

REGULAR MEETING OF THE
 SAN GORGONIO MEMORIAL HOSPITAL
 BOARD OF DIRECTORS

FINANCE COMMITTEE
 Tuesday, February 22, 2022

The regular meeting of the San Gorgonio Memorial Hospital Board of Directors Finance Committee was held on Tuesday, February 22, 2022. To prevent the spread of COVID-19 (coronavirus), and in accordance with the Governor's Executive Order N-29-20, there was no public location for attending this committee meeting in person. Committee members, staff members, and members of the public participated telephonically.

Members Present: Susan DiBiasi, Ehren Ngo (Chair), Ron Rader, Steve Rutledge, Siri Welch

Members Absent: None

Required Staff: Steve Barron (CEO), Pat Brown (CNO/COO), Daniel Heckathorne (CFO), Ariel Whitley (Executive Assistant), Karan P. Singh, MD (CMO), Gary Hicks (G.L. Hicks Financial), Margaret Kammer (Controller)

AGENDA ITEM	DISCUSSION	ACTION / FOLLOW-UP
Call To Order	Susan DiBiasi called the meeting to order at 9:09 am.	
Public Comment	Members of the public who wished to comment on any item on the agenda were encouraged to submit comments by emailing publiccomment@sgmh.org prior to this meeting. No public comment emails were received.	
OLD BUSINESS		
Proposed Action - Approve Minutes January 25, 2022, regular meeting	Susan DiBiasi asked for any changes or corrections to the minutes of the January 25, 2022, regular meeting. There were none.	The minutes of the January 25, 2022, regular meeting will stand correct as presented.
NEW BUSINESS		
2022 General Obligation Refunding Bonds	Gary Hicks, with G.L. Financial, reviewed the 2022 General Obligation Refunding Bonds Memorandum, discussing details of the bond and Resolution No. 2022-03 as well as Resolution No.	

AGENDA ITEM	DISCUSSION	ACTION / FOLLOW-UP												
Memorandum	2022-04.													
<p>Proposed Action – Recommend approval to Hospital Board to adopt Resolution No. 2022-03 regarding authorizing the commencement of proceedings in connection with the proposed issuance of general obligation refunding bonds and designating a financial advisor, bond counsel and a placement agent in connection therewith.</p>	<p>Gary Hicks reviewed Resolution No. 2022-03, authorizing the commencement of proceedings in connection with the proposed issuance of general obligation refunding bonds and designating a financial advisor, bond counsel and a placement agent in connection therewith.</p> <p>It was noted that approval is recommended to the Hospital Board.</p> <p>ROLL CALL:</p> <table border="1" data-bbox="394 695 1227 814"> <tr> <td>DiBiasi</td> <td>Yes</td> <td>Ngo</td> <td>Yes</td> </tr> <tr> <td>Rader</td> <td>Yes</td> <td>Rutledge</td> <td>Yes</td> </tr> <tr> <td>Welch</td> <td>Yes</td> <td></td> <td></td> </tr> </table> <p>Motion carried.</p>	DiBiasi	Yes	Ngo	Yes	Rader	Yes	Rutledge	Yes	Welch	Yes			<p>M.S.C. (Rader/Rutledge), the SGMH Finance Committee voted to recommend approval to adopt Resolution No. 2022-03 regarding authorizing the commencement of proceedings in connection with the proposed issuance of general obligation refunding bonds and designating a financial advisor, bond counsel and a placement agent in connection therewith.</p>
DiBiasi	Yes	Ngo	Yes											
Rader	Yes	Rutledge	Yes											
Welch	Yes													
<p>Proposed Action – Recommend approval to Hospital Board to adopt Resolution No. 2022-04 regarding Approving the form and authorizing the execution of a deposit and transfer agreement (The deposit and transfer agreement, approved by this resolution, is attached as an exhibit to the Resolution).</p>	<p>Gary Hicks reviewed Resolution No. 2022-04, approving the form, and authorizing the execution of a deposit and transfer agreement (the deposit and transfer agreement, approved by this resolution, is attached as an attachment to the resolution).</p> <p>It was noted that approval is recommended to the Hospital Board.</p> <p>ROLL CALL:</p> <table border="1" data-bbox="394 1503 1227 1623"> <tr> <td>DiBiasi</td> <td>Yes</td> <td>Ngo</td> <td>Yes</td> </tr> <tr> <td>Rader</td> <td>Yes</td> <td>Rutledge</td> <td>Yes</td> </tr> <tr> <td>Welch</td> <td>Yes</td> <td></td> <td></td> </tr> </table> <p>Motion carried.</p>	DiBiasi	Yes	Ngo	Yes	Rader	Yes	Rutledge	Yes	Welch	Yes			<p>M.S.C. (Rutledge/Ngo), the SGMH Finance Committee voted to recommend approval to adopt Resolution No. 2022-04 regarding Approving the form and authorizing the execution of a deposit and transfer agreement (The deposit and transfer agreement, approved by this resolution, is attached as an</p>
DiBiasi	Yes	Ngo	Yes											
Rader	Yes	Rutledge	Yes											
Welch	Yes													

