



AGENDA

REGULAR MEETING OF THE BOARD OF DIRECTORS

Tuesday, March 7, 2023

6:00 PM

Modular C Classroom

600 N. Highland Springs Avenue, Banning, CA 92220

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Administration Office at (951) 769-2160. **Notification 48 hours prior to the meeting** will enable the Healthcare District to make reasonable arrangements to ensure accessibility to this meeting. [28 CFR 35.02-35.104 ADA Title II].

Steve Barron will join this meeting via Webex at 169 Pheasant Run, Lake Arrowhead, CA, 92352

Meeting link: <https://sangorgoniomemorialhospital-ajd.my.webex.com/sangorgoniomemorialhospital-ajd.my/j.php?MTID=m2a43c68326833515d0dfb01838c90629>

Meeting number: 2551 238 3768

Password: 1234

TAB

I. Call to Order

D. Tankersley, Chair

II. Public Comment

A five-minute limitation shall apply to each member of the public who wishes to address the Healthcare District Board of Directors on any matter under the subject jurisdiction of the Board. A thirty-minute time limit is placed on this section. No member of the public shall be permitted to “share” his/her five minutes with any other member of the public. (Usually, any items received under this heading are referred to staff for future study, research, completion and/or future Board Action.) (PLEASE STATE YOUR NAME AND ADDRESS FOR THE RECORD.)

On behalf of the Healthcare District Board of Directors, we want you to know that the Board acknowledges the comments or concerns that you direct to this Board. While the Board may wish to occasionally respond immediately to questions or comments if appropriate, they often will instruct the Hospital CEO, or other Hospital Executive personnel, to do further research and report back to the Board prior to responding to any issues raised. If you have specific questions, you will receive a response either at the meeting or shortly thereafter. The Board wants to ensure that it is fully informed before responding, and so if your questions are not addressed during the meeting, this does not indicate a lack of interest on the Board’s part; a response will be forthcoming.

NOTE: ALL MEMBERS OF THE SAN GORGONIO MEMORIAL HOSPITAL BOARD OF

DIRECTORS ARE INVITED PARTICIPANTS AND MAY ADDRESS THE SAN GORGONIO MEMORIAL HEALTHCARE DISTRICT BOARD OF DIRECTORS AT ANY TIME DURING THIS MEETING.

		<u>TAB</u>
OLD BUSINESS		
III. * Proposed Action - Approve Minutes	All	
• February 7, 2023, regular meeting		A
NEW BUSINESS		
IV. *Proposed Action - Approve January 2023 Financial Report	M. Kammer	B
▪ ROLL CALL		
• Informational: Measure A Funds Report – January 2023		C
V. *Proposed Action – Approve entering into a 5-year software lease with Premier, Inc., for a budgeting, financial reporting and forecasting system.	D. Heckathorne	D
▪ ROLL CALL		
VI. General Information		
*** ITEMS FOR DISCUSSION/APPROVAL IN CLOSED SESSION	D. Tankersley	
➤ Proposed Action – Approve Medical Staff Credentialing <i>(Health & Safety Code §32155; and Evidence Code §1157)</i>		
VII. ADJOURN TO CLOSED SESSION		
RECONVENE TO OPEN SESSION		
*** REPORT ON ACTIONS TAKEN DURING CLOSED SESSION	D. Tankersley	
VIII. Future Agenda Items		
IX. Adjournment	D. Tankersley	

***Action Required**

In accordance with The Brown Act, *Section 54957.5*, all public records relating to an agenda item on this agenda are available for public inspection at the time the document is distributed to all, or a majority of all, members of the Board. Such records shall be available at the Healthcare District 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.

Certification of Posting

I certify that on March 3, 2023, I posted a copy of the foregoing agenda near the regular meeting

San Gorgonio Memorial Healthcare District
Board of Directors Regular Meeting
March 7, 2023

place of the Board of Directors of San Gorgonio Memorial Healthcare District, and on the San Gorgonio Memorial Hospital website, said time being at least 72 hours in advance of the regular meeting of the Board of Directors (*Government Code Section 54954.2*).

Executed at Banning, California on March 3, 2023

A handwritten signature in cursive script that reads "Ariel Whitley".

Ariel Whitley, Executive Assistant

TAB A

REGULAR MEETING OF THE
SAN GORGONIO MEMORIAL HEALTHCARE DISTRICT
BOARD OF DIRECTORS

February 7, 2023

The regular meeting of the San Gorgonio Memorial Hospital Board of Directors was held on Tuesday, February 7, 2023, in Modular C meeting room, 600 N. Highland Springs Avenue, Banning, California.

Members Present: Shannon McDougall, Darrell Petersen, Randal Stevens, Lanny Swerdlow, Dennis Tankersley (Chair)

Members Absent: None

Required Hospital: Steve Barron (CEO), Pat Brown (CNO/COO), Angie Brady (CNO), John Peleuses (VP of Ancillary & Support Services), Annah Karam (CHRO), Margaret Kammer (Controller), Ariel Whitley (Executive Assistant), Dan Heckathorne (CFO), Karan P. Singh, MD (CMO)

AGENDA ITEM	DISCUSSION	ACTION / FOLLOW-UP												
Call To Order	Chair, Dennis Tankersley called the meeting to order at 6:16 pm.													
Public Comment	No public comment.													
OLD BUSINESS														
Proposed Action - Approve Minutes January 3, 2023, regular meeting.	Chair, Dennis Tankersley asked for any changes or corrections to the minutes of the January 3, 2023, regular meeting. There were none.	The minutes of the January 3, 2023, regular meeting will stand correct as presented.												
NEW BUSINESS														
Proposed Action – Approve the December 2022 Financial Report	Margaret Kammer reviewed the December 2022 Finance Report. BOARD MEMBER ROLL CALL: <table border="1" style="margin-left: 20px;"> <tr> <td>McDougall</td> <td>Yes</td> <td>Petersen</td> <td>Yes</td> </tr> <tr> <td>Stevens</td> <td>Yes</td> <td>Swerdlow</td> <td>Yes</td> </tr> <tr> <td>Tankersley</td> <td>Yes</td> <td colspan="2">Motion carried.</td> </tr> </table>	McDougall	Yes	Petersen	Yes	Stevens	Yes	Swerdlow	Yes	Tankersley	Yes	Motion carried.		M.S.C., (Tankersley/Stevens), the SGMHD Board of Directors approved the December 2022 Financial report as presented.
McDougall	Yes	Petersen	Yes											
Stevens	Yes	Swerdlow	Yes											
Tankersley	Yes	Motion carried.												

