

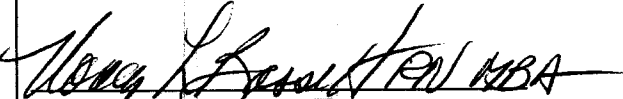
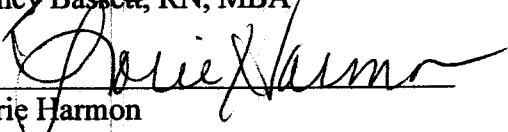
Palomar Pomerado Health
JOINT MEETING OF THE BOARD OF DIRECTORS &
STRATEGIC PLANNING COMMITTEE
Pomerado Hospital – Conference Room E
January 26, 2004

AGENDA ITEM	DISCUSSION	CONCLUSION/ACTION	FOLLOW-UP/ RESPONSIBLE PARTY
CALL TO ORDER	5:37 p.m.		
ESTABLISHMENT OF QUORUM	Dr. Larson, Nancy Bassett, R.N., Michael Covert, Dr. Conrad, Ted Kleiter, Bruce Krider, Dr. Otoshi, Dr. Rivera, and Director Scofield. Also attending were Gerald Bracht, Jim Flinn, Gustavo Friederichsen, Lorie Harmon, Bob Hemker, Marcia Jackson, Dr. Kirkman, Dr. Kolins, Anamaria Repetti, Mike Shanahan, Evelyn Warner, and Lori Wells. Guests: Tom Chessum, Craig McInroy, Eyal Perchik, and Steve Yundt (Anshen & Allen); and Joe Hook and Greg Palmer (Rudolph & Sletten).		
NOTICE OF MEETING	The notice of meeting was mailed consistent with legal requirements.		
PUBLIC COMMENTS	There were no requests for public comments.		
MINUTES December 18, 2003		MOTION: Motion made by Ted Kleiter, seconded by Dr. Larson, and carried, for approval as presented.	

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STRATEGIC PLANNING COMMITTEE PROPOSED 2004 MEETING SCHEDULE	<p>The Committee discussed the proposed 2004 Strategic Planning Committee Meeting Schedule, which would have the Committee meeting on the third Tuesday of the month, with a start time of 6:00 p.m. (dinner at 5:30 p.m.).</p> <p>Bob Hemker expressed a potential conflict, since the Finance Committee had considered the third Tuesdays of the month for their meetings.</p>	<p>Lorie Harmon to explore other meeting date options and send out matrix to Committee members.</p>	<p>L. Harmon</p>
ARCHITECTURAL UPDATE ON BUILDING PLANS	<p>The November and December Committee meetings were expanded to full Board meetings in order to present updates on alternative building solutions to both the Board and the Strategic Planning Committee. Based on this information, the Committee invited the full PPH Board to the January 26 Committee meeting to further review architectural options.</p> <p>As a result of the outcome of the December Committee meeting, Marcia Jackson presented an extensive compilation of market demographics, statistical data, and projections/forecasts. Also included were a summary of program and planning options, sample schemes for PMC, POM, and a new site, and a comparison summary of these schemes. At Michael Covert's request, the discussion about land site options was deferred to the next Committee meeting. He requested that tonight, the Committee focus on building options, namely whether to build on the existing sites, and/or add a new site.</p> <p>Our architectural firm, Anshen & Allen, as well as representatives from Rudolph Sletten, presented a</p>	<p>Mike Shanahan to provide land site options information for analysis at March Committee meeting.</p>	<p>M. Shanahan</p>

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	<p>detailed Project Cost Review, utilizing two methodologies to determine total costs for each facility/proposed facility. Comparative program data and benchmarks were incorporated for new and/or existing facilities.</p> <p>The first method focused on Building Gross Square Footage per Bed (BGSF/Bed), which accounts for the full scope of services to be provided, programming standards/codes, and planning criteria.</p> <p>The second method was based on Project Costs per Bed (Project \$/Bed), which accounts for direct and indirect "bricks & mortar" costs, related "soft" costs, and escalation of all costs; the costs were escalated to calculate total costs in future dollars, based on the projected dates of construction.</p> <p>Each scenario included the 2002 cost projections, and broke down the specific costs that were not included in the 2002 estimates, such as escalation, expansion of services, site development, parking structures, and medical equipment.</p> <p>Alternative schemes for each project/facility were broken down by Project Scope (full service, high acuity, specialized care). Several alternative system-wide schemes were presented, utilizing different project combinations. A "Preferred Scheme" was presented, along with a potential project schedule. The "Preferred Scheme" included the following key findings:</p> <ul style="list-style-type: none"> • Cost per bed is between \$1.0 - \$1.2 million • New Site completes construction 2 years earlier • New Site reduces disruption to current operation • PMC to remain a full-function hospital 		

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	<ul style="list-style-type: none"> • POM to remain full-service and be expanded <p>The Preferred Scheme involves maintaining PMC as a full-service hospital, increasing the size of POM, and developing a third site to meet the expanded healthcare needs of the community.</p> <p>The Preferred Scheme provides</p> <ul style="list-style-type: none"> • Integration of clinical services • Flexible delivery of program and plan options • Room for future incremental growth at all campuses • Continuity of current services • Option for physicians to practice at location of preference <p>Key characteristics that the Preferred Scheme demonstrates are:</p> <ul style="list-style-type: none"> • Benefit to District voters through increased access to services • Commitment to local Government needs • Responsible utilization of existing assets <p>Methods of financing the projects were discussed, including General Obligation (GO) bonds, revenue Bonds, cash reserves, and philanthropic funding sources. Dr. Rivera requested the debt capacity analyses be updated for the March Finance Committee meeting.</p> <p>Director Krider mentioned the possibility that the PMC Towers could be used for other non-OHSPD uses.</p> <p>After much discussion, there was consensus among the Board members and Strategic Planning Committee members that the Preferred Scheme should be pursued.</p>	<p>Bob Hemker to provide analyses at March Finance Committee meeting</p> <p>PPH Administration to continue moving forward in the direction of three campuses.</p>	<p>B. Hemker</p> <p>PPH Administration</p>

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	Bob Hemker expressed the belief that this approach allowed maximal financial and phasing flexibility		
FINAL ADJOURNMENT	8:25 p.m.		
SIGNATURES Board Secretary Recording Secretary	 Nancy Bassett, RN, MBA  Lorie Harmon		