

THE HEFFERNAN MEMORIAL HEALTHCARE DISTRICT MET IN REGULAR SESSION ON THE 6th OF SEPTEMBER 2017 AT THE 601 HEBER AVE, CALEXICO, CA. THE DATE, HOUR AND PLACE DULY ESTABLISHED OR THE HOLDING OF SAID MEETING.

TO CALL ORDER:

The meeting was called to order at 5:30p.m. by Sylvia Bernal and Mr. Carrillo led those present in the pledge of allegiance.

ROLL CALL-DETERMINATION OF QUARUM:

| | |
|------------------|------------------|
| Chairperson | Sylvia Bernal |
| Vice Chairperson | Gloria G. Romo |
| Secretary | Rodolfo Valdez |
| Trustee | Norma M. Apodaca |

GUESTS:

Eduardo Rivera- Attorney
Brenda Ryan-Board Clerk

ABSENT:

Hector Martinez-Treasurer

APPROVAL OF AGENDA:

Motion was made by Board Member Romo and second by Board Member Valdez to approve the agenda for September 6, 2017 Motion passed by the following vote wit:

AYES: Bernal, Romo, Apodaca, Valdez

NOES: None

PUBLIC COMMENT TIME:

None.

REPORTS ON MEETING AND EVENTS ATTENDED BY DIRECTORS AND AUTHORIZATION FOR DIRECTOR ATTENDANCE AT UPCOMING MEETINGS AND EVENTS/DIRECTORS COMMENTS

None.

COMMENTS BY TONY PIMENTEL

Mr. Pimentel reported that the Health Fair is scheduled for October 21. The homeless event will also be the same day and scheduled at 400 Mary Ave.

COMMENTS BY GENERAL COUNSEL:

None

INFORMATION ITEMS:

1. Presentation by Mr. Jurg Heuberger o Imperial County LAFCO regarding Heffernan Memorial Healthcare District and the role of LAFCO.

Mr. Heuberfer is the Executive Officer from LAFCO. Paula Graf the clerk gave a brief presentation on what LAFCO is all about.

LAFCO is a public agency with county-side jurisdiction established by State law known as the Cortese-Knox Hertzberg Local Government Reorganization ACT of 2000.

Powers of LAFCO is prepare Municipal Service Reviews, Adopt and amend Spheres of Influence and reorganization (Merger, Annexation, Dissolution)

Subjects of an MSR/SAP review are infrastructure needs and deficiencies, financing constraints and opportunities, government structure options, management efficiencies, local accountability and governance and oversight of special districts.

What concerns LAFCO about HMHD are number of meetings held each month, meeting backup on website, 17/18 adopted budget, sponsorship/others: Torrey Pines Retreat/Consultant \$75,000.00, Bi-National Health Week Sponsorship \$21, 980.00 and Calexico High School Football Team Fundraiser.

Mr. Heuberger explained that their primary function is to oversee not just special districts but cities. Do not feel bad if they come down and say that we question why you are doing this because they also question the city. The only one that is exempt is the County. Their job to is make sure that government agencies provide the service that their charter calls for at the most efficient method possible and for those kinds of districts or even cities if it comes down to it if the district or the city isn't providing the service or financially can't provide the services to do something about it. That is one of their tasks and that is to look at the district and see how they are providing the service, is it the most efficient way to do, is there a better way of doing it or is the district not functional or shouldn't be functional. That is an example of what they look at. Most of the time when dealt with LAFCO, you are dealing with them with a sense of annexation. That is their major function. They have 33 special districts in the county. They look at all the special districts and what look at the functions and try to determine if you are providing the service that the law you were created under is being provided.

