

MINUTES
LOS MEDANOS COMMUNITY HEALTHCARE DISTRICT
Special Board Meeting

Friday, May 16, 2008
12:30p.m. – LMCHD Board Room

1. Call to Order

A special meeting of the Los Medanos Community Healthcare District was called to order by President Eva Vera at 12:30 p.m.

2. Roll Call

Present: Eva Vera, President
Marilyn Condit, Vice President
Joe Rubi, Treasurer
J. Vern Cromartie, Secretary

Absent: Jess Reyes

Also Present: Arlene Mose, CPA
Barbara Kee, Recording Secretary

3. Approving Expenses for Attendance to Special District Local Government Institute Seminar, June 26-27 – Action #080501

A motion was made by Director Vera, seconded by Director Condit, to approve expenses for attendance by any interested Board member to the Special District Local Government Institute Seminar in San Diego on June 26-27. The motion was approved by the following vote:

Ayes: Directors Rubi, Condit, Vera, Cromartie
Noes: None
Absent: Director Reyes

4. Finance Issues

- Local Agency Investment Fund – A Resolution was adopted at the regular Board Meeting on May 12, 2008, authorizing the deposit and withdrawal of District monies in the Local Agency Investment Fund. It was the consensus of the Board that it is necessary to first determine what the District's projected income will be for the upcoming year, and also, what amount of money would be invested into the fund.

The Board discussed the Cal Mortgage obligation that comes due in 2018, and agreed it would be important to set aside sufficient funds annually in the Investment Fund to assure this obligation is met. Accountant Arlene Mose displayed on the board the schedule of loan payments as outlined in the most recent Audit Report, reflecting that a payment of \$1,065,000 would be due between 2017 and 2021.

The Board discussed the possibility of renegotiating the loan. It was the consensus of the Board to request that the Accountant prepare a letter on behalf of the Board of Directors to Cal Mortgage requesting a response to the following questions:

- 1) Would the District be able to make principal payments early?
- 2) Would additional payments be posted to principal?
- 3) Would the District be able to reduce the rate of interest?
- 4) Would there be a prepayment penalty for early payment?

The Board discussed the option of applying additional money toward the loan principal each month, in lieu of investing the funds. Ms. Mose stated that once the Board receives a response to the Cal Mortgage letter, it would be in a better position to consider this option.

Ms. Mose displayed on the board projected income, grant awards, and operating expenditures for Fiscal Year 2008-09, using the previous two fiscal years, as well as anticipated property tax revenues as a basis for calculations. She offered to summarize this information in a report to the Board.

- 2007-08 Budget Status
- 2008-09 Budget Planning
- 2007 Audit Services

Due to timing constraints, the Board agreed to discuss the remaining items listed on the agenda at a future meeting.

5. Adjournment

The Special Meeting was adjourned at 1:45 p.m.

Respectfully submitted,

Barbara Kee
Board Recording Secretary