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	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
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.				
Proposed Action – Recommend approval to Hospital Board to adopt Resolution No. 2022-03 regarding authorizing the commencement of proceedings in	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. It was noted that approval is recommended to the Hospital Board. ROLL CALL:				M.S.C. (Rader/Rutledge), the SGMH Finance Committee voted to recommend approval to adopt Resolution No. 2022-03 regarding authorizing the commencement of
connection with the	DiBiasi	Yes	Ngo	Yes	proceedings in
proposed issuance	Rader	Yes	Rutledge	Yes	connection with the
of general	Welch	Yes	Rutteage	1 03	proposed issuance
obligation	Motion carried				of general
refunding bonds	Wiotion carried	•			obligation
and designating a					refunding bonds
financial advisor,					and designating a
bond counsel					financial advisor,
and a placement					bond counsel
agent in connection					and a placement
therewith.					agent in connection therewith.
Proposed Action – Recommend approval to Hospital Board to adopt Resolution	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).				(Rutledge/Ngo), the
No. 2022-04 regarding	It was noted that	It was noted that approval is recommended to the Hospital Board.			
Approving the form and	ROLL CALL:				Resolution No. 2022-04 regarding Approving the
authorizing the	DiBiasi	Yes	Ngo	Yes	form and
execution of a	Rader	Yes	Rutledge	Yes	authorizing the
deposit and	Welch	Yes		1 222	execution of a
transfer agreement	Motion carried				deposit and
(The deposit and					transfer agreement
transfer agreement,					(The deposit and
approved by this					transfer
resolution, is					agreement,
attached as an					approved by this
exhibit to the					resolution, is
Resolution).					attached as an

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	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. It was noted that approval is recommended to the Hospital Board. ROLL CALL:				M.S.C. (DiBiasi/Welch), the SGMH Finance Committee voted to recommend approval to adopt Resolution No. 2022-05 regarding authorizing the commencement of
connection with the	DiBiasi	Yes	Ngo	Yes	proceedings in
proposed issuance	Rader	Yes	Rutledge	Yes	connection with the
of revenue bonds	Welch	Yes	Raticage	1 65	proposed issuance
and designating a financial advisor, bond counsel, district counsel and a placement agent in connection therewith.	Motion carried.				of revenue bonds and designating a financial advisor, bond counsel, district counsel and a placement agent in connection therewith.
Proposed Action –	Gary Hicks revie	ewed Ordinano	ce No. 2022-01, a	pproving a formal	M.S.C.
Recommend	agreement for t	he sale of Sa	an Gorgonio Me	morial healthcare	(Rader/Welch), the
approval to	District Revenue Bonds series 2022A (Federally Taxable) and				SGMH Finance
Hospital Board to	San Gorgonio Memorial Healthcare District revenue bonds series				Committee voted
adopt Ordinance No. 2022-01	2022B (the form of bond purchase agreement, approved by this resolution, is attached to this ordinance).				to recommend approval to adopt
regarding	10501ution, 18 atta	iched to this 0	ramance).		Ordinance No.
approving a formal	It was noted that	approval is re	commended to th	e Hospital Board.	2022-01 regarding
agreement for the		11		1	approving a formal
sale of San	ROLL CALL:				agreement for the
Gorgonio Memorial					sale of San
Healthcare District	DiBiasi	Yes	Ngo	Yes	Gorgonio
Revenue bonds	Rader	Yes	Rutledge	Yes	Memorial
series 2022A	Welch	Yes			Healthcare District
(Federally Taxable)	Motion carried				Revenue bonds
and San Gorgonio					series 2022A

AGENDA ITEM		DISC	CUSSION		ACTION / FOLLOW-UP
Memorial Healthcare District revenue bonds series 2022B (The form of bond purchase agreement, approved by this resolution, is attached to this ordinance).					(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).
Bond Purchase Agreement – Informational	The Bond Purchase Agreement Document was included as informational. This document was also included as an exhibit in Ordinance No. 2022-01.				
Proposed Action – Recommend Approval to Hospital Board of Directors - Monthly Financial Report (Unaudited) – January 2022	Daniel Heckathorne, CFO, reviewed the Unaudited January 2022 finance report as included in the board packets. 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. It was noted that approval is recommended to the Hospital Board. ROLL CALL:				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.
	DiBiasi Rader	Yes Yes	Ngo Rutledge	Yes Yes	
	Welch Yes Motion carried.				

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