Mr. Heuberger did meet with Mr. Martinez and Board President a few weeks ago and just wanted to disclose that. But basically when we looked at your district a few years ago we had severe concerns. One of the things that you as a special district have to do is, is you have to prepare what is called a service area plan which basically tells LAFCO what it is your doing, how you're doing and what your financial status is an so on. In other words how do you provided your service to the community. We do through that document to see if it fits the charter of the organization and so on. At the time we had the district the staff direction was to dissolve the district because there were a number of problems that we felt warned to look at dissolution. The commission at that time heard your plead and basically decided to give you another chance and not dissolve you. That did not just say yea you're okay, go away and we will leave you alone. They basically put you on a little probation but basically said give us these things, information and report back to us and let's see how you guys do and then we'll make a note of decision and maybe a good or bad decision but later on we'll decide again. That is where we were a few years ago. Came back we got some information from you. We didn't want to say that a 6 month

review was enough because it wasn't enough time for you to do some of the things we are expecting you to do. For example: negotiate with ECRMC, PMH, with some private entity to provide services. We do take that in consideration. For the most part we watched that but then we started seeing some things that kind of brought us back to where we were a few years ago and that is some of your expenditure and some of the things you were doing that just didn't quite seem to fit the organizational structure that you have for what a hospital district should be doing. I was approached probably about a week ago before you had a retreat in Torrey Pines and wasn't really given a full explanation on what that was for but I was told that I was on the agenda and I made it very clear that it sent out the wrong message for me to show up at a very expensive retreat so I declined and unfortunately it was also around that time my wife had her surgery so I wasn't going to attend any way but those are the kinds of things that we have been looking at and that is how you spend your money and what you are doing with your money and does it really fit the charter of a hospital district. So you sent us a budget about a month of ago and right away I questioned the budget because it did not add up. For example you had 4 thousand dollars of attorney fee which I kind of took as a typo, which also had other things that weren't explained and still haven't explained. For example there is an item on there that says \$500 thousand dollars grants and nobody has really answered that. What is that for and what are we doing with \$500 thousand dollars in grants. I have read all your documents well most of the documents and I looked at last year's expenditures so last year you spent \$951 thousand dollars for varies projects let's call them that. So I'm kind of assuming that the \$500 thousand dollar budget is for that type of stuff. I really don't see that anywhere in your presentation and those are the things we need from it. Just telling me in your budget that you're going to spend \$500 thousand dollars, yea I know you're going to spend the \$500 those but what are you spending it on. Again we did not have the back up to tell us what that \$500 thousand dollars is and like I said I am guessing that the \$500 thousand was for the type of things listed in your expenditures last year of \$951 thousand and the reason I guessed at that is because of that \$951 thousand about \$540 thousand were for the Calexico Fire Department so if you take that out it brings you down to almost \$500. When the commission basically put you on probation they basically said to report to us and tell us what it is you are going to do and you did that in the first report, you said we are negotiating with PMH, El Centro, we may have something in the works with the medical team or some sort. But you have a whole bunch of things that you spent money on that we really need an explanation for because some of those you may think that those fit within what hospital districts should do and we may not and that is not to say that we are going to come down and tell you that you did it wrong. But we are going to question you. Now if you give us an answer that makes sense then fine but again I don't want to be in a positon to report to my commission and say their doing it wrong because I don't have enough information. I had your district on the agenda next month and after I met with president of the board and Mr. Martinez and I thought I would have a face to face with you folks so that I understand and you understand where our communication may not be working and rather than do that in public in front of my commission and either be wrong which makes me look bad or make you look bad which isn't good either. I thought this would be a good opportunity to have us here.

Board Member Bernal asked Mr. Heuberger if that packed that was turned in this morning if that was what he wanted, are there things there that are still missing because we put that together last night because that was the information you asked for and I delivered it to you this morning. I don't know if you have had a chance to look at it but we did it to the best that we could but if you require more information Mr. Heuberger or if you need for me or any of our board members or bookkeeper to sit down with you and go over we will gladly do that. Mr. Heuberger does appreciate that and did go over it this morning and yes it is much more then what they asked for and do appreciate and does answer some questions we have and I won't say that it doesn't answer all of it because I haven't gone through page by page for detail but this is the kind of information

