

**REGULAR MEETING  
BOARD OF DIRECTORS  
BEACH CITIES HEALTH DISTRICT  
January 25<sup>th</sup>, 2017**

A Regular Meeting of the Board of Directors of the Beach Cities Health District was called to order in the Beach Cities Room of the Beach Cities Health Center at 6:36 p.m.

Members Present: Dr. Noel Chun  
Jane Diehl  
Vanessa Poster

Members Not Present: Lenore Bloss  
Dr. Michelle Bholat

Legal Counsel Present: Robert Lundy, Hooper, Lundy & Bookman  
Staff Present: Tom Bakaly, CEO

<b>AGENDA ITEM</b>	<b>DISCUSSION</b>	<b>ACTION OR FOLLOW-UP</b>
<b>I. Call to Order-Salute to the Flag</b>	Ms. Jane Diehl opened the meeting and led the salute to the flag.	
<b>II. Public Discussion</b>	Ms. Diehl asked if any member of the public would like to address the Board on any issue not on the agenda. No one from the public stepped forward.	
<b>III. Swearing in of the Board Members</b> 1. Jane Anne Diehl 2. Vanessa Poster	Dr. Chun went up to the podium to administer the Oath of Office to the members of the Board of Directors.  Dr. Chun administered the Oath of Office to Vanessa Poster and Ms. Jane Diehl who were sworn in to begin a new term of office.	
<b>IV. Election of Officers for the Board of Directors</b>  <b>President</b>	Ms. Diehl called for nominations of Officers for the Board of Directors  Ms. Diehl called for nominations for the office of President 2017  Ms. Poster nominated Dr. Michelle Bholat. Dr. Chun seconded the nomination  There were no further nominations and Ms.	It was <b>Moved and Seconded</b> (Poster/Chun) to elect Dr. Michelle Bholat to the office of President for 2017. Ms. Diehl, Ms. Poster and Dr. Chun voted yes. Dr. Bholat and Ms. Bloss were not present. <b>Motion Carried</b>



AGENDA ITEM	DISCUSSION	ACTION OR FOLLOW-UP
	<p>Mr. Bakaly highlighted the following:</p> <ul style="list-style-type: none"> <li>• Have been observing over the last 60 days and shared with the Management team, and will share during the Strategic Development Half-Day.</li> <li>• Holiday Gift Bag and Holiday Staff Party took place in December 2016.</li> <li>• Impressed with staff and the way BCHD governs</li> <li>• Strategic Development Half-Day on Friday February 10<sup>th</sup>, 2017 at 8:30am at the Redondo Beach Historic Library.</li> <li>• ACHD Beta fund options will be given in the February Board meeting to decide what options the Board has.</li> <li>• CEO Report now includes medical advisor section.</li> <li>• Dr. Kim now has regular office hours at the 1200 Del Amo St, Redondo Beach building.</li> <li>• Thank you to staff for coming together to make things happen, specifically with the most recent Mind Up event.</li> <li>• Finances continue to be looked at and an update will be given later at this board meeting.</li> </ul>	
<p><b>B. Legal Council</b></p>	<p>Mr. Lundy reported that there was nothing to report.</p> <p>Ms. Diehl asked for an update on the Brown Act requirements regarding agenda posting. Mr. Lundy responded that info had been sent to the District but this will not take effect until January 1<sup>st</sup>, 2019 so we have plenty of time to comply.</p>	
<p><b>VII. Committee Reports</b></p> <p><b>A. Community Health Committee</b></p>	<p>Ms. Poster reported that the Community Health Committee has not met and we will solicit dates from the committee chairs in the next quarter</p>	
<p><b>B. Finance Committee/ Treasurer's Report</b></p>	<p>Dr. Chun reported that the Finance Committee met on Monday, January 23<sup>rd</sup>, 2017. The following items were discussed:</p> <ul style="list-style-type: none"> <li>• BCHD Q4 2016 Investment Portfolio Review</li> <li>• BCHD FY2015-2016 Audit Review</li> <li>• Update on BCHD FY2016-2017 Mid-Year Results</li> </ul>	

