

Posted  
Friday  
September 23, 2022

SPECIAL FINANCE COMMITTEE MEETING

# Agenda

TUESDAY, SEPTEMBER 27, 2022  
2:00 p.m.



**PLEASE NOTE:**

Participation will be virtual pursuant to  
Board Resolution No. 01.10.22(03)-03

Please join the meeting from your computer, tablet or smartphone:

<https://meet.goto.com/730477221>

OR Dial in using your phone: 866.899.4679; Access Code: 730477221#<sup>1</sup>

	Time	Form A Page	Target
CALL TO ORDER .....	.....	.....	2:00
❖ Public Comments <sup>2</sup> .....	..... 30	.....	2:30
1. * Review/Approval: Revision to the Fiscal Year 2023 Capital Budget .....	..... 10	..... 2	2:40
2. * Review/Approval: Joint Venture Funding .....	..... 10	..... 3	2:50
3. * Review/Approval: Pre-Audit June 2022 & YTD FY2022 Financial Report ( <i>TO BE PRESENTED AT THE MEETING</i> ).....	..... 10	..... 4	3:00
ADJOURNMENT .....	.....	.....	3:00

**NOTE: The meeting—without public comments—is scheduled to last 30 minutes, starting at 2:00 p.m., with adjournment at 2:30 p.m.**

Board Finance Committee – Voting Members		
Laura Barry – Chair	Mike Pacheco – Director	Jeff Griffith, EMT-P - Director
Diane Hansen, President & CEO	Sabiha Pasha, MD, CoS Palomar Medical Center Escondido	Edward Gurrola, MD, CoS Palomar Medical Center Poway
Board Finance Committee – Alternate Voting Members		
Laurie Edwards-Tate, MS Board Alternate	Kanchan Koirala, MD – CoS-Elect CoS Alternate – Palomar Medical Center Escondido	Sam Filiciotto, MD – CoS-Elect CoS Alternate – Palomar Medical Center Poway
Board Finance Committee – Non-Voting Members		
Hugh King, CFO	Stephanie Baker, RN, CAO	Omar Khawaja, MD, CMO
Mel Russell, RN, CNE		Amanda Pape, Vice President of Finance

\* Asterisks indicate anticipated action. Action is not limited to those designated items.

1 New to GoToMeeting? Get the app now and be ready when your first meeting starts: <https://global.gotomeeting.com/install/728792797>

2 3 minutes allowed per speaker with a cumulative total of 30 minutes. For further details & policy, see Page IA

# Board Finance Committee Meeting

Meeting will begin at 2:00 p.m.



## Request for Public Comments

If you would like to make a public comment, please submit a request by doing the following:

- **Enter your name and “Public Comment” in the chat function once the meeting opens**

Those who submit a request will be called on during the Public Comments section and given 3 minutes to speak.

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### Public Comments Process

Pursuant to the Brown Act, the Board of Directors can only take action on items listed on the posted agenda. To ensure comments from the public can be made, there is a 30-minute public comments period at the beginning of the meeting. Each speaker who has requested to make a comment is granted three (3) minutes to speak. The public comment period is an opportunity to address the Board of Directors on agenda items or items of general interest within the subject matter jurisdiction of Palomar Health.

## Revision to FY 2023 Capital Budget for Leased Equipment

**TO:** Board Finance Committee

**MEETING DATE:** Tuesday, September 27, 2022

**FROM:** Hubert U. King, Chief Financial Officer

**Background:** Proposed revision to the Fiscal Year 2023 Capital Budget to include \$10.3 million of leased equipment. Worldwide supply chain problems have resulted in significant delays between the time orders are placed and equipment is delivered. Delays on major medical equipment are often 9 to 12 months. In order to issue a purchase order and secure a delivery date—thereby encumbering funds—there must be a Board-approved budget in place. This budget amendment will enable management to place orders for the listed equipment, which will be funded by leases once the equipment is delivered and accepted.

- A Linear Accelerator for the oncology program
- Upgrade to the three Cardiac Catheter Labs at PMCE and one at PMCP
- Addition of one Cardiac Catheter Lab at PMCE for expansion of the cardiology program

**Budget Impact:** Increases capital budget by \$10.3 million.

**Staff Recommendation:** Staff recommends approval of this budget amendment.

**Committee Questions:**

**COMMITTEE RECOMMENDATION:**

**Motion:**

**Individual Action:**

**Information:**

**Required Time:**

## Joint Venture Funding Authorization

**TO:** Board Finance Committee

**MEETING DATE:** Tuesday, September 27, 2022

**FROM:** Hubert U. King, Chief Financial Officer

**Background:** Proposed \$24 million in funding for three joint ventures as follows:

1. Ambulatory surgical center (ASC) at Pomerado Outpatient Pavilion in Poway. Joint venture partners to include physicians and a nationally known ASC management company.
2. Ambulatory surgical center (ASC) at Palomar Health Outpatient Center III in Escondido. Joint venture partners to include physicians and a nationally known ASC management company.
3. Imaging center at Pomerado Outpatient Pavilion in Poway. Joint venture partners to include Palomar Health Medical Group and possibly San Diego Imaging.

**Budget Impact:** Increases budget by \$24 million and all three joint ventures are expected to be profitable in the first year of operations

**Staff Recommendation:** Staff recommends approval to fund these joint ventures.

**Committee Questions:**

**COMMITTEE RECOMMENDATION:**

**Motion:**

**Individual Action:**

**Information:**

**Required Time:**

**Pre-Audit June 2022 & YTD FY2022 Financial Report**

**TO:** Board Finance Committee

**MEETING DATE:** Tuesday, September 27, 2022

**FROM:** Hubert U. King, Chief Financial Officer

**Background:** As the June 2022 financial close had been extended to assure all FY2022 business transactions were recorded in the pre-audit financial statements—and consistent with prior year year-end closings—full financial statements were not yet available at the July meeting.

The full Pre-Audit June 2022 and YTD FY2022 Financial Report is still in the process of completion and will be submitted for the Finance Committee’s approval at the meeting.

**Budget Impact:** N/A

**Staff Recommendation:** Approval.

**Committee Questions:**

<p><b>COMMITTEE RECOMMENDATION:</b></p> <p><b>Motion:</b></p> <p><b>Individual Action:</b></p> <p><b>Information:</b></p> <p><b>Required Time:</b></p>
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