



PALOMAR POMERADO HEALTH  
FINANCE COMMITTEE MEETING  
(BOARD MEETING WITH RESPECT TO BOARD MEMBERS ON THE COMMITTEE)

TUESDAY, AUGUST 1, 2006

5:30 p.m. (Dinner via cafeteria line for Committee Members & Invited Guests Only)  
6:00 p.m. Meeting

POMERADO HOSPITAL  
15615 Pomerado Road, Poway, CA  
Meeting Room E

	<u>Time</u>	<u>Page</u>	<u>Target</u>
<b>CALL TO ORDER</b> .....	.....	.....	<b>6:00 p.m.</b>
➤ Public Comments .....	.....5	.....	6:05 p.m.
❖ <b>ADJOURNMENT TO CLOSED SESSION</b> .....	.....20	.....	6:05 p.m.
~ <i>pursuant to California Government Code §54954.5(h)</i>			
<i>REPORT INVOLVING TRADE SECRET</i>			
<i>Discussion Will Concern Proposed New Service</i>			
<i>Estimated date of public disclosure: February 2007</i>			
~ <b>No Anticipated Action</b>			
❖ <b>ADJOURNMENT TO OPEN SESSION</b> .....	.....	.....	<b>6:25 p.m.</b>
<b>CALL TO ORDER</b> .....	.....	.....	<b>6:25 p.m.</b>
➤ <b>Action Resulting from Closed Session Discussion, If Any</b> .....	.....	.....	<b>6:25 p.m.</b>
➤ Information Item(s) .....	.....5	.....	6:30 p.m.
1. * Approval: Minutes – June 27, 2006, Finance Committee Meeting (Addendum A).....	.....5	.....2	6:35 p.m.
2. * Approval: Establishment of Appropriations Limit for Fiscal Year 2007 (Addendum B).....	.....5	.....3	6:40 p.m.
3. Review: Bank & Investment Account Named Signatory Changes (Addendum C) .....	.....5	.....4	6:45 p.m.
4. * Approval: Authorized Individuals and Enabling Resolutions for Morgan Stanley Investment Accounts (Addendum D) .....	.....5	.....5	6:50 p.m.
5. * Approval: General Obligation Bonds – Tax Levy 2006-2007 (Addendum E).....	.....10	.....6	7:00 p.m.
6. * Approval: June 2006 & YTD FY2006 Financial Report (Addendum F).....	.....20	.....7	7:20 p.m.
7. * Review/Approval: Status Report on the 2006 Revenue Bond Issuance.....	.....10	.....8	7:30 p.m.
8. * Review/Approval: CSUSM School of Nursing Lease and MOUs.....	.....10	.....9	7:40 p.m.
9. * Review/Approval: Management Services Agreement with PPH Foundation.....	.....10	.....10	7:50 p.m.
<b>FINAL ADJOURNMENT</b> .....	.....	.....	<b>7:50 p.m.</b>

**NOTE: If you have a disability, please notify us 72 hours  
prior to the event so that we may provide reasonable accommodations.**

Distribution:  
Ted Kleiter, Chairperson  
Nancy Bassett, RN  
Linda Greer, RN  
Marcelo Rivera, MD  
Robert Trifunovic, MD  
Paul E. Tornambe, MD

Bruce Krider, *Alternate*  
Michael Covert  
Bob Hemker  
Gerald Bracht  
Jim Flinn

Tanya Howell, Secretary

Other packets to: Sharon Andrews, Tom Boyle, Sheila Brown, Duane Buringrud, MD, Gustavo Friederichsen, Janet Gennoe, Wallie George, Andy Hoang, Marcia Jackson, Dr. Marilyn Johnson, Christine Meaney, Jim Neal, Tim Nguyen, Mary Oelman, Stonish Pierce, Tina Pope, Opal Reinbold, Paul Sas, Mike Shanahan, Lorie Shoemaker, Steve Tanaka, Brenda Turner, Tanya Wesley, Melanie Van Winkle, Deloitte and Touche (Drew Sutter)

**Minutes**  
**Finance Committee – June 27, 2006**

**TO:** Board Finance Committee

**MEETING DATE:** Tuesday, August 1, 2006

**FROM:** Tanya Howell, Secretary

**BY:** Bob Hemker, CFO

**Background:** The minutes of the Finance Committee meeting held on Tuesday, June 27, 2006, are respectfully submitted for approval (*Addendum A*).