AGENDA ITEM	DISCUSSION	ACTION / FOLLOW-UP												
		exhibit to the Resolution).												
2022 Revenue Bonds Memorandum	Gary Hicks, with G.L. Financial, reviewed the 2022 Revenue Bonds Memorandum, discussing details of the bond and Resolution No. 2022-05 as well as Ordinance No. 2022-01.													
Proposed Action – Recommend approval to Hospital Board to adopt Resolution No. 2022-05 regarding authorizing the commencement of proceedings in connection with the proposed issuance of revenue bonds and designating a financial advisor, bond counsel, district counsel and a placement agent in connection therewith.	<p>Gary Hicks reviewed Resolution No. 2022-05, authorizing the commencement of proceedings in connection with the proposed issuance of revenue bonds and designating a financial advisor, bond counsel, district counsel, and a placement agent in connection therewith.</p> <p>It was noted that approval is recommended to the Hospital Board.</p> <p>ROLL CALL:</p> <table border="1" data-bbox="394 879 1227 995"> <tr> <td>DiBiasi</td> <td>Yes</td> <td>Ngo</td> <td>Yes</td> </tr> <tr> <td>Rader</td> <td>Yes</td> <td>Rutledge</td> <td>Yes</td> </tr> <tr> <td>Welch</td> <td>Yes</td> <td></td> <td></td> </tr> </table> <p>Motion carried.</p>	DiBiasi	Yes	Ngo	Yes	Rader	Yes	Rutledge	Yes	Welch	Yes			M.S.C. (DiBiasi/Welch), the SGMH Finance Committee voted to recommend approval to adopt Resolution No. 2022-05 regarding authorizing the commencement of proceedings in connection with the proposed issuance of revenue bonds and designating a financial advisor, bond counsel, district counsel and a placement agent in connection therewith.
DiBiasi	Yes	Ngo	Yes											
Rader	Yes	Rutledge	Yes											
Welch	Yes													
Proposed Action – Recommend approval to Hospital Board to adopt Ordinance No. 2022-01 regarding approving a formal agreement for the sale of San Gorgonio Memorial Healthcare District Revenue bonds series 2022A (Federally Taxable) and San Gorgonio	<p>Gary Hicks reviewed Ordinance No. 2022-01, approving a formal agreement for the sale of San Gorgonio Memorial healthcare District Revenue Bonds series 2022A (Federally Taxable) and San Gorgonio Memorial Healthcare District revenue bonds series 2022B (the form of bond purchase agreement, approved by this resolution, is attached to this ordinance).</p> <p>It was noted that approval is recommended to the Hospital Board.</p> <p>ROLL CALL:</p> <table border="1" data-bbox="394 1724 1227 1839"> <tr> <td>DiBiasi</td> <td>Yes</td> <td>Ngo</td> <td>Yes</td> </tr> <tr> <td>Rader</td> <td>Yes</td> <td>Rutledge</td> <td>Yes</td> </tr> <tr> <td>Welch</td> <td>Yes</td> <td></td> <td></td> </tr> </table> <p>Motion carried.</p>	DiBiasi	Yes	Ngo	Yes	Rader	Yes	Rutledge	Yes	Welch	Yes			M.S.C. (Rader/Welch), the SGMH Finance Committee voted to recommend approval to adopt Ordinance No. 2022-01 regarding approving a formal agreement for the sale of San Gorgonio Memorial Healthcare District Revenue bonds series 2022A
DiBiasi	Yes	Ngo	Yes											
Rader	Yes	Rutledge	Yes											
Welch	Yes													

