



## NOTICE OF REGULAR MEETING OF THE PLANNING ADVISORY COMMITTEE

### MENDOCINO COAST HEALTH CARE DISTRICT

Thursday, May 9, 2024 - 1:00 PM

MCHCD Office, Adventist Health Mendocino Coast Hospital Campus  
775 River Drive, Fort Bragg, CA.

Supporting documentation for this agenda is available on the website at:

<https://www.mchcd.org>

Individuals who need this agenda in an alternative format or who need a disability-related modification or accommodation in order to participate in the meeting should contact the District at 707-962-3175 at least 72 hours prior to the meeting. The Board reserves the right to maintain meeting decorum, mute or remove a member of the public for inappropriate behavior which is disruptive. This Board Meeting is being held in person. Meeting attendees may also join virtually using the Zoom link below. See Attachment A for other links and phone numbers to access this meeting.

Join Zoom Meeting:

<https://zoom.us/j/9210401893?pwd=SE9PY1JBNUZvSEVIY0tYNm9lTDhhdz09&omn=97347972878>

Meeting ID: 921 040 1893

Passcode: 634678

### CONDUCT OF BUSINESS

#### 1. OPEN SESSION

1a) Roll Call: Paul Katzeff (Committee Chair), Paul Garza Jr. (Committee Member).

#### 2. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

Members of the public are welcome to address the Committee on items not listed on the agenda, but within the jurisdiction of the Board. Time is limited to 3 minutes per speaker with a 20-minute total time limit for all public comments. No action or discussion shall be taken on any item presented except that the Board may respond to statements made or questions asked, or may ask questions for clarification. All matters of an administrative nature will be referred to staff. All matters pertaining to the Board may be scheduled for discussion at a future meeting or referred to staff for clarification or a report, at the pleasure of the Board. If general public comment exceeds the 20 minute time limit, members of the public who have not had the opportunity to speak on items not on this agenda will have the opportunity to do so after the business on the agenda is concluded.



### 3. REGULAR CALENDAR

3a) Discuss the Committee's Mission and Vision Statements

Recommended Action: None. This item is for information only.

Attachments: *Bylaws excerpts - Planning Committee*

3b) Discuss the Board's Statutory Responsibilities for Hospital Facilities Management and consider key topics related to its strategic facilities planning, to meet the standards for hospital licensure.

Recommended Action: None. This item is for information only.

Attachments: *Draft Strategic Facilities Management Plan*

3c) Discuss possible community health project feasibility and funding procedures, using a Community Cannery Project model.

Recommended Action: None. This item is for information only.

Attachments: *Community Cannery information.*

### 4. ADJOURNMENT

The next Regular Meeting of the Planning Advisory Committee will be held on June 6, 2024, at 1:00 pm, at the MCHCD Office, 775 River Drive, Adventist Health Mendocino Coast Hospital, Fort Bragg, Ca.

Dated: May 6, 2024

Katharine Wylie, MS Ed  
Agency Administrator, MCHCD



## Agenda Item 3a

Excerpt from the MCHCD Board Bylaws:

### ARTICLE III. BOARD COMMITTEES

#### **Section 1. General**

b. All committees shall be advisory to the Board, except as otherwise expressly specified by the Board.

#### **Section 3. Planning**

- a. Recommending and overseeing Human Resources policies and procedures;
- b. Reviewing and recommending employee compensation and benefits;
- c. Quality control and performance improvement; and
- d. Overseeing short- and long- term facility planning and maintenance.

Agenda Item 3b)

---

**LEASE**

*BETWEEN*

**MENDOCINO COAST HEALTH CARE DISTRICT,  
as Landlord**

*AND*

**ADVENTIST HEALTH MENDOCINO COAST,  
as Tenant**

---

5.2 *Exclusive Control.* Tenant shall have exclusive control, possession, occupancy, use, and management of the Premises. Tenant shall have full and complete charge, authority and control of the administration, management and operation of the Medical Business at the Premises. Tenant shall have the right and authority to determine all business, technical and professional policies relating to the operation of the Medical Business, with no restrictions, qualifications or supervision by Landlord. Tenant shall determine the financial policy of the Medical Business and shall have complete power to fix, control and regulate the charges and collections made for services therein. In fixing such charges, Tenant shall apply its best judgment and be controlled by applicable State and federal regulatory statutes and rules.

5.3 *Character of Service.* Tenant is a nonprofit charitable corporation which furthers the mission of the Seventh-day Adventist Church. As such, it operates under certain defined principles and objectives in the operation and management of its health care facilities. Tenant desires to maintain an atmosphere consistent with its beliefs. Landlord understands and agrees that the Medical Business shall be operated in accordance with the characteristics of Seventh-day Adventist medical facilities, subject to Tenant's covenants set forth in Section [6.1] of this Lease.