we are looking for because it backups to some degree. For example repair and maintenance \$75 thousand well okay we all know that things cost a lot of money and that is something we are not going to ask about that but you did have an expenditure for \$75 thousand dollars for a consultant so what is that consulting for because it is not Mr. Rivera because he is under attorney. Again that is an item we are going to look at because what kind of work is your district in need of that wants a \$75 thousand dollar consultant. The commission when they basically put you on probation I thought they were trying to be pretty positive. They didn't slam you or call you names but they had concerns. What they also said was let's try to work with the district and see if we can get the district to do the thing that we would expect what a hospital district to do and that is really what our goal is. It's not our goal to dissolve districts if they serve a function but if they don't then by-law we have to look at it because we also get graded by the state. Our goal is to comply with the state law, our goal is to try and help you with the best that we can. We need this open communication and we need the information.

Board Member Bernal informed Mr. Heuberger that one of their recommendations when we met a couple of years back was that we reunite with PMH and ECRMC and she wanted to inform him that we are working with them. We are doing the transportation services with PMH and with ECRMC we extended the hours up to midnight but it wasn't going the way we expected to have people going in so the hours were only dropped to be extended to only 2 hours more and also with ECRMC we are doing the diabetes awareness and the asthma awareness. So we are collaborating in what was asked for us to do. Mr. Heuberger did see that and talked to Mr. Rivera one time a few months ago when you brought in the first report and we appreciate that and he has talked to PMH and ECRMC and we were fully aware and appreciate the fact of the progress you made with both of them and again our goal is to make sure that we somehow hopefully can help you provide better healthcare service to the district you are supposed to be serving. Anything we can do or anything you can do that shows that the money you are collecting and again it goes back to that because your collecting \$900 plus or minus thousands and a pretty good chunk of change. Well we want to see that all spent on healthcare. We want to see the residence of this community, your district boundaries especially to get the kind of healthcare that can be afforded or given with that amount of money. Torrey Pines kind of set me off on the direction on what the heck are you guys doing. It's a nice place to go and if you want to go there for vacation it's a great place to go but on tax payer dollars I have to kind of question that because that doesn't ring well and again I am not trying to be critical I am just being honest and again those are the kind of things that right away I flag. Why are we doing this, why couldn't we have that meeting here in El Centro or Calexico and I'm sure you had good reasons for doing this so don't take it wrong but again I would rather see you spend whatever that cost on some kids here in Calexico that needed special care or something or older folks that needed transportation anything like that. Let's be honest that makes you look good. Every dime you spend on your citizens makes you look good. Every dime you spend on Torrey Pines makes you look kind of like ok. These folks get elected to wine and dine and that doesn't make you look good.

Board Member Bernal informed Mr. Heuberger that the board is planning on having a joint meeting with PMH on the 14th. Another thing she would like to relate is the \$75 thousand dollars that were spent we bought 400 Mary Ave because we are going to be doing a project with ECRMC and they were repairing that area to be able to bring in specialist from San Diego. They just went with UCSD. They found out that there were some broken lines. The whole main sewer line was broken so there were some expenses that we needed to repair and those repairs were just finished about 2 weeks ago so that building is ready to go so we can start doing some type of a clinic that we want to get started. Mr. Heuberger informed Mrs. Bernal that he saw the \$75 thousand and saw repair and maintenance and I know what construction costs and I know what repair costs are. That is actually a pretty reasonable amount of money on those kinds of things.

The one that caught my eye is the \$75 thousand dollar for consultant that is the one I question because I can guess all kinds of things and I don't want to go into that and those are the kinds of things I want to see explanations for. Like I said the \$500 thousand without the backup that you gave me this morning that's a large chunk of money and what it is going to do and I'm hoping that the backup you provided explains that. We will be going back to our commission at our next meeting which not sure when that is going to be now but we will be taking all of this to our commissioner and give them an explanation of where we think you are. The commissioners independently may have some questions for you but I'm hopeful based on the meeting we had tonight and hopefully with all the information you have provided maybe we can take a positive step and say hey you are going in the uphill right direction. Board member Bernal informed Mr. Heuberger that the only information he did not have was the \$75 thousand dollars which is the consultant, which we will give you that backup information. Mr. Heuberger again informed the board there is nothing wrong with hiring a consultant for something that you really really need but if its to do an up town trip well that's not exactly a good expense but if its helping the board for a program or getting kids to the doctors office well whatever it is not sayig sonsulting is illegal by itself or wrong by itself. It may be very good but we just don't know what it's for. He also requested a strategic plan and Board Member Bernal informed him that we did have a strategic plan that was done with Dr. Edwards and will also send him that information.