AGENDA ITEM	DISCUSSION	ACTION / FOLLOW-UP												
<p>Memorial Healthcare District revenue bonds series 2022B (The form of bond purchase agreement, approved by this resolution, is attached to this ordinance).</p>		<p>(Federally Taxable) and San Gorgonio Memorial Healthcare District revenue bonds series 2022B (The form of bond purchase agreement, approved by this resolution, is attached to this ordinance).</p>												
<p>Bond Purchase Agreement – Informational</p>	<p>The Bond Purchase Agreement Document was included as informational. This document was also included as an exhibit in Ordinance No. 2022-01.</p>													
<p>Proposed Action – Recommend Approval to Hospital Board of Directors - Monthly Financial Report (Unaudited) – January 2022</p>	<p>Daniel Heckathorne, CFO, reviewed the Unaudited January 2022 finance report as included in the board packets.</p> <p>Mr. Heckathorne reported that January had a \$1.01M EBIDA compared to budgeted EBIDA loss of \$678K. The Hospital began to see a gradual increase in COVID related cases toward the end of December, which carried on into January. This had a large impact on January’s operations, as the hospital was forced to cancel elective surgeries for three to four weeks due to staffing reassignments needed to care for COVID patients. Inpatient workloads were up due to the COVID surge. Adjusted Patient Days were below budget (2,352 vs 2,482) while Patient Days were over budget (1,306 vs 1,263). Emergency Visits were right on budget (3,466 vs 3,467), but Surgeries were significantly under budget (55 vs 103) due to the cancellation of elective surgeries.</p> <p>It was noted that approval is recommended to the Hospital Board.</p> <p>ROLL CALL:</p> <table border="1" data-bbox="396 1724 1222 1835"> <tbody> <tr> <td>DiBiasi</td> <td>Yes</td> <td>Ngo</td> <td>Yes</td> </tr> <tr> <td>Rader</td> <td>Yes</td> <td>Rutledge</td> <td>Yes</td> </tr> <tr> <td>Welch</td> <td>Yes</td> <td></td> <td></td> </tr> </tbody> </table> <p>Motion carried.</p>	DiBiasi	Yes	Ngo	Yes	Rader	Yes	Rutledge	Yes	Welch	Yes			<p>M.S.C. (Rutledge/Rader), the SGMH Finance Committee voted to recommend approval of the Unaudited January 2022 Financial report to the Hospital Board of Directors.</p>
DiBiasi	Yes	Ngo	Yes											
Rader	Yes	Rutledge	Yes											
Welch	Yes													

AGENDA ITEM	DISCUSSION	ACTION / FOLLOW-UP
Future Agenda Items	None.	
Next Meeting	The next regular Finance Committee meeting will be held on March 29, 2022.	
Adjournment	The meeting was adjourned 10:28 am.	

In accordance with The Brown Act, *Section 54957.5*, all reports, and handouts discussed during this Open Session meeting are public records and are available for public inspection. These reports and/or handouts are available for review at the Hospital Administration office located at 600 N. Highland Springs Avenue, Banning, CA 92220 during regular business hours, Monday through Friday, 8:00 am - 4:30 pm.

Minutes respectfully submitted by Ariel Whitley, Executive Assistant