AGENDA ITEM	DISCUSSION	ACTION / FOLLOW-UP												
<ul style="list-style-type: none"> Informational - Measure A expenditures – December 2022 	<p>Chair Tankersley noted that a copy of the Measure A funds and expenditures – December 2022 was included on the board tablets.</p>													
<p>Quarterly Common Area Maintenance Fees Report</p>	<p>Margaret Kammer briefly reviewed the Quarterly Common Area Maintenance Fees Report as included on the board tablets.</p>													
<p>Proposed Action – Adopt Resolution No. 2023-02 (Change in banking authorized signers)</p>	<p>The Healthcare District Board of Directors voted to approve Resolution No. 2023-02, a change in banking authorized signers.</p> <p>BOARD MEMBER ROLL CALL:</p> <table border="1" data-bbox="407 884 1214 999"> <tr> <td>McDougall</td> <td>Yes</td> <td>Petersen</td> <td>Yes</td> </tr> <tr> <td>Stevens</td> <td>Yes</td> <td>Swerdlow</td> <td>Yes</td> </tr> <tr> <td>Tankersley</td> <td>Yes</td> <td colspan="2">Motion carried.</td> </tr> </table>	McDougall	Yes	Petersen	Yes	Stevens	Yes	Swerdlow	Yes	Tankersley	Yes	Motion carried.		<p>M.S.C., (Swerdlow/Tankersley) the SGMHD Board of Directors voted to adopt Resolution No. 2023-02 as presented.</p>
McDougall	Yes	Petersen	Yes											
Stevens	Yes	Swerdlow	Yes											
Tankersley	Yes	Motion carried.												
<p>Proposed Action – Approve the Professional Services Agreement with Walter P. Moore to constitute critical and mandatory steps toward obtaining seismic compliance beyond 2030.</p>	<p>Balram Gupta with Walter P. Moore gave a presentation that detailed the importance of engaging in structural engineering professional services for seismic compliance.</p> <p>San Gorgonio Memorial Healthcare District and Hospital are mandated by the State of California to submit a plan for mitigation of potential damage from a major earthquake by January 1st, 2024. The scope of services covers NPC-3 Evaluation of NPC-2 Buildings.</p> <p>BOARD MEMBER ROLL CALL:</p> <table border="1" data-bbox="407 1524 1214 1640"> <tr> <td>McDougall</td> <td>Yes</td> <td>Petersen</td> <td>Yes</td> </tr> <tr> <td>Stevens</td> <td>Yes</td> <td>Swerdlow</td> <td>Yes</td> </tr> <tr> <td>Tankersley</td> <td>Yes</td> <td colspan="2">Motion carried.</td> </tr> </table>	McDougall	Yes	Petersen	Yes	Stevens	Yes	Swerdlow	Yes	Tankersley	Yes	Motion carried.		<p>M.S.C. (Stevens/Tankersley), the SGMHD Board of Directors voted to approve a Professional Services Agreement with Walter P. Moore to constitute critical and mandatory steps toward obtaining seismic compliance beyond 2030.</p>
McDougall	Yes	Petersen	Yes											
Stevens	Yes	Swerdlow	Yes											
Tankersley	Yes	Motion carried.												

AGENDA ITEM	DISCUSSION	ACTION / FOLLOW-UP
Reminder – Annual Completion of FPPC Statement of Economic Interest (Form 700) for 2022	Chair Tankersley noted that the FPPC Statement of Economic Interest Form 700 for 2022 is due back to Ariel Whitley by March 10, 2023.	
General Information	None.	
Adjourn to Closed Session	<p>Chair, Tankersley reported the items to be reviewed and discussed and/or acted upon during Closed Session will be:</p> <ul style="list-style-type: none"> ➤ Proposed Action – Approve Medical Staff Credentialing. <p>The meeting adjourned to Closed Session at 6:27 pm.</p>	
Reconvene to Open Session	<p>The meeting reconvened to Open Session at 6:31 pm.</p> <p>At the request of Chair, Tankersley, Ariel Whitley reported on the actions taken/ information received during closed session as follows:</p> <ul style="list-style-type: none"> ➤ Approved Medical Staff Credentialing 	
Future Agenda Items	None.	
Adjournment	The meeting was adjourned at 6:32 pm.	

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 Healthcare District 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