2. Presentation by Southern California Physician Services.

Blanca Morales gave a presentation to the board on responding to a community crisis for health care.

Board Member Bernal informed Mrs. Morales that the presentation was well done. Statics are very well done. This is a lot of information and we all need to take home and study and maybe get back and set another meeting together to see what the wishes of the board is.

Mr. Rivera informed the board that they should request further information from the organizations. Specifically the specific request is made of HMHD in the documentation we just reviewed right now. Unfortunately we did not have it for today's meeting. We need little more specifics as to what are they requesting from this district. If they want just general acknowledgement that's fine but if they want anything form this district they are going to have to provide us some very detail documentation of what it is that they are requesting, the use of what it is going to be used for, the status, what type of organization and if it's their private clinic. We need all that information for the board to determine if it's a qualified item.

Mrs. Morales informed the board that it will be a non-profit clinic and requesting \$375 thousand dollars to open the clinic and they provided a five year goal. At five years looking at actually gaining \$2.5 million in earning and they would be giving HMHD back the \$375 thousand dollars. Board Member Apodaca asked what about going 50/50 and Mrs. Morales responded with that can be talked about.

Mr. Rivera informed them that if they ae requesting \$375 thousand dollars they should narrow it specifically as to what they are requesting. If they are requesting \$375 thousand dollars the first year are they requesting more money after that? Mrs. Morales replied that they could potentially need \$724 thousand dollars within the first and second year but they are also going to be billing the health plans.

Board Members requested for them to come back and give them more specific information on what they need and the board can make a better judgement of what they want to do.

3. Update on 400 Mary Ave.

Board Member Bernal informed the board that the building is already finished and ready to go.

Mr. Rivera informed the board that the contractor finished the work. The sewer pipe for the entire building has now been re-lined and we got the final billing this week and it should be going out to all board members to review. It came in little bit less than the \$60 thousand dollars that the original contract that was advertised and the change order which was included lining of lateral or piping that was to in the initial utility mapping that was provided to us by the firm. All the work for all the building with new drainage pipe that has been lined in approximately cost us a little less than \$70 thousand dollars. The property now is ready to be utilized. The property is under existing; ease with ECRMC that the board wants to review and when Mr. Martinez gets back and we have a full board we are going to review that and so forth and a lot of the projects the district had advised LAFCO that we would be participating in those programs like the Heffernan Wellness for Kids Program that is currently in operational was destined to be run out of 400 Mary Ave but because of the building had not been ready. ECRMC had a major portion of that building under leased with the district for several projects. All that had to be placed on hold and for reevaluation both with ECRMC and the district so we can determine what the next steps are but unfortunately because of that problem there was a delay.

DISCUSSION/ACTION ITEMS:

- 1 Discussion and/or possible action of the relative of the Health and Safety Fair.

Mr. Moreno gave an update that they are continuing with the fair. Budget purposed they are just making some adjustments. He thinks that form \$9 thousand dollars they went down to \$68 hundred.

Board Member Bernal reported that Rosario already purchased the insurance for that day in the amount of \$285.00 because the city is requesting we have \$1 million dollar insurance.

No action taken on this item.

ITEMS FOR FUTURE AGENDAS:

None

CLOSED SESSION:

Motion was made by Board Member Romo and second by Board Member Apodaca to table this item until all board members can be present. Motion passed by the following wit:

AYES: Bernal, Romo, Apodaca, Valdez

NOES: None

ADJOURNMENT:

With no future business to discuss Board Member Valdez made motion to adjourn the meeting at 7:06 pm. Second by Board Member Romo. All in favor.