

**Independent Citizens' Oversight Committee  
Update on Committee & Approval of Minutes  
Inaugural Meeting- July 12, 2005**

**TO:** Board of Directors

**FROM:** Board Finance Committee  
Tuesday, July 26, 2005

**MEETING DATE:** Monday, August 15, 2005

**BY:** Bob Hemker, CFO

**Background:** The Inaugural Meeting of the Independent Citizens' Oversight Committee (ICOC) was held on Tuesday, July 12, 2005. An update on the activities of the ICOC was presented to the Finance Committee:

- The District Board's recommendations for officers were accepted: **Steve Yerxa, Chair; Bob Wells, Vice Chair; and Jerry Kaufman, Secretary.**
- Annual meetings will be held on the 4<sup>th</sup> Tuesday in September, with the first meeting rescheduled from September 27<sup>th</sup> to October 5<sup>th</sup> to accommodate attendee schedules.

Pursuant to §6.4 of the ICOC Procedures, Policies & Guidelines (PP&G), a draft report of all ICOC meetings is to be submitted to the PPH Board for inclusion in the Board's public records. The draft minutes from the ICOC's Inaugural Meeting on July 12, 2005, were reviewed by the ICOC Chair and Secretary and approved for presentation to the ICOC members and the PPH Board. They were submitted to the Finance Committee for approval and inclusion in the Board's public records.

**Budget Impact:** N/A

**Staff Recommendation:** Approval of the draft minutes from the ICOC's Inaugural Meeting on July 12, 2005.

**Committee Questions:**

**COMMITTEE RECOMMENDATION:** The Finance Committee recommends approval of the draft minutes from the Independent Citizens' Oversight Committee's Inaugural Meeting on July 12, 2005, as reviewed by the Committee Chair and Secretary.

**Motion:** X

**Individual Action:**

**Information:**

**Required Time:**

# PARTICIPANT ROSTER

## PALOMAR POMERADO HEALTH HOSPITAL, EMERGENCY CARE, TRAUMA CENTER IMPROVEMENT AND REPAIR MEASURE BONDS INDEPENDENT CITIZENS' OVERSIGHT COMMITTEE

Conference Room A, 15255 Innovation Drive, San Diego, CA

PARTICIPANTS	MEETING DATES							
	7/12							
<b>MEMBERS</b>								
<b>WILLIAM L. CORWIN (AT LARGE)</b>	P							
<b>STEPHEN FRIAR (AT LARGE)</b>	P							
<b>LEE HUMAN, MD (PHYSICIAN)</b>	E							
<b>JERRY KAUFMAN, MPT (BUSINESS ORG) - SECRETARY</b>	P							
<b>EDWARD R. LEHMAN (SR CITIZENS' ORG)</b>	P							
<b>JOHN MCIVER (AT LARGE)</b>	P							
<b>KATHY LEECH MCKINNEY (AT LARGE)</b>	P							
<b>MARGARET MOIR (AT LARGE)</b>	P							
<b>BOB WELLS (TAXPAYERS' ORG) - VICE CHAIR</b>	P							
<b>STEPHEN P. YERXA (AT LARGE) - CHAIR</b>	P							
<b>DISTRICT SUPPORT STAFF</b>								
<b>BOB HEMKER, CFO</b>	P							
<b>TANYA HOWELL, EXECUTIVE ASST - SCRIBE</b>	P							
<b>GUESTS</b>								
<b>RUTH MOSKOWITZ, LEAGUE OF WOMEN VOTERS</b>	P							

[P = Present E = Excused A = Absent]

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**Independent Citizens' Oversight Committee  
Meeting Minutes - Tuesday, July 12, 2005**

AGENDA ITEM/PURPOSE	DISCUSSION/RECOMMENDATION	ACTION/COMMENTS
<p><b>I. CALL TO ORDER &amp; ROLL CALL</b></p>	<p>Meeting called to order at 3:05 p.m. by District CFO Bob Hemker, acting as facilitator. Roll call was incorporated with brief introductions by the membership, District support staff and guest. Dr. Lee Human was absent, and Mr. Hemker provided information on his background.</p>	
<p><b>II. INFORMATION ITEM</b></p>	<p><b>Issuance of the First Tranche of General Obligation (GO) Bonds and Agenda Item V.D.a. Duties of ICOC were covered by Mr. Hemker as introductory comments.</b></p> <ul style="list-style-type: none"> <li>• ICOC is a Brown Act committee               <ul style="list-style-type: none"> <li>○ All business conducted according to the open meeting provisions</li> <li>○ Public invited to attend</li> <li>○ Minimum 72 hours' notice of all meetings</li> <li>○ Restrictions on holding closed session</li> <li>○ 4 required member classifications, remainder "at large":                   <ul style="list-style-type: none"> <li>▪ Dr. Lee Human – Physician</li> <li>▪ Jerry Kaufman – Business Org</li> <li>▪ Ed Lehman – Sr. Citizens' Org</li> <li>▪ Bob Wells – Taxpayers' Org</li> </ul> </li> <li>○ Committee will exist for the life cycle of the spending down of the GO Bond proceeds</li> <li>○ Required to meet annually – can meet more frequently</li> </ul> </li> <li>• First tranche (series) of GO Bonds in the amount of \$80 million was issued on 7/7/05, so PPH now has monies for which they will be accountable to the public. The first series resulted in:               <ul style="list-style-type: none"> <li>○ 2.55 to 4.55 yield rates</li> <li>○ 3% to 5% coupon rates</li> <li>○ Maturity dates from 2006 through 2034</li> <li>○ Issued via negotiated sale through Joint Exercise of Powers Agreement (JPA) with Tri-City Healthcare District                   <ul style="list-style-type: none"> <li>▪ JPA required for negotiated price rather than having to do competitive bid for pricing</li> <li>▪ JPA must be with another governmental agency – Tri-City chosen because of similarities</li> <li>▪ Bonds sold to JPA, who coterminously sold to Citigroup</li> <li>▪ Citigroup order desk sold bonds to both institutional &amp; retail investors, with AG Edwards, Wells Fargo &amp; Smith Barney participating in a retail selling group</li> </ul> </li> <li>○ First tax levy will be at the \$17.75 per \$100,000 of assessed value</li> <li>○ Can only issue up to \$496 million in GO Bonds, with restrictions                   <ul style="list-style-type: none"> <li>▪ Issuance tied to approved uses identified in Measure BB</li> <li>▪ Expenditure of funds only for bricks &amp; mortar, land &amp; costs associated with obtaining those items</li> </ul> </li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Responsibility of ICOC is to assure the community's monies are spent pursuant to the vote of Measure BB</li> </ul>