TAB B

**SAN GORGONIO MEMORIAL DISTRICT
BANNING, CALIFORNIA**

1/31/23

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FY 2023

	ACT CUR 01/31/23	BUD CUR 01/31/23	PRIOR YR 01/31/22	ACT YTD 01/31/23	BUD YTD 01/31/23	Prior YTD 01/31/22
Gross Patient Revenue						
Inpatient Routine Revenue	\$0	\$0	\$0	\$0	\$0	\$0
Inpatient Ancillary Revenue	\$0	\$0	\$0	\$0	\$0	\$0
Outpatient Revenue	\$0	\$0	\$0	\$0	\$0	\$0
Long Term Care Revenue	\$0	\$0	\$0	\$0	\$0	\$0
Home Health Revenue	\$0	\$0	\$0	\$0	\$0	\$0
Total Gross Patient Revenue	\$0	\$0	\$0	\$0	\$0	\$0
Discounts and Allowances	\$0	\$0	\$0	\$0	\$0	\$0
Bad Debt Expense (Governmental Provi	\$0	\$0	\$0	\$0	\$0	\$0
Prior Year Settlements	\$0	\$0	\$0	\$0	\$0	\$0
Charity Care	\$0	\$0	\$0	\$0	\$0	\$0
Total Deductions From Revenue	\$0	\$0	\$0	\$0	\$0	\$0
Net Patient Revenue	\$0	\$0	\$0	\$0	\$0	\$0
Other Operating Revenue	\$0	\$0	\$0	\$0	\$0	\$0
Clinic Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Tax Subsidies Measure D	\$246,994	\$246,994	\$233,333	\$1,728,957	\$1,728,957	\$1,399,998
Tax Subsidies Advelorum	\$154,500	\$154,500	\$150,000	\$1,081,500	\$1,081,500	\$900,000
Other Non-Operating Revenue - Grants	\$0	\$0	\$0	\$0	\$75,833	\$0
Total	\$401,494	\$401,494	\$383,333	\$2,810,457	\$2,886,290	\$2,299,998
EXPENSES						
Salaries and Wages	\$0	\$0	\$0	\$0	\$0	\$0
Fringe Benefits	\$0	\$0	\$0	\$0	\$0	\$0
Contract Labor	\$0	\$0	\$0	\$0	\$0	\$0
Physicians Fees	\$0	\$0	\$0	\$0	\$0	\$0
Purchased Services	\$8,794	\$134,079	\$73,409	\$149,032	\$49,729	\$207,558
Supply Expense	\$0	\$0	\$0	\$0	\$0	\$0
Utilities	\$1,625	\$3,616	\$733	\$14,150	\$16,333	\$13,158
Repairs and Maintenance	\$9,800	\$10,638	\$10,682	\$69,854	\$74,667	\$64,245
Insurance Expense	\$0	\$0	\$0	\$0	\$0	\$0
All Other Operating Expenses	\$8	\$8	\$0	\$159,379	\$150,000	\$0
IGT Expense	\$0	\$0	\$0	\$0	\$0	\$0
Leases and Rentals	\$0	\$0	\$0	\$0	\$0	\$0
Clinic Expenses	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$20,227	\$148,341	\$84,824	\$392,415	\$290,729	\$284,961
EBIDA	\$381,267	\$253,153	\$298,509	\$2,418,042	\$2,595,561	\$2,015,037
Depreciation	\$406,450	\$406,450	\$504,865	\$2,988,742	\$3,850,305	\$3,534,055
Interest Expense (Non-Governmental Pr	\$355,547	\$556,436	\$359,830	\$2,647,307	\$3,280,106	\$2,540,579
Total	\$761,997	\$962,886	\$864,695	\$5,636,049	\$7,130,411	\$6,074,634
Contributions	\$2,030	\$1,015	\$0	\$1,398,709	\$3,267,210	\$40,590
Tax Subsidies for GO Bonds - M-A	\$627,353	\$627,353	\$613,966	\$4,391,472	\$4,307,829	\$4,297,759
Total Non Operating Revenue/(Expens	\$629,383	\$628,368	\$613,966	\$5,790,181	\$7,575,038	\$4,338,349
NET INCOME	\$248,653	(\$81,365)	\$47,780	\$2,572,174	\$3,040,188	\$278,752

Balance Sheet - Assets

**SAN GORGONIO MEMORIAL HEALTHCARE DISTRICT
BANNING, CALIFORNIA**

1/31/23

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	Current Month 1/31/2023	Prior Month 12/31/2022	ASSETS Positive/ (Negative) Variance	Percentage Variance	Prior Year 6/30/2022
					\$0
Current Assets -DISTRICT ONLY					
Cash and Cash Equivalents	\$3,457,405	\$2,030,781	\$1,426,624	-2%	\$1,873,283
Gross Patient Accounts Receivable	\$0	\$0	\$0	0.00%	\$0
Less: Bad Debt and Allowance Reserve	\$0	\$0	\$0	0.00%	\$0
Net Patient Accounts Receivable	\$0	\$0	\$0	0.00%	\$0
Interest Receivable	\$3,403,511	\$3,978,247	(\$574,736)	906%	\$1,178,859
Other Receivables	\$660,465	\$660,465	\$0	0%	\$660,465
Inventories	\$0	\$0	\$0	0.00%	\$0
Prepaid Expenses	\$126,169	\$126,169	\$0	0%	\$426,159
Due From Third Party Payers	\$0	\$0	\$0	0.00%	\$0
Due From Affiliates/Related Organizator	\$0	\$0	\$0	0.00%	\$0
Other Current Assets	\$0	\$0	\$0	0.00%	\$0
Total Current Assets	\$7,647,550	\$6,795,662	\$851,888	33%	\$4,138,766
Assets Whose Use is Limited					
Cash			\$0	0.00%	
Investments	\$11,763,103	\$11,732,131	\$30,972	1%	\$12,704,494
Bond Reserve/Debt Retirement Fund			\$0	0.00%	\$0
Trustee Held Funds			\$0	0.00%	\$0
Funded Depreciation			\$0	0.00%	\$0
Board Designated Funds			\$0	0.00%	\$0
Other Limited Use Assets	\$0	\$0	\$0	0.00%	\$0
			\$0	0.00%	\$0
Total Limited Use Assets	\$11,763,103	\$11,732,131	\$30,972	1%	\$12,704,494
Property, Plant, and Equipment					
Land and Land Improvements	\$4,828,182	\$4,828,182	(\$124,453,309)	0%	\$4,828,182
Building and Building Improvements	\$129,281,491	\$129,281,491	\$102,161,985	0%	\$129,281,561
Equipment	\$27,119,506	\$27,119,506	\$24,766,303	0%	\$26,856,789
Construction In Progress	\$2,354,778	\$2,353,203	\$93,155,588	0%	\$1,679,782
Capitalized Interest				0.00%	\$0
Gross Property, Plant, and Equipm	\$163,583,957	\$163,582,382	\$95,630,567	0%	\$162,646,314
Less: Accumulated Depreciation	(\$91,207,260)	(\$90,800,810)	(\$406,450)	1%	(\$89,145,667)
Net Property, Plant, and Equipment	\$72,376,697	\$72,781,572	\$95,224,117	-1%	\$73,500,647
Other Assets					
Unamortized Loan Costs	\$627,385	\$627,385	\$614,440	0.00%	\$614,440
Assets Held for Future Use				4%	
Investments in Subsidiary/Affiliated Org.	\$26,205,242	\$26,205,242	\$26,205,242	0.00%	\$0
Other					
Total Other Assets	\$26,832,627	\$26,832,627	\$26,819,682	4%	\$614,440
TOTAL UNRESTRICTED ASSETS	\$118,619,977	\$118,141,992	\$477,985	1%	\$90,958,347
Restricted Assets	\$0	\$0	\$0	0.00%	\$0
TOTAL ASSETS	\$118,619,977	\$118,141,992	\$477,985	1%	\$90,958,347

