A Special Open Session Joint Meeting of the Board of Directors of the San Gorgonio Memorial Healthcare District and the San Gorgonio Memorial Hospital was held on Friday, January 5, 2018 in the Modular C Classroom, Banning, California.

Members Present: Bakhtiar Ahmad, MD, Lynn Baldi, Susan DiBiasi, Farzad Farrokhi, MD, Olivia Hershey, Jerilynn Kaibel, Estelle Lewis, Ron Rader, DeNae Reagins, Dennis Tankersley, PA-C

Absent: Irwin Reeves

Guests: Barbara Djordjevic (incoming Hospital board member), Mary Haas (Davis Wright Tremaine – Hospital legal counsel) and Tom Jeffry (Arent Fox – Healthcare District legal counsel); Steve Velkei (Dentons – BMG/EPIC legal counsel)

Hospital Staff: Steve Barron (Interim CEO), Pat Brown (CNO), Bobbi Duffy (Executive Assistant)

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<tr>
<th>AGENDA ITEM</th>
<th>DISCUSSION -</th>
<th>ACTION / FOLLOW-UP</th>
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<tbody>
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<td>Healthcare District Board Call to Order</td>
<td>Healthcare District Chair Lynn Baldi called the Healthcare District meeting to order at 3:00 pm.</td>
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<tr>
<td>Hospital Board Call to Order</td>
<td>Hospital Board Chair Jerilynn Kaibel called the Hospital Board meeting to order at 3:00 pm.</td>
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<td>Pledge of Allegiance</td>
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<td>Public Comment</td>
<td>There were no comment cards received from any of the public members in attendance.</td>
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NEW BUSINESS

Healthcare District/Hospital Relationship

DeNae Reagins led a discussion to facilitate conversation regarding the relationship between the Healthcare District Board and the Hospital Board.

He has requested that both the Healthcare District and the Hospital’s legal counsels identify where each board’s responsibilities are and where each board’s accountability lies.
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<td>Mary Haas (Hospital Board legal counsel) stated that the roles and obligations are set forth in the Lease Agreement document between the Healthcare District and the Hospital. It lays out specifically the relationship of the two boards: the Healthcare District is the landlord and the Hospital is the tenant. It lays out that the tenant runs the operation of the hospital.</td>
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Tom Jeffries (Healthcare District legal counsel) stated that the Healthcare District is a governmental public agency and therefore subject to various items in the Health and Safety Code. The Lease Agreement reinforces that the assets are held and owned by the Healthcare District. He also stated that tenants normally operate the day to day operations of the hospital.

Lynn Baldi asked “what is the Healthcare District’s responsibility if the Hospital cannot meet its obligations?” Tom stated that under the Lease Agreement, there are certain covenants and responsibilities that the tenants have. The Healthcare District, as the landlord, has the responsibility to make certain that there are no breaches of the agreements.

DeNae Reagins stated that the Hospital Board always makes sure that the Healthcare District is represented on the various committees. He asked the question “Does the Healthcare District Board Chair and the Hospital Board Chair need to be two different persons?”

Tom responded that the Board Chairs just lead the meetings, that it’s the boards (members) that are the decision makers. He stated that he is not concerned whether we have the same Chair for both boards and doesn’t believe that there is a prohibition again one person holding both titles.

Mary agreed, that each board member has their own vote and the collective body is the decision maker.

DeNae noted that this discussion was to clarify the responsibilities of each Board, but both Boards will continue to work together as we have always done in the past.

Conflicts of Interest DeNae stated that he was looking for clarification from legal counsel regarding board members voting, sitting in during discussions and voting members who may have a potential conflict of interest based on their relationship with the hospital.
AGENDA ITEM | DISCUSSION - ACTION / FOLLOW-UP
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**Special Joint Meeting of the San Gorgonio Memorial Healthcare District Board of Directors and the San Gorgonio Memorial Hospital Board of Directors**
*January 5, 2018*

**AGENDA ITEM** | **DISCUSSION - ACTION / FOLLOW-UP**
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**Tom** stated that there are government code provisions relating to those Healthcare District board members who must submit an FPPC Form 700 annually.

**Mary** stated that the Hospital bylaws provide that all Hospital Board members must also complete a Form 700 annually.

**Tom** stated that the basic rule is if a board member has any type of financial interest in the outcome of a board decision or is effected by the outcome of a board decision, the prudent thing would be for the board member to recuse themselves and must be public about recusing themselves; they may not participate in any discussions or voting.

**DeNae** noted that there has been some concern regarding Dr. Farrokhi and Dr. Ahmad, as board members, when voting on items. Neither legal counsel sees any issues with either of the physicians voting on issues if they are not personally effected by that vote.

**Dennis Tankersley** stated that during his recent training for renewal of his AB1234 Ethics certificate, it was noted that doing the right thing and the public’s perception is important in light of the recent issues.

Both legal counsel’s stated that their opinion is that there is no problem, that it was a valid question and the ethics training is a good refresher for Board members knowing when to recuse themselves.

**Discussion – 2018 Hospital Board Officers**

The majority of the Board requested to wait until the regular January Hospital Board meeting for this discussion.

**Ad Hoc Nomination Task Force report**

DeNae noted that Brian Sylva has submitted his resignation as a Hospital Board member due to time constraints with his elected position on the school board. DeNae stated that during recent meetings, the Ad Hoc Nomination Task Force identified several potential candidates for future positions that may open up.

It was decided to also defer this discussion until the January Hospital Board meeting.

**Healthcare District Board**

The Healthcare District special board meeting was adjourned at 4:39 pm.
**AGENDA ITEM** | **DISCUSSION - ACTION / FOLLOW-UP**
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Adjournment | 
Hospital Board Adjournment | The Hospital Board special meeting adjourned at 4:39 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.

Minute respectfully submitted by Bobbi Duffy, Executive Assistant