**Budget Impact:** N/A

**Staff Recommendation:** Approval of the Tuesday, June 27, 2006, Finance Committee minutes.

**Committee Questions:**

**COMMITTEE RECOMMENDATION:**

**Motion:**

**Individual Action:**

**Information:**

**Required Time:**

**Establishment of Appropriations Limit for Fiscal Year 2007**

**TO:** Board Finance Committee

**MEETING DATE:** Tuesday, August 1, 2006

**FROM:** Robert A. Hemker, CFO

**BACKGROUND:**

The Board of Directors of Palomar Pomerado Health annually adopts the Appropriations Limit for the district, pursuant to Article XIIB of the California Constitution. This action requests approval of the County's Appropriations Limit for fiscal year 2007 (*See Addendum B*). This limit applies only to unrestricted appropriations and is not related to any appropriations that are restricted for the General Obligation Bonds.

The Appropriations Limit is calculated to be \$43,610,897 for fiscal year 2007. The District is substantially under that limit and is expected to receive approximately \$12,000,000 in unrestricted property tax revenues in fiscal year 2007.

**BUDGET IMPACT:** None

**STAFF RECOMMENDATION:** Approval of the Appropriations Limit for Palomar Pomerado Health.

**COMMITTEE QUESTIONS:**

**COMMITTEE RECOMMENDATION:**

**Motion:**

**Individual Action:**

**Information:**

**Required Time:**

**Bank and Investment Account  
Named Signatory Changes**

**TO:** Board Finance Committee  
**MEETING DATE:** Tuesday, August 1, 2006  
**BY:** Bob Hemker, CFO

**BACKGROUND:** The following changes are being made to the board-designated signatory lists (*Addendum C*) for PPH Bank and Investment Accounts. As the Resolutions currently in place pertain to the titles of the authorized signatories, these changes regarding the names of the authorized signatories are informational in nature and do not require any action on the part of the Board.

<b>NAMING OF AUTHORIZED SIGNATORY—<i>info only</i></b>		
All Bank Accounts (Except Auxiliary and Health Development Accounts)	Corporate Controller Director of Finance	Tim Nguyen Genevieve Nelwan
All Investment Accounts (Except PPH GO Bond Accounts)	Corporate Controller Director of Finance	Tim Nguyen Genevieve Nelwan

**BUDGET IMPACT:** None

**STAFF RECOMMENDATION:** Information only

**COMMITTEE QUESTIONS:**

**COMMITTEE RECOMMENDATION:**

**Motion:**

**Individual Action:**

**Information:**

**Required Time:**

## Authorized Individuals and Enabling Resolutions for Morgan Stanley Investment Accounts

**TO:** Board Finance Committee

**MEETING DATE:** Tuesday, August 1, 2006

**FROM:** Genevieve Nelwan, Director Finance

**BY:** Bob Hemker, CFO

**Background:** Morgan Stanley has requested that the Board adopt their standard corporate resolution titled “Authorized Individuals and Enabling Resolutions for Corporations” (“MS Resolution”). That document lists the PPH Officers who are authorized by the Board to provide Morgan Stanley with instructions concerning PPH’s Investment Accounts. The attached Resolution—into which the MS Resolution is incorporated—has been drafted for Board review and approval (*Addendum D*).

Morgan Stanley’s request is being made as the existing names on file with that institution are not current, and Morgan Stanley finds inadequate the format of PPH’s current Resolution listing authorized account signors.

While PPH’s current Resolution designates individuals as the “Officers” of the District, it does not specify their authority pertaining to specific activities. The MS Resolution specifies the banking related instructions that the PPH Officers are authorized to provide Morgan Stanley to conduct routine business activities.

Statements in the MS Resolution related to Equity Investments and Margin Investments have been stricken from the document.

**Budget Impact:** N/A

**Staff Recommendation:** Staff recommends approval of the PPH Resolution regarding Authorized Individuals and Enabling Resolutions for Morgan Stanley Investment Accounts.

