction cost. There are weekly meetings between the contractor, architect and Samaritan in which constant review is being done to evaluate lowering construction costs. Director Breitenstein commented that the gap in price will be discussed at the November meeting as the District may need to assist in fulfilling the financial obligation for the Center for Health Education construction project.

ADJOURN: As there was no further business to come before the Board, Vice Chairperson Breitenstein declared the meeting adjourned at 5:25pm.



Jamie Kraft, Recorder
PACIFIC COMMUNITIES HEALTH
DISTRICT



David Long, MD, Secretary,
PACIFIC COMMUNITIES HEALTH
DISTRICT