Balance Sheet - Liabilities and Net Assets
SAN GORGONIO MEMORIAL HEALTHCARE DISTRICT
BANNING, CALIFORNIA

1/31/23

	Cur Month	Prior Month	Positive/ (Negative)	Percentage	PRIOR YEAR
	1/31/2023	12/31/2022	Variance	Variance	6/30/2022
Current Liabilities					
Accounts Payable	\$506,662	\$506,662	\$0	-22%	\$980,448
Notes and Loans Payable	\$0	\$0	\$0	0.00%	\$0
Accounts Payable- Construction	\$0	\$0	\$0	0.00%	\$0
Accrued Payroll Taxes	\$0	\$0	\$0	0.00%	\$0
Accrued Benefits	\$0	\$0	\$0	0.00%	\$0
Accrued Pension Expense (Current Portion)	\$0	\$0	\$0	0.00%	\$0
Other Accrued Expenses	\$0	\$0	\$0	0.00%	\$0
Accrued GO Bond Interest Payable	\$2,550,184	\$2,183,248	\$366,936	40%	\$2,526,756
Property Tax Payable	\$0	\$0	\$0	0.00%	\$0
Due to Third Party Payers	\$0	\$0	\$0	0.00%	\$0
Advances From Third Party Payers	\$0	\$0	\$0	0.00%	\$0
Current Portion of LTD (Bonds/Mortgages)	\$2,335,000	\$2,335,000	\$0	0%	\$2,335,000
Current Portion of LTD (Leases)	\$0	\$0	\$0	0.00%	\$0
Other Current Liabilities	\$0	\$0	\$0	0.00%	\$0
Total Current Liabilities	\$5,024,910	\$5,024,910	\$366,936	-8%	\$5,842,204
Long Term Debt					
Bonds/Mortgages Payable	\$96,487,744	\$96,487,744	\$0	0%	\$103,043,956
Revenue Bond Payable	\$11,752,165	\$11,765,791	(\$13,626)	0%	\$2,293,348
Current Portion	\$0	\$0	\$0	0.00%	\$0
Total Long Term Debt	\$108,253,353	\$108,253,353	(\$13,626)	0%	\$105,337,304
Other Long Term Liabilities					
Deferred Revenue			\$0	0.00%	\$0
Accrued Pension Expense (Net of Current)			\$0	0.00%	\$0
Other	\$0	\$0	\$0	0.00%	\$0
Total Other Long Term Liabilities			\$0	0.00%	\$0
TOTAL LIABILITIES	\$113,278,445	\$113,278,445	\$353,310	0%	\$111,179,508
Net Assets:					
Unrestricted Fund Balance	\$2,416,049	\$1,830,302	\$585,747	1%	(\$1,141,993)
Temporarily Restricted Fund Balance	\$0	\$0	\$0	0.00%	\$0
Restricted Fund Balance	\$0	\$0	\$0	0.00%	\$0
Net Revenue/(Expenses)	\$2,572,174	\$3,033,245	(\$461,071)	106%	\$2,216,045
TOTAL NET ASSETS	\$4,988,223	\$4,863,547	\$124,676	2104%	\$1,074,052
TOTAL LIABILITIES AND NET ASSETS	\$118,619,978	\$118,141,991	\$477,986	-1%	\$112,253,560
	\$0	(\$0)			\$0

TAB C

San Gorgonio Memorial Healthcare District

Measure A analysis of Project Funds Paid by General Category

01/31/20223

	Measure A Project-to-Date	Current Month-Measure A 1/31/2023	District Funds 1/31/2023
Computer Equipment	\$ 5,311,028	\$ -	
Radiology Equipment	\$ 1,526,641	\$ -	
Legal/Regulatory/Bonds	\$ 3,143,910	\$ -	
Architectural (HDR)-ALL PHASE 1 PROJ	\$ 11,756,851	\$ -	
Construction Management-ALL PHASE 1	\$ 12,875,601	\$ -	
Contractors 1-A (HELIPAD/COOLING TOW	\$ 7,814,103	\$ -	
Other	\$ 3,021,460	\$ -	
Contractors 1-B (CENTRAL PLANT)	\$ 20,800,201	\$ -	
Contractors 1-C (ED/ICU)	\$ 28,157,355	\$ -	
Contractors 1-E Dietary Remodel	\$ 5,225,946	\$ -	
Contractors 1-Medley Project	\$ 4,796,620	\$ -	
Previous Expenditures for Measure A-Phase 1	\$ 104,429,717	\$ -	
Contractors, Architect, Mgmt - 2-A Patient Facility prior to 9/01/14	\$ 7,015,575		
Expenditures prior to 9/01/14 all phases	\$ 111,445,293		
Project expenditures using District Funds			
TCU Coversion 0001	\$0.00	\$0.00	\$ 108,612
Medical Records Conversion 0004	\$0.00	\$0.00	\$ 13,618
Pharmacy Conversion 0005	\$0.00	\$0.00	\$ 50,447
CIP Patient Care Facility-0008	\$0.00	\$0.00	\$ 2,100
Project Expenditures using Measure A funds			
TCU Coversion 0001	\$ 539,852.53	\$0.00	
Medical Records Conversion 0004	\$0.00	\$0.00	
Pharmacy Conversion 0005	\$0.00	\$0.00	
CIP Patient Care Facility-0008	\$1,338,416.28	\$0.00	\$0.00
OR Electrical Conversion	\$0.00	\$0.00	\$39,751.00
Other Construction Costs	\$150,247.92	\$0.00	
Other Non-Construction Costs	\$193,576.42	\$0.00	\$5,955.22
Total Expenditures	\$ 113,667,386	\$ -	\$ 220,483

Measure A Project General Obligation Funds
Statement of Funds Flows

PROCEEDS SUMMARY:	
Initial Project Fund transfer from sale of General Obligation Bonds 2006 A to FSA	25,200,349
Initial Project Fund Transfer from sale of General Obligation Bonds 2006 B (08/08/	24,876,964.91
Initial Project Fund from sale of General Obligation Bonds 2006 C (08/14/2009)	57,800,000
Planholder Checks project to date and refunds for overpayments	24,072
HDR Returned payments	139,979
Initial Proceeds	108,041,365
Investment Income	
FSA Inc. (Series 2006 A)	1,762,060
BB&T GIC (Series 2008 B)	1,461,176
Bank of Hemet Series A	1,001
City National Money Market	81
GE Capital (Series 2009 C)	2,638,823
Security Bank Money Market	39,340
Interest Income SUBTOTAL	5,902,482
Total Proceeds Available for Measure A:	\$ 113,943,846