AGENDA ITEM	DISCUSSION	ACTION OR FOLLOW-UP
<p><b>1. Update on BCHD FY2016-2017 Mid-Year Results</b></p>	<ul style="list-style-type: none"> <li>• Update on Joint Venture Sunrise Assisted Living</li> <li>• Review and recommend approval of BCHD FY16-17 Proposed budget adjustment</li> </ul> <p>Dr. Chun invited Ms. Monica Suua, Chief Financial Officer, to the podium.</p> <p>Ms. Suua highlighted the following:</p> <ul style="list-style-type: none"> <li>• Our Actual, we are carrying a positive variance</li> <li>• We have 9 leases. A few new ones and 3 are off campus leases</li> <li>• For taxes, we are budgeted 3% increase for this year</li> <li>• Revenues: <ul style="list-style-type: none"> <li>○ The year-to-date revenue shortfall remains and grows</li> <li>○ Sunrise partnership will continue to be unfavorable to the BCHD budget</li> <li>○ Health and Fitness Operations User Fees remains close to budget</li> <li>○ Other revenue sources, income lease, interest and property taxes will be on or slightly favorable to budget</li> </ul> </li> <li>• Expenses: <ul style="list-style-type: none"> <li>○ Expenses are expected to stay on budget</li> </ul> </li> <li>• Capital Budget Dollars <ul style="list-style-type: none"> <li>○ All capital approved will be used and rolled forward if not spent</li> </ul> </li> </ul>	
<p><b>2. Update on the Joint Venture Sunrise Assisted Living</b></p>	<p>Ms. Suua highlighted the following:</p> <ul style="list-style-type: none"> <li>• BCHD management met with Sunrise Management Team and understand that the reasons for Sunrise operating income budget variance in the latter part of 2016 are mainly from lack of planning and oversight by prior Sunrise management causing issues noted below: <ul style="list-style-type: none"> <li>○ Deferred maintenance costs incurred not addressed timely</li> <li>○ Having patients at different level of care than budgeted</li> <li>○ Turnover of the entire sales</li> </ul> </li> </ul>	

AGENDA ITEM	DISCUSSION	ACTION OR FOLLOW-UP
<p>3. <b><u>Discussion and Potential Action Item:</u></b>  <b>Review and approve BCHD proposed FY2016-2017 Budget adjustment of \$400,000.00 for the Joint Venture Sunrise Income</b></p>	<p>team</p> <ul style="list-style-type: none"> <li>○ Timing of 5 rooms offline for renovation</li> <li>• We are still reviewing the JV Sunrise calendar 2017 budget, we can estimate that the months of January through June 2017 will continue to perform below the BCHD current FY 2016-2017 budget.</li> </ul> <p>Dr. Chun recommended to approve the BCHD proposed FY2016-2017 budget adjustment of \$400,000.00 for Joint Venture Sunrise Income.</p>	<p>It was <b>Moved and Seconded</b> (Poster/Diehl) to approve the BCHD proposed FY2016-2017 budget adjustment of \$400,000 for Joint Venture Sunrise Income. Ms. Diehl, Ms. Poster, and Dr. Chun voted yes. Dr. Bholat and Ms. Bloss were not present.  <b>Motion Carried</b></p>
<p>4. <b><u>Discussion and Potential Action Item:</u></b>  <b>Review and approve the BCHD FY2015-2016 Independent Audit Report</b></p>	<p>Dr. Chun recommended to approve the BCHD FY2015-2016 Independent Audit Report</p>	<p>It was <b>Moved and Seconded</b> (Poster/Diehl) to approve the BCHD FY2015-2016 Independent Audit Report. Ms. Diehl, Ms. Poster, and Dr. Chun voted yes. Dr. Bholat and Ms. Bloss were not present.  <b>Motion Carried</b></p>
<p>5. <b><u>Action Item:</u></b>  <b>Approve checks no. 67246 through 67463, totaling \$434,598.27 for accounts payable for the month of November 2016</b></p>	<p>Dr. Chun recommended approval of Checks No. 67246 through No. 67463, totaling \$434,598.27 for Accounts Payable for the month of November 2016.</p>	<p>It was <b>Moved and Seconded</b> (Poster/Diehl) to approve Checks No. 67034 through No. 67245, totaling \$434,598.27 for Accounts Payable for the month of November 2016. Ms. Diehl, Ms. Poster, and Dr. Chun voted yes. Dr. Bholat and Ms. Bloss were</p>

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<p><b>6. Action Item:</b>  <b>Approve checks no. 67464 through 67596, totaling \$274,309.07 for accounts payable for the month of December 2016</b></p>	<p>Dr. Chun recommended approval of Checks No. 67464 through No. 67596, totaling \$274,309.07 for Accounts Payable for the month of December 2016.</p>	<p>not present.  <b>Motion Carried</b></p> <p>It was <b>Moved and Seconded</b> (Poster/Diehl) to approve Checks No. 67464 through No. 67596, totaling \$274,309.07 for Accounts Payable for the month of December 2016. Ms. Diehl, Ms. Poster, and Dr. Chun voted yes. Dr. Bholat and Ms. Bloss were not present.  <b>Motion Carried</b></p>
<p><b>C. Policy Committee</b></p>	<p>Dr. Chun reported that the Policy Committee meets on an as-needed basis. We are soliciting dates from the chairs for the next meeting in February.</p>	
<p><b>D. Properties Committee</b></p> <p><b>1. Receive and File: Minutes of the November 15<sup>th</sup>, 2016, Properties Committee Meeting</b></p>	<p>Ms. Diehl reported that the Properties Committee meets on an as needed basis.</p> <p>The Board received and Ms. Diehl noted to file the Minutes of the November 15<sup>th</sup>, 2016, Properties Committee Meeting</p>	<p>The Board received and Ms. Diehl noted to file the Minutes of the November 15<sup>th</sup>, 2016, Properties Committee Meeting</p>
<p><b>E. Ad-Hoc Properties Committee</b></p>	<p>Ms. Diehl reported that the Ad Hoc Properties Committee met on Monday, January 23<sup>rd</sup>, 2017. The following items were discussed:</p> <ul style="list-style-type: none"> <li>○ Communication contract on the Healthy Living Community for Older Adults</li> </ul> <p>Ms. Diehl stated that we will bring this to the Full Board in February.</p>	
<p><b>F. Strategic Planning Committee</b></p>	<p>Ms. Poster reported that the Strategic Planning Committee did not meet. We have our Strategic Development Half-Day Scheduled for Friday, February 10<sup>th</sup>, 2017 at 8:30am at the Redondo Beach Historic Library. We will solicit meeting dates from the chairs after the Strategic Development Half Day.</p>	
<p><b>VI. Old Business</b></p>	<p>There was no Old Business</p>	
<p><b>VII. New Business</b></p>	<p>There was no New Business.</p>	

