

San Gorgonio Memorial Healthcare District
Measure A Community Oversight Committee

Policy and Regulations

I. Background

- 1.0 On March 7, 2006, California voters approved Measure A. It is important to ensure that the expenditures of bond measures are in conformity with the intent of Measure A; that taxpayers participate in the oversight of bond expenditures; and that members of the Oversight Committee alert the public to any waste or improper expenditure of hospital construction bond money.

II. Definitions

- 2.0 Unless the context clearly requires otherwise, or a term is differently defined within these Policy and Regulations, the terms defined in this Section shall, for all purposes of these Policy and Regulations, have the meanings herein specified:

“Board” means the Board of Directors of the Healthcare District.

“Bonds” means the general obligation bonds of the District.

“Oversight Committee” means the Measure A Community Oversight Committee formed and appointed by the Board of the District.

“District” means the San Gorgonio Memorial Healthcare District.

“Election” means the general obligation bond election on Measure A held on March 7, 2006.

III. Establishment of Oversight Committee

- 3.0 The Board shall establish the Oversight Committee and initially appoint nine (9) members to the Oversight Committee. The Board, at its discretion, may increase or decrease the number of members of the Oversight Committee at any time, provided that the Oversight Committee shall always have an odd number of members.

IV. Purposes of Oversight Committee

- 4.0 The purpose of the Oversight Committee shall be to inform the public, at least annually in a written statement, concerning the expenditures of Measure A Bond proceeds. In carrying out this purpose the Oversight Committee shall:

- (a) Actively review and report on the proper expenditure of Measure A bond proceeds;
- (b) Advise the public as to whether the District is in compliance with requirements that provide that:
 - (i) Bond proceeds may be expended for the construction, reconstruction, rehabilitation, or replacement of hospital facilities. Expenditures may also include development of an infrastructure and installation of equipment and furnishings that will support the new facilities.

V. Oversight Committee Composition

5.0

- (a) The Oversight Committee shall initially consist of nine (9) members, and at no time consist of less than seven (7) members.
- (b) The Oversight Committee may not include any employee of the District, or any vendor, contractor, construction bidder, or consultant of the District.
- (c) The Oversight Committee shall include:
 - (i) One (1) member who is active in a business organization representing the business community located within the District;
 - (ii) One (1) member who is active in a senior citizens' organization;
- (d) The Board may remove any Oversight Committee member during his or her tenure for any reason.

VI. Oversight Committee Appointments, Terms, and Vacancies

6.0 Appointments

- (a) The initial members of the Oversight Committee shall be appointed by the Board in open session.
- (b) The Board will solicit applications for appointment to the Oversight Committee and will require candidates for membership on the Oversight Committee to submit information on a stated form. Important information regarding the application process and the applications will be posted on the District's website at www.sgmh.org.

Applications should be submitted to:

Chief Executive Officer
San Gorgonio Memorial Healthcare District
600 N. Highland Springs Avenue
Banning, CA 92220

- (c) The Board has authorized the Chief Executive Officer, or the Chief Executive Officer's designee(s), to advertise for and solicit candidates for consideration for appointment to the Oversight Committee, to review applications submitted to the District for Oversight Committee membership, and to make recommendations to the Board to assist the Board in appointing the Oversight Committee members.
- (d) In making its appointments to the Oversight Committee, the Board may, at its discretion, consider various factors applicable to each candidate including, but not limited to, (i) residency within the boundaries of the District, (ii) whether the candidate is a registered voter within the District, and (iii) the candidate's professional and educational background, which may include experiences in construction, property, facilities, or financial management, or other factors which tend to support or complement the purposes of the Oversight Committee.
- (e) Any appointee to the Oversight Committee shall be required to comply with the requirements and limitations of Section 5.0, 6.1, 6.2 and 7.2 hereof.

6.1 Terms

- (a) The initial Oversight Committee members shall serve either a one (1) year term or a two (2) year term, without compensation. At the end of the first year, the one (1) year term members may serve an additional two (2) year term. Members may be appointed by the Board, at its discretion, for no more than three (3) consecutive terms. A member of the Oversight Committee may serve multiple non-consecutive terms as the Board may determine or direct.
- (b) The term of an Oversight Committee member shall end upon the completion of their initial or subsequent two-year term or, in the event that a vacancy in the Oversight Committee member's position is determined by the Board to exist, as set forth in these Policy and Regulations.
- (c) The term of all Oversight Committee members may end prematurely in the event that the Oversight Committee terminates its activities pursuant to the provisions set forth in Section 10.0 hereof.

6.2 Vacancies

- (a) Determination of a Vacancy. The Board may determine that a Committee member's seat on the Committee has become vacant under any of the following circumstances:
 - (i) Resignation of that Committee member submitted in writing to the Board (which shall be effective upon its receipt by the Board);
 - (ii) Death, or a legal determination of the incapacity of that Committee member;
 - (iii) Conviction of a violation of Government code Section 1090 et seq. or other applicable conflict of interest law (see Section 7.3);
 - (iv) Conviction of any crime resulting in imprisonment;
 - (v) Subsequent failure to meet any of the criteria listed in Section VI (b) hereof; or
 - (vi) As may otherwise be prescribed or required by law.

The power to make determinations as to vacancies on the Committee is expressly reserved by the Board.