Projected Interest by end of Project>	5,912,351
Total Projected Proceeds Available for Measure A:	\$ 113,953,716

FUND FLOWS:		
Total Measure A Funds Initial Proceeds (from above)		108,041,364.81
Add:	<u>Rate</u>	<u>Interest Income</u>
FSA Inc. (Series 2006 A), FY 07	5.27%	1,030,536.43
FSA Inc. (Series 2006 A), FY 08	5.27%	635,706.73
FSA Inc. (Series 2006 A), FY 09	5.27%	95,817.32
BB&T GIC (Series 2008 B) FY 09	4.94%	680,384
BB&T GIC (Series 2008 B) FY 10	4.94%	648,151
BB&T GIC (Series 2008 B) FY 11	4.94%	132,640
GE Capital (Series 2009 C) FY 10	1.75%	688,722
GE Capital (Series 2009 C) FY 11	1.75%	956,529
GE Capital (Series 2009 C) FY 12	1.75%	591,104.24
GE Capital (Series 2009 C) FY 13	1.75%	293,402.39
GE Capital (Series 2009 C) FY 14	1.75%	109,065.59
Bank of Hemet Series A		1,001
City National Money Market		81
Security Bank Construction funds		1,126
Security Bank Construction Money Market		38,214
Total Interest Income earned	\$	5,902,482
Project Expenditures (from above)	\$	113,667,386
Total Consolidated Funds available:	\$	276,460.67
	spent to date	100%

MEASURE A BALANCES:		
	Balances as of 01/31/2023	
Bank of Hemet Series A	4310	-
Security Bank of California Construction Ft	1812	5,990
Security Bank of California Money Market	2509	270,471
Total Balances	\$	276,461
	VARIANCE	\$ (0.00)

TAB D

San Gorgonio Memorial Hospital and San Gorgonio Memorial Health Care District

To: Finance Committee, Board of Directors, and District Board

Agenda Item for February 28, 2023 Finance Committee and March 7, 2023 Board Meetings

Subject:

Recommendation to Enter 5-year Software Lease with Premier, Inc for Budgeting, Financial Reporting, and Forecasting System

San Gorgonio Memorial Healthcare District & Hospital have been using an Excel based worksheet system to perform these functions. This process is quite cumbersome and has very limited budgeting and reporting flexibility. Many hospitals have developed a comprehensive system to accomplish all these features via a proprietary software product. Having a system like this is essential for good budget development and subsequent comparisons to actual outcomes both at a hospital-wide level as well as robust reporting for individual departments.

Process: A Request for Information and Proposal was delivered to five vendors in late October 2022. Numerous phone conversations were held between each vendor and the Hospital CFO to address questions and clarify expectations. Three vendors expressed interest in making a presentation, and two vendors actually followed through with comprehensive proposals and presentations during the 4th week of January. The two vendors which made presentations are both leaders in the hospital industry and are recognized by industry experts.

Recommendation: The proposals were reviewed by the Executive Team, Director of E.R., Controller, and Director of I/T. Subsequent follow-up validations, reference checks, and confirmations were made after the original presentations. After these were completed, it was decided to select Premier, Inc. as the vendor of choice. The product specifications and capabilities appear robust and comprehensive, and the product pricing is competitive. Premier has over 100 hospitals using this software.

Note: Premier, Inc. also has other Decision Support software which will integrate with the Budgeting/Financial Reporting System, including Analytics, Contract Modeling, and Cost Accounting. SGMH does not currently have the staff or financial resources to consider these additional applications.

Details: The contract calls for a 5-year agreement at a total cost of \$313,880 plus related taxes and travel costs related to the installation. An outline of these costs is attached as an Exhibit.

There will also be additional interface costs associated with this project to migrate data elements, both from Altera Suncom and Kronos Dimensions systems. These interfaces are currently being analyzed and are anticipated not to exceed \$75,000 combined.

The program installation is scheduled to commence immediately with the goal of preparing the FY 2024 Budget on this new system.

Recommended Action: To approve acquisition of the Premier, Inc. Budgeting and Financial Reporting Solution as outlined.

Exhibits: System Financial Requirements, Premier Company Overview, Premier Budget, Financial Reporting & Forecasting Exhibit, and Summary of the Premier Solutions for San Gorgonio Memorial Hospital.

DECISION SUPPORT BUDGETING AND FINANCIAL REPORTING ANALYSIS

VENDOR:	Premier Inc.						
INVESTMENT COSTS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL	
BUDGETING AND FINANCIAL REPORTING SYSTEM	\$ 62,776	\$ 62,776	\$ 62,776	\$ 62,776	\$ 62,776	\$ 313,880	
I/T SYSTEM ALTERA and KRONOS INTERFACES (ESTIMATED)	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ 75,000	
TRAVEL COSTS ASSOCIATED W/ INSTALLATION (ESTIMATED)	\$ 6,000	\$ -	\$ -	\$ -	\$ -	\$ 6,000	
TOTAL PROGRAM COSTS (EXCLUDING TAXES)	\$ 143,776	\$ 62,776	\$ 62,776	\$ 62,776	\$ 62,776	\$ 394,880	

ABOUT PREMIER

Premier, Inc. (NASDAQ: PINC) is a leading healthcare improvement company, uniting an alliance of more than 4,400 U.S. hospitals and health systems and approximately 225,000 other providers and organizations to transform healthcare. With integrated data and analytics, collaboratives, supply chain solutions, consulting and other services, Premier enables better care and outcomes at a lower cost. Premier maintains clinical, financial and outcomes data on more than 45% of U.S. hospital discharges and receives over two (2) million clinical transactions per day from our members. Premier plays a critical role in the rapidly evolving healthcare industry, collaborating with members to co-develop long-term innovations that reinvent and improve the way care is delivered to patients nationwide. Another thing that makes Premier unique is our business model:

- Approximately 51% of our health system members have equity in our company.
- Five (5) health system members are representatives on our board.
- Approximately 500 Premier employees work daily inside our member health systems across the U.S.
- ALL of the above, results in strategic relationships and aligning priorities.