5.4 *District Bonds Use Requirements.* Tenant and Landlord agree in good faith to execute an amendment to this Lease as soon as reasonably practicable after the Execution Date, but no later than fifty-five (55) days from such date, to reflect any amendments acceptable to Tenant and necessary: (i) to be made to the provisions of this Lease in order to comply with or otherwise render the provisions of this Lease consistent with the requirements imposed by OSHPD and (ii) in order to preserve the tax-exempt status of the District Bonds during the Term of this Lease.

5.5 *Mandated Use.* Tenant's failure to operate the Premises for the Mandated Use during the Mandated Use Period, other than as the result of Loss or other Unavoidable Delay, shall constitute a Default.

6. *Compliance.*

6.1 *Generally.* Tenant shall during the Term, at Tenant's expense, in all material respects, subject to Tenant's right of Contest: (a) comply with all Laws and (b) procure and comply with all Approvals required by Law.

6.2 *Copies of Notices.* Landlord shall promptly give Tenant a copy of any notice of any kind regarding the Premises or any Real Estate Taxes (including any bill or statement), and any notice of nonrenewal or threatened nonrenewal of any Approval that Landlord receives from any Government, utility company, insurance carrier, or insurance rating bureau.

7. *Maintenance and Construction.*

7.1 *Obligation to Maintain.* Landlord shall, during the Term, keep and maintain the Premises and the Existing FF&E in good order, condition, and repair, as reasonably specified and prioritized by Tenant according to Tenant's operational needs, subject to Loss (governed by other provisions of this Lease). Landlord's obligation to maintain the Premises and the Existing

FF&E includes an obligation to make all repairs, improvements and replacements that the Premises and the Existing FF&E may require by Law from time to time during the Term, whether foreseen or unforeseen, capital or operating. The parties acknowledge the Premises and the Existing FF&E will require significant and ongoing maintenance, repair, and improvements. The parties agree that Tenant, as the operator of the Premises, shall have the principal interest in determining the priority and schedule of Premises and Existing FF&E maintenance, repair, improvements and/or replacements, as applicable. Therefore, beginning on the Execution Date, Tenant shall develop a schedule of maintenance, alterations and construction for the Premises (the "Improvements Schedule"). Tenant will have sole discretion in determining and prioritizing projects on the Improvements Schedule except as may be required to comply with the provisions of the Measure C (2018). Prior to undertaking any project described in the Improvements Schedule, Tenant shall provide the Improvements Schedule to Landlord so that Landlord can determine whether the expenditures comply with Measure C. Beginning on the Commencement Date, Landlord shall make Two Million Dollars (\$2,000,000) ("Improvements Fund") annually available to fund (i) the Improvements Schedule projects and (ii) any repairs, improvements or replacements of Existing FF&E and/or procurement of new FF&E for Hospital operations as determined by Tenant in its sole discretion ("New FF&E"). Landlord shall make the Improvements Funds available each year of this Lease in two equal installments. The first installment will be made available to Tenant on the Commencement Date and each subsequent anniversary of the Commencement Date during the Term. The second installment will be made available to Tenant on the date that is six months after the Commencement Date and thereafter on the date that is six months after each Commencement Date anniversary during the Term. Tenant shall provide an accounting annually to Landlord of the use of the Improvements Fund and for the purpose of retrospective review and validation on the use of Measure C funds. Notwithstanding anything herein to the contrary, any FF&E Tenant acquires or leases during the Term for Hospital operations using funds other than the Improvements Fund shall not be included in the definition of "New FF&E." Landlord shall deposit the Improvements Fund in an account. Tenant shall manage the Improvements Fund account and shall have authority to withdraw money for Improvements Schedule projects and FF&E related expenses as described herein. On each anniversary of the Commencement Date, the Improvements Fund shall be increased by an amount equal to the product of (a) the Improvements Fund for the immediately preceding year multiplied by (b) the CPI Adjustment Factor, provided that in no event will the Improvements Fund ever be an amount less than Two Million Dollars (\$2,000,000). Any surplus of the Improvements Fund from a given year will be carried forward and added to the following year's Improvements Fund.

7.2 *Restricted Capital Fund.* No later than the Commencement Date, Landlord shall open a non-transferable account with a bank or escrow company of its choosing and begin depositing monies according to the schedule set forth in Exhibit D. Landlord will retain sole ownership and control of this Restricted Capital Fund account ("Restricted Capital Fund"), subject to a springing control agreement in favor of Tenant in the event of the occurrence of a Landlord Default under Section 19.2.2.1. Landlord shall provide Tenant with an accounting of the Restricted Capital Fund upon Tenant's request, subject to Section 15.5.7 of this Lease. Landlord may only use the Restricted Capital Fund (1) to achieve seismic compliance of the Improvements as mandated by state and federal Laws ("Seismic Compliance"), or (2) upon mutual agreement with Tenant, for (i) the development or modernization of Hospital outpatient facilities or (ii) the development or modernization of inpatient facilities.