- (b) In the event that any vacancy on the Oversight Committee occurs, by way of resignation or otherwise, the Board may, at its discretion, appoint a replacement Oversight Committee member to serve for the remainder of the unexpired term.
- (c) In the event a vacancy is determined, the position shall remain vacant until the Board appoints a new Oversight Committee member. Following the determination of a vacancy on the Oversight Committee, the Board shall follow the procedures set forth in Section 6.0 hereof to fill such vacancy within a reasonable period of time. The power to fill vacancies on the Oversight Committee is expressly reserved by the Board.
- (d) In making appointments to fill vacancies as set forth in this Section VII, the Board shall make appointments such that the two (2) representative groups, as set forth in Section 5.0 (c) (i) and (ii) hereof, shall be maintained.

VII. Service on Oversight Committee

- 7.0 Service Without Compensation. As set forth in Section 6.1 (a) hereof, members of the Oversight Committee shall serve without compensation.

- 7.1 Non-Liability for District Debts. The private and personal property of the Oversight Committee members shall be exempt from execution or other liability for any debts, liabilities, or obligations of the District, and no Oversight Committee members shall be personally liable or responsible for any debts, liabilities, or obligations of the District.
- 7.2 Conflicts of Interest and Prohibited Actions. It is the express desire and intention of the Board that members of the Oversight Committee shall not have any financial interest in the matters which they review. All Oversight Committee members shall be subject to the following requirements:
- (a) Each member, as a condition of membership on the Oversight Committee, may be requested to sign a certification declaring that he or she has no conflict of interest as to the issues which shall be before the Oversight Committee.
 - (b) Each member shall perform his or her duties in an impartial manner, free from bias caused by his or her own financial interest or the financial interest of persons who have supported him or her. Each Oversight Committee member is obligated to discharge his or her responsibilities with integrity and fidelity.

VIII. Oversight Committee Activities and Meetings

- 8.0 Activities and Meetings of the Oversight Committee. In furtherance of its specifically enumerated purposes, the Oversight Committee may inspect hospital facilities and grounds during normal District business hours to ensure that Measure A Bond proceeds have been expended for the purposes set forth in the bond measure approved by the voters.
- 8.1 Written Reports. The Oversight Committee shall issue to the Board regular written reports of the results of its activities. The Oversight Committee must issue at least one (1) report each calendar year or fiscal year, as may be applicable.
- 8.2 Rules of Procedure and Decorum. The Oversight Committee may establish rules for the conduct of the Oversight Committee's proceedings. These rules may be enacted by motion or resolution.
- 8.3 Frequency of Meetings. It is expected that the Oversight Committee shall meet a minimum of two (2) times a year, and up to four (4) times a year.

IX. Technical and Administrative Support

- 9.0 The board, without any use of Measure A Bond proceeds, shall provide the Oversight Committee with:

- (a) All reasonable, necessary technical and administrative assistance in furtherance of the Oversight Committee's purposes, including:
 - (i) Preparing, mailing and posting of agenda for meetings;
 - (ii) Preparing and submitting documents (including agenda materials);
 - (iii) Arranging for meeting locations;
 - (iv) Taking, transcribing, providing and maintaining of minutes of meetings; and
 - (v) Arranging tours and inspections of hospital facilities and grounds.
- (b) Sufficient resources to publicize the Oversight Committee's conclusions, all documents received by the Oversight Committee, minutes from the Oversight Committee's meetings, and reports issued by the Oversight Committee including such publication on the Oversight Committee Internet Website.
- (c) Appointment or designation of District staff to provide reasonable technical and administrative assistance to the Oversight Committee.

The Board shall consider any recommendations or suggestions made by the Oversight Committee members regarding the technical and administrative support.

9.1 Oversight Committee Internet Website. Documents and / or information relating to the Oversight Committee may be made available on the hospital's internet website at www.sgmh.org. The cost to operate, maintain and update the Oversight Committee information on the hospital website shall be the responsibility of the District. The following documents and information shall appear on the internet website at www.sgmh.org and shall be updated from time to time:

- (a) Minutes of Oversight Committee meetings;
- (b) Reports issued by the Oversight Committee; and
- (c) Documents received by the Oversight Committee.

9.2 Presentation of Reports. Reports, including the annual report of the Oversight Committee, and recommendations of the Oversight Committee shall be presented to the Board. Oversight Committee recommendations for specific actions shall be forwarded to the Board and such District staff members as such recommendations shall concern.

X. Termination of Oversight Committee: Records

10.0 Termination of the Oversight Committee shall occur when:

- (a) All Measure A bond proceeds and earnings thereon have been expended;
- (b) The Oversight Committee has issued its final annual report as required under Section 8.1 above; and
- (c) The Oversight Committee has completed and conducted its final meeting, which shall be scheduled after notice of 10.0 (a) hereof occurs.

10.1 All records of the Oversight Committee shall be kept by the District (pursuant to its records retention policy) for a period of at least two (2) years after the termination of the Oversight Committee as provided for herein.

XI. Delegation of Board's Authority

11.0 The Board has delegated the Chief Executive Officer, or the Chief Executive Officer's designee, to assist the Board in implementing the provisions, sections, terms and sub-sections of these Policy and Regulations.

XII. Amendment of Policy and Regulations

12.0 The Policy and Regulations set forth herein may be subject to later and further amendments.

Last update – June 28, 2007