**Committee Questions:**

**COMMITTEE RECOMMENDATION:**

**Motion:**

**Individual Action:**

**Information:**

**Required Time:**

## General Obligation Bonds – Tax Levy 2006-2007

**TO:** Board Finance Committee

**DATE:** Tuesday, August 1, 2006

**FROM:** Bob Hemker, CFO

**Background:** In July 2005, the first tranche of GO Bonds was issued. The Series was priced in a negotiated sale on June 22, 2005. Favorable rates were obtained, ranging from 2.55% to 4.55% interest yield, depending upon maturity. Maturities ranged from 2006 through 2034. As a result, Bob Hemker executed the Bond Purchase Agreement on June 22, 2005. The Bond transaction closed on July 7, 2005.

PPH requested that the County of San Diego levy and collect the taxes necessary to pay the debt service on the Bonds. The request is made on an annual basis. PPH calculated the tax amount to levy based upon the debt service amortization and the assessed value of the District. The assessed value is provided by the County. The County then puts the required tax onto the tax roll, collects the taxes, and remits the collected amounts to the Paying Agent, Wells Fargo on a monthly basis. The Paying Agent makes the required principal and interest payments on a semi-annual basis.

The resolution (*Addendum E*) will authorize the County of San Diego to levy and collect the required *ad valorem* taxes for the 2006-2007 tax roll.

**Budget Impact:** N/A

**Staff Recommendation:** Management recommends that the Board approve the attached resolution and instruct management to take the appropriate action necessary to calculate the tax levy and request the County to collect said tax levy.

**Committee Questions:**

### COMMITTEE RECOMMENDATION:

**Motion:**

**Individual Action:**

**Information:**

**Required Time:**

## June 2006 & Fiscal YTD 2006 Financial Report

**TO:** Joint Board/Finance Committee

**MEETING DATE:** Tuesday, August 1, 2006

**FROM:** Robert Hemker, CFO

**Background:** The Board Financial Reports (unaudited) for June 2006 and Fiscal YTD 2006 are submitted for the Committee's approval (*Addendum E*).

**Budget Impact:** N/A

**Staff Recommendation:** Staff recommends approval.

**Committee Questions:**

### COMMITTEE RECOMMENDATION:

**Motion:**

**Individual Action:**

**Information:**

**Required Time:**

## Status Report on the 2006 Revenue Bond Issuance

**TO:** Board Finance Committee

**MEETING DATE:** Tuesday, August 1, 2006

**FROM:** Bob Hemker, CFO

**Background:** Status of the 2006 Revenue Bond issuance will be discussed. Information will be provided at the meeting, with a possible request for Board direction and/or authorization pertaining to said issuance.

**Budget Impact:** N/A

**Staff Recommendation:** Staff will make a recommendation at the meeting.

**Committee Questions:**

**COMMITTEE RECOMMENDATION:**

**Motion:**

**Individual Action:**

**Information:**

**Required Time:**



## CSUSM School of Nursing and MOU

**TO:** Board Finance Committee  
**MEETING DATE:** Tuesday, August 1, 2006  
**FROM:** Bob Hemker, CFO  
Lorie Shoemaker, RN, MSN, CNAA-BC, Chief Nurse Executive

**Background:** An update on the current status of the California State University at San Marcos (CSUSM) School of Nursing and associated Memorandum of Understanding (MOU) will be presented, in anticipation of the school's opening in the Fall of 2006, with a request for Board direction

**Budget Impact:** N/A

**Staff Recommendation:** Staff will make a recommendation at the meeting.

**Committee Questions:**

**COMMITTEE RECOMMENDATION:**

**Motion:**

**Individual Action:**

**Information:**

**Required Time:**

## Management Services Agreement with PPH Foundation

**TO:** Board Finance Committee

**MEETING DATE:** Tuesday, August 1, 2006

**FROM:** Bob Hemker, CFO

**Background:** Proposed clarifying language to the Management Services Agreement—as agreed upon between PPH Administration and the PPH Foundation Finance Committee—will be presented.

**Budget Impact:** N/A

**Staff Recommendation:** Staff will make a recommendation at the meeting.

**Committee Questions:**

### COMMITTEE RECOMMENDATION:

**Motion:**

**Individual Action:**

**Information:**

**Required Time:**