Headquartered in Charlotte, N.C., Premier is passionate about transforming American healthcare. Named by The Ethisphere® Institute as one of the 2021 World's Most Ethical Companies® for the 15th year in a row, Premier was selected for continuing to “understand the importance of leading, making hard but values-based decisions and its overall commitment to integrity.” Premier’s network is wide and vast. The image below is a small sampling of the health systems we partner with.



PREMIER'S UNIQUE MEMBER MODEL DRIVES INNOVATION



ALIGNMENT

- Significant health system member ownership
- Alliance of ~4,400 hospitals, and 225,000 Non-Acute Sites
- Strategic board alignment
- Premier field force embedded in member health systems

LONG-TERM EXPERIENCE

- Member owner tenure averages ~20 years

CO-INNOVATION

- Co-develop solutions with members
- Committees composed of ~400 individuals, representing ~130 member hospitals
- More than 1,500 hospitals in performance improvement collaboratives

Premier's Unique Member Alignment



Premier has also now topped KLAS' value-based care consulting ranking for a third year. The award was announced recently in the 2022 Best In KLAS: Software & Services Report, which is based on feedback from thousands of healthcare providers that KLAS interviews every year. Premier was previously awarded this Best in KLAS designation in 2016 and 2017. [Premier Inc. Receives 2022 Best in KLAS Award for Value-Based Care Consulting.](#)



Mission

To improve the health of communities.



Vision

Through the collaborative power of the Premier alliance, we will lead the transformation to high-quality, cost-effective healthcare.

Integrity: integrity of the individual, the enterprise and the alliance

Passion for performance: a passion for performance and a bias for action, creating real value for all stakeholders and leading the pace

Innovation: seeking breakthrough opportunities, taking risks and initiating meaningful change

Focus on people: demonstrating respect for all, and mutual commitment to the success of the alliance, our employees, our business partners and the communities we serve

Our award-winning and revolutionary technologies enable our members to collaborate more easily and efficiently. Our goal is to improve our members' quality outcomes, while safely reducing costs. By engaging members and revealing new opportunities, we empower the alliance to improve the performance of healthcare organizations, helping them do what they do best, Heal First™.



Premier is customer-aligned. I believe Premier lives the mission of trying to bring value to their members. Premier is very strong from everybody I interact with.

~ Premier member health system C-suite executive (from Premier's 2020 CEO Satisfaction & Loyalty Survey)



Budget, Financial Reporting & Forecasting

Budget, Financial Reporting & Forecasting

Value-based care requires strategic thinking.

The transition to value-based care and reimbursement is one of, if not *the* greatest business challenges in healthcare today.



**Optimizing
Cross-Structure**



**Maintaining
Quality &
Outcomes**

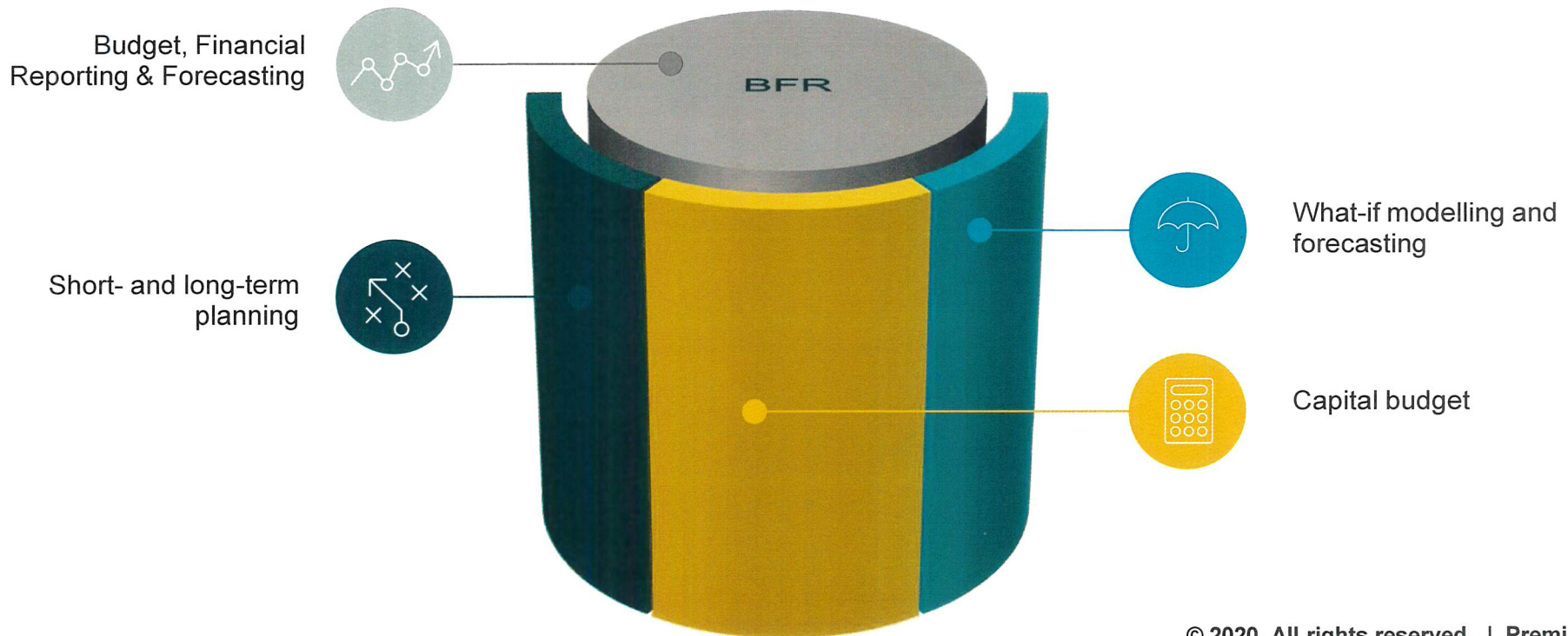


**Maximizing
Value-Based
Care**

Expectations are changing and in order to keep up, health systems need to optimize their cross-structure while still providing the highest level of quality and outcomes.