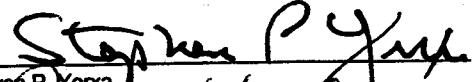
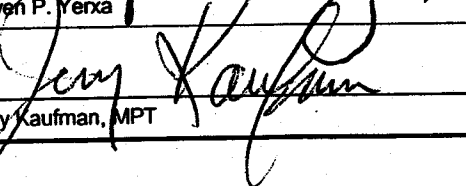
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AGENDA ITEM/PURPOSE	DISCUSSION/RECOMMENDATION	ACTION/COMMENTS
	<ul style="list-style-type: none"> <li>▪ Certain expenditures made prior to issuance that meet criteria can be reimbursed after issuance (i.e., reimbursables)</li> <li>▪ Cost of issuance in addition to principal amount issued in the form of premium on issue</li> </ul>	
<b>III. OATH OF OFFICE</b>	Taken in unison. Two originals signed (date corrected to 7/12/05).	Dr. Lee Human to take the oath at the next meeting.
<b>IV. PUBLIC COMMENTS</b>	Ruth Moskowitz commented that she was pleased the ICOC would be operated pursuant to the Brown Act.	
<b>V. A. IDENTIFICATION OF OFFICERS</b>	<ul style="list-style-type: none"> <li>• PPH Board responsible for appointment of officers               <ul style="list-style-type: none"> <li>◦ At 7/11/05 PPH Board meeting, authority for appointment delegated to Chairs of Board and Finance Committee</li> <li>◦ Appointments recommended, pending acceptance by nominees – all accepted</li> </ul> </li> </ul>	Chair: Steve Yerxa Vice-Chair: Bob Wells Secretary: Jerry Kaufman  Meeting turned over to Chair, Steve Yerxa
<b>V. B. TIME &amp; PLACE OF MEETINGS</b>	<ul style="list-style-type: none"> <li>• Target an annual meeting date, as NLT 1 meeting per year is required by PP&amp;G</li> <li>• Calendaring of a biannual meeting suggested for scheduling ease</li> <li>• Possibility that meeting frequency will increase to quarterly or more as items become available for review</li> <li>• 50% + 1 = quorum</li> <li>• Brown Act allows call-in participation, with restrictions</li> </ul>	<ul style="list-style-type: none"> <li>• Annual Meetings to be held at 3:00 p.m. on 4<sup>th</sup> Tuesday in September, at 15255 Innovation Drive, San Diego, CA</li> <li>• 1<sup>st</sup> meeting will be Tuesday, 9/27/05 – to be scheduled for 2 hours</li> <li>• Biannual meeting calendared for Tuesday, 3/28/06</li> <li>• Agendas will contain further educational materials</li> <li>• A list containing contact information for members and District support staff will be compiled &amp; distributed to membership</li> </ul>
<b>V. C. TERMS OF OFFICE</b>	<ul style="list-style-type: none"> <li>• Membership to be divided as equally as membership number allows into three classes, with terms of office for 1, 2 and 3 years</li> <li>• Lots drawn with 4 chances each for termination in years 2006, 2007 and 2008; first term class to reach 4 members to void remaining 4<sup>th</sup> member chances</li> <li>• Dr. Lee Human's lot drawn for him by Chair Steve Yerxa</li> </ul>	<ul style="list-style-type: none"> <li>• Class of 2006: Kathy Leech McKinney, Steve Friar and Dr. Lee Human</li> <li>• Class of 2007: Ed Lehman, Margaret Moir, Steve Yerxa and Bob Wells</li> <li>• Class of 2008: Bill Corwin, Jerry Kaufman and John McIver</li> </ul>

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V. D.a. DUTIES PER PP&G	<ul style="list-style-type: none"> <li>Duties covered by Mr. Hemker at beginning of meeting</li> <li>Membership Agreements were signed previously and are on record with the District</li> </ul>		<ul style="list-style-type: none"> <li>Executive summary on Facilities Master Plan to be on September agenda</li> <li>Request for Mike Shanahan to address the September meeting</li> </ul>
VI. ADJOURNMENT	Meeting adjourned at 4:25 p.m.		Motion by Steve Yerxa, 2 <sup>nd</sup> by Margaret Moir and carried to adjourn the meeting.
DRAFT REVIEWED AND APPROVED FOR SUBMISSION TO DISTRICT BOARD	CHAIR	 Steven P. Yerxa	
	SECRETARY	 Jerry Kaufman, MPT	
APPROVED BY DISTRICT BOARD	CHAIR	_____ Marcelo Rivera, M.D.	
	SECRETARY	_____ Nancy Scofield	

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