## EXECUTIVE SUMMARY

### Section 7.1 Maintenance and Construction

The section discusses the **Maintenance and Construction** obligations of the landlord in the lease agreement:

1. **Obligation to Maintain:** The landlord is required to keep and maintain the Premises (the rented property) and the existing FF&E (which stands for "Furniture, Fixtures, and Equipment") in good order, condition, and repair.
2. **Tenant's Prioritization:** The tenant shall develop an Improvements Schedule listing the maintenance, alterations and construction projects. The tenant has the authority to specify and prioritize the project tasks based on their operational needs.
3. **Account Creation and Deposits:**
  - The landlord is required to open an Improvements Fund with a bank beginning by the Commencement Date (the start of the lease) and managed by the tenant whom shall have authority to withdraw funds for the Improvements Schedule projects.
  - Monies (funds) will be deposited by the Landlord into this account at \$2,000,000 annually and inflated each year by the CPI adjustment factor.

In summary, the landlord must ensure that the property and existing furnishings are well-maintained, with the tenant having input on prioritization. The lease agreement also considers any losses that may occur.

.....

### Section 7.2 Restricted Capital Fund

The section discusses the establishment of a **Restricted Capital Fund** in the lease agreement:

1. **Account Creation and Deposits:**
  - The landlord is required to open a non-transferable account with a bank or escrow company by the Commencement Date (the start of the lease).
  - Monies (funds) will be deposited into this account according to a schedule outlined in Exhibit D (a document attached to the lease).
  - The landlord maintains sole ownership and control of this account.
2. **Springing Control Agreement:**
  - In the event of a Landlord Default (failure to meet obligations), a springing control agreement comes into play.
  - This agreement gives the tenant control over the account, allowing them to manage it if the landlord defaults.
3. **Use of Restricted Capital Fund:**
  - The landlord can only use the Restricted Capital Fund for specific purposes:
    - **Seismic Compliance:** To achieve compliance with seismic regulations as mandated by state and federal laws.
    - **Development or Modernization:** With mutual agreement from the tenant, the fund can be used for developing or modernizing either hospital outpatient facilities or inpatient facilities.

In summary, the Restricted Capital Fund serves as a dedicated account for specific purposes, with tenant oversight in case of landlord default.



## Agenda Item 3b

### DRAFT Facilities Management Strategic Plan for Mendocino Coast Hospital

#### 1. Introduction

Mendocino Coast Health Care District Board is committed to providing quality healthcare services to the community while ensuring the efficient management of its facilities. This Facilities Management Strategic Plan outlines the draft strategic goals and objectives, seeks input from stakeholders, develops metrics for progress assessment, and proposes a strategic plan for the period 2024 through 2029.

#### 2. Draft Strategic Goals and Objectives

##### **Goal 1: Enhance Facility Efficiency and Sustainability**

Objective 1: Implement energy-efficient practices to reduce operational costs and environmental impact.

Objective 2: Upgrade facility infrastructure to meet current safety and regulatory standards.

Objective 3: Develop and implement a waste management plan to reduce waste and promote recycling.

##### **Goal 2: Ensure Compliance with Regulatory Standards**

Objective 1: Conduct regular audits to ensure compliance with healthcare regulations and accreditation standards.

Objective 2: Provide ongoing board training and education on regulatory requirements and best practices.

Objective 3: Establish a system for monitoring and addressing compliance issues in a timely manner.

#### 3. Seeking Outside Input on Strategic Goals and Objectives

Mendocino Coast Health Care District BOD will engage with key stakeholders, including Adventist Health professionals, staff members, patients, community leaders, and regulatory agencies, to gather feedback on the draft strategic goals and objectives. This input will be used to refine and finalize the strategic plan.

#### 4. Draft Metrics to Assess Progress

##### **Goal 1: Facility Efficiency and Sustainability**

Metric 1: Percentage reduction in energy consumption compared to baseline levels.

Metric 2: Number of infrastructure upgrades completed within specified timelines.





Metric 3: Waste diversion rate achieved through recycling and waste reduction initiatives.

### **Goal 2: Compliance with Regulatory Standards**

Metric 1: Results of regulatory audits and inspections, including any non-compliance findings.

Metric 2: Timeliness of resolving compliance issues identified through internal monitoring or external audits.

### **5. Draft and Adopt Revised Strategic Plan (2024-2029)**

Based on stakeholder input and the development of metrics, Mendocino Coast Health Care District BOD will finalize the strategic plan for the period 2024 through 2029. This revised plan will outline specific initiatives, timelines, responsibilities, and resources needed to achieve the identified strategic goals and objectives.

### **6. Conclusion**

The Facilities Management Strategic Plan provides a roadmap for Mendocino Coast Health Care District BOD to enhance facility efficiency and ensure regulatory compliance, and achieve its long-term objectives. By seeking input from stakeholders, developing metrics for progress assessment, and adopting a revised strategic plan, the health care district will continue to provide effectively managed health care facilities.