AGENDA ITEM	DISCUSSION	ACTION OR FOLLOW-UP
<b>VIII. Board Member Reports</b>	<p>Ms. Bloss was not in attendance.</p> <p>Ms. Poster reported that she attended:</p> <ul style="list-style-type: none"> <li>○ Redondo Beach Round Table Holiday Event</li> <li>○ Wine @ 5 Event for Mr. Bakaly's reception</li> <li>○ Debrief meeting with Mr. Bakaly</li> </ul> <p>Dr. Bholat was not in attendance</p> <p>Dr. Chun was not in attendance.</p> <ul style="list-style-type: none"> <li>○ Ad Hoc Properties Committee Meeting</li> <li>○ Finance Committee Meeting</li> <li>○ Debrief with Mr. Bakaly</li> </ul> <p>Ms. Diehl reported that she attended:</p> <ul style="list-style-type: none"> <li>○ Redondo Beach Round Table</li> <li>○ Wine @ 5</li> <li>○ Ad Hoc Properties Committee</li> <li>○ Spoke to Executive Director of Torrance YMCA</li> <li>○ Finance Committee Meeting</li> </ul>	
<b>IX. Announcements/ Questions and Referrals to Staff</b>	There were no announcements/questions and referrals to staff.	
<b>X. Adjournment</b>	Ms. Diehl moved to adjourn the meeting.	There being no further business, Ms. Diehl <b>Moved</b> to adjourn the meeting. Meeting adjourned at 7:20 p.m.

AGENDA ITEM	DISCUSSION	ACTION OR FOLLOW-UP
<b>I. Re-Call to Order</b>	Dr. Chun moved to re-open the meeting for Prospect One Corporation.	Dr. Chun <b>Moved</b> to re-open the meeting. Meeting re-opened at 7:20 p.m.
<b>II. Public Discussion</b>	Dr. Chun asked if any member of the public would like to address the Board on any issue not on the agenda. No one from the public stepped forward.	

AGENDA ITEM	DISCUSSION	ACTION OR FOLLOW-UP
<b>III. Election of Officers</b>	<p>Ms. Poster nominated the elected slate of candidates from the January 25<sup>th</sup>, 2017 Board of Directors election of officers:</p> <p>President – Dr. Michelle Bholat President Pro Tem – Dr. Noel Chun</p> <p>Ms. Diehl seconded the nominated slate. Dr. Chun stated that we will discuss the Secretary/Treasurer at the next meeting.</p>	<p>It was <b>Moved and Seconded</b> (Poster/Diehl) to elect the elected slate of candidates from the January 25<sup>th</sup>, 2017 Board of Directors election of officers. Ms. Diehl, Ms. Poster, and Dr. Chun voted yes. Dr. Bholat and Ms. Bloss were not present.</p> <p><b>Motion Carried</b></p>
<b>IV. Staff Report</b> <b>A. Director of Finance</b>	<p>Dr. Chun invited Ms. Monica Suua, Director of Finance, to address the Board of Directors.</p> <p>Ms. Suua highlighted the following:</p> <ul style="list-style-type: none"> <li>○ Prospect One Corporation is a separate legal entity and it is in substance part of the District.</li> <li>○ During the fiscal year ended June 30<sup>th</sup>, 2016 POC had no activity.</li> <li>○ Has a current balance sheet that consists of cash and Investments and Interest Receivable due from the District's General Fund of \$1,206,761.</li> <li>○ The consolidated BCHD FY2015-2016 financial statements were audited by Davis Farr, LLP receiving a clean opinion with no internal control findings</li> </ul>	
<b>V. Old Business</b>	<p>There was no Old Business</p>	
<b>VI. New Business</b>	<p>There was no New Business</p>	
<b>VII. Adjournment</b>	<p>Dr. Chun moved to adjourn the meeting.</p>	<p>There being no further business, Dr. Chun <b>Moved</b> to adjourn the meeting. Meeting adjourned at 7:23 p.m.</p>

The next Regular Meeting of the Beach Cities Health District Board of Directors is scheduled for Wednesday, February 22<sup>nd</sup>, 2017 at 6:30 p.m. in the Beach Cities Room of the Beach Cities Health District, located at 514 N. Prospect Avenue, Redondo Beach, California