Budget, Financial Reporting & Forecasting

Budgeting & Financial Reporting offers financial planning and analysis, performance monitoring and reporting tools that provide all levels of your organization's leadership with the information they need to make timely and informed decisions.

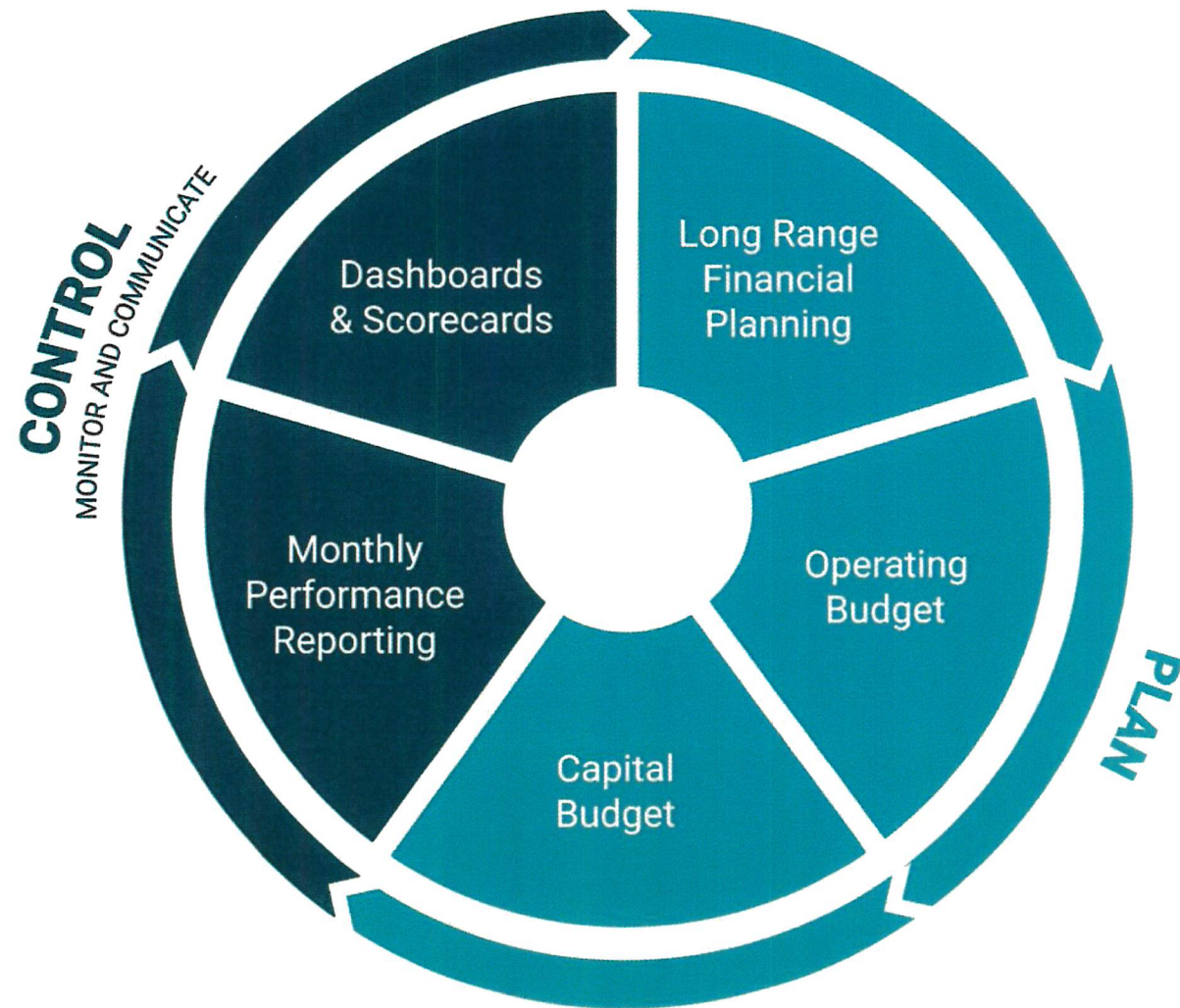


Budget, Financial Reporting & Forecasting

Comprehensive Planning and Monitoring

A strong finance organization incorporates a strategic approach to planning and monitoring

The process becomes a “virtuous circle”



Financial Planning and Analysis Capabilities

Problems we are addressing:

- My budget process is too time consuming and my managers don't feel they have ownership of their numbers
- My department managers do not have access to the source of their variances
- Finance spending too much time budgeting via Excel spreadsheets

Capabilities:

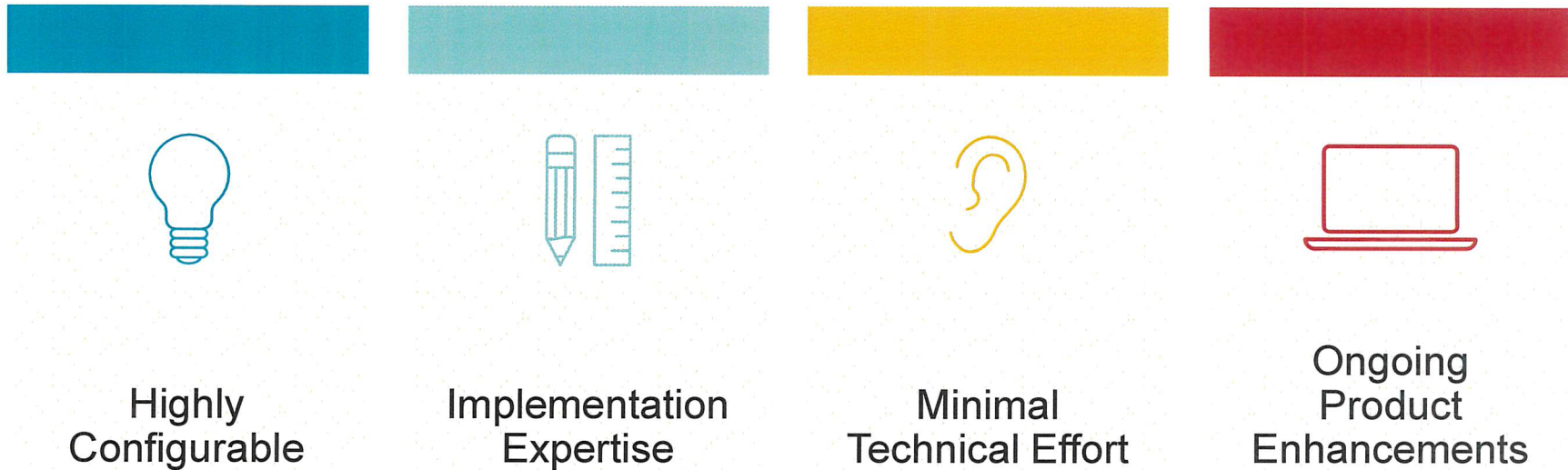
- Budgeting
- Long-range financial planning
- Financial reporting
- Variance reporting alerts (threshold-based)

Value Points:

- Data aggregation creates single source of truth
- Centralized database increases efficiency and reduces errors
- Drill-down visibility into supporting AP/JE/MM details of expense variances
- Streamlined and distributed budgeting process saves time and provides ownership to department managers

Budget, Financial Reporting & Forecasting

Value beyond the implementation of a tool.



Average Implementation timeline: 6-8 weeks to initial productive use



This Solution Exhibit (the "Solution Exhibit"), effective as of March 7, 2023, is being entered into by and between Premier Healthcare Solutions, Inc. ("Premier"), and San Gorgonio Memorial Hospital ("Customer") pursuant and subject to the Performance Suite™ Solution Subscription Agreement (as amended, the "Agreement") entered into by the parties as of March 7, 2023. Capitalized terms used but not defined herein shall have the same meanings as set forth in the Agreement.

I. SUMMARY OF THE SOLUTIONS

This Solution Exhibit, together with any Solution Specific Terms attached hereto and made a part hereof, contains the terms and conditions applicable to the Solution(s) identified in the chart below, and each shall be considered a "Solution" as defined in the Agreement.

SOLUTION(S)	SOLUTION SPECIFIC TERMS
- Budgeting and Financial Reporting	Schedule 1

II. TERM

The applicable term for the Solution(s) shall commence as of the Start Date identified below and shall continue until the End Date, identified below (the "Initial Term"). Upon expiration of the applicable Initial Term, Customer's subscription to such Solution(s) shall automatically renew for successive periods equal in length to the Initial Term (each a "Renewal Term", and together with the Initial Term, the "Term"), unless a party delivers written notice to the other party of its intent not to renew the applicable Solution(s) no fewer than ninety (90) days prior to the end of the then current Term.

SOLUTION(S)	START DATE	END DATE	INITIAL TERM
Budgeting and Financial Reporting	3/7/2023	3/6/2028	5 Years

III. FEES

A. Solution Fees. The fees applicable to the Solution(s) during the Initial Term are identified in Table 1 below. During any Renewal Term, the fees shall increase annually by 3%.

B. Expenses. Customer shall reimburse Premier for out-of-pocket and travel expenses incurred in connection with the Solutions (the "Premier Expenses"). The Premier Expenses shall be in accordance with the Premier Corporate Travel Policy. Expenses will be invoiced monthly as incurred.

Table 1	Y1 3/7/2023 – 3/6/2024	Y2 3/7/2024 – 3/6/2025	Y3 3/7/2025 – 3/6/2026	Y4 3/7/2026 – 3/6/2027	Y5 3/7/2027 – 3/6/2028
Solution(s)					
Budgeting and Financial Reporting	\$62,776	\$62,776	\$62,776	\$62,776	\$62,776
YEARLY TOTALS	\$62,776	\$62,776	\$62,776	\$62,776	\$62,776

IV. BILLING INFORMATION

Billing Contact Name:	Margaret Kammer, Controller	PO Required:	Yes
Billing Email Address:	mkammer@sgmh.org	PO Number*:	
Billing Address:	600 Highland Springs Ave, Banning, CA 92220	Contact Information for PO:	Robert Perez, Director, Materials Management
Billing Frequency:	Monthly	Travel Receipts Required:	Yes
Payment Terms:	30 Days		

* Purchase Order (PO) to be emailed to Invoiceinquiries@Premierinc.com within 30 days of contract execution. If PO is not provided, invoicing will commence without the PO.

V. AUTHORIZED USERS

Only Authorized Users are permitted to access and use the Solution(s). The term "Authorized Users" means the employees of the following Customer facilities:

Entity Code	Customer Facilities	City, State	CCN
727360	San Gorgonio Memorial Hospital	Banning, CA	050054

SCHEDULE 1**1. Budgeting and Financial Reporting**

- a. **Description of Solution.** Budgeting and Financial Reporting is a financial performance improvement solution that offers flexible budgeting, capital budgeting, long range financial planning, labor management, productivity monitoring, alert-based monitoring along with scorecard and dashboard capabilities. Budgeting and Financial Reporting provides Customer with the ability to build multiple organizational reporting structures, departmental financial reporting vs. fixed and flex budgets, alert driven variance reporting, financial statement drill-down to source detail, labor management/productivity with drill-down to source detail, standard report library (consisting of approximately one-hundred reports), "what-if" modeling, operating budget, capital budget, long term financial planning, dashboards and scorecards
- b. **Implementation On-Site Visits.** Customer will receive four (4) on-site visits which includes the kick-off visit. Additional visits require an additional fee.
- c. **Additional Implementation Related Fees:**
 - If Customer requests additional historical data to be loaded from the same interface beyond the standard "2" years of history, an additional fee will be charged.
 - If Customer requests additional historical or future data be loaded from a different interface from a separate legacy system, an addition fee will be charged.
 - If Customer requests additional entities that need to be interfaced from a different legacy system, have a different chart of accounts or have a different fiscal year, an additional fee will be charged.
- d. **Enhancements.** Customer's subscription to BFR shall include unlimited users, dashboards, financial planning, and migration to the Cloud.
- e. **Ad Hoc Reporting Fee.** If Customer requests Ad Hoc reports to be run by Premier then a fee of \$150 per hour will be charged. The hours charged are defined as the labor hours required to write the queries, audit the data, and complete the requested analysis.
- f. **Statement of Work.** If Customer requests additional assistance pertaining to this Solution Exhibit which is outside the scope of this Solution Exhibit, Premier will review with the Customer the scope of work, identifying the specific requests and requirements and create a "Statement of Work" outlining the scope discussed with the proposed fees.