



TO: BOARD OF DIRECTORS **BOD Meeting: 06/27/2024**
FROM: Paul Garza, Board Chair **Item: 2e**
SUBJECT: REVIEW AND CONSIDER APPROVAL OF EXTENSION OF REGIONAL GOVERNMENT SERVICES ADMINISTRATION SERVICES.

RECOMMENDATION

Board Action to consider and approve an amendment to the existing contract for administration services with Regional Government Services Authority.

BACKGROUND

Since affiliation with Adventist Health in 2020, the District Board has operated without any administrative staff support. Since then, despite the best efforts of Board members, the mandatory administrative work of compiling timely and transparent Board and standing committee agendas, preparing minutes, and developing and adopting compliant and effective policies for the actions of a Board that is no longer responsible for healthcare operations has not been successfully accomplished on a consistent basis. The mandatory financial records and activities of the District have also fallen behind.

In December of 2023, the Board retained Regional Government Services Authority (RGS), a JPA providing administration consulting services to other public agencies to begin to address these issues, particularly the effective use of Board meetings to accomplish necessary work, and to provide transparency to the community. In March of 2024, the Board retained a contract CFO to address significant defects in financial management and records. RGS and the contract CFO are working effectively together to provide both management of the District's paper records and separation of accounting roles to provide maximum security and transparency in this essential function.

Since December 2023, RGS has accomplished a range of projects for the District, and established best practices for many essential activities. (See attached RGS Accomplishments Report.)

On June 11, the assessment of the District's administration systems was delivered to me (attached). RGS further proposed to extend their service agreement with the District for an additional 12 months (through June 30, 2025) in order to accomplish critical foundational guidance for the District, including a strategic plan, completion of appropriate policies for an administrative rather than operational health care district, and a staffing plan to ensure

effective ongoing support for the Board’s mission and goals. On June 18, the Grand Jury of Mendocino County issued a report directed to the District, entitled “Sick, But Returning to Health”, identifying substantially similar issues of concern, and recommending similar actions to address them. (See Attachments for Agenda Item 3b, this meeting of June 27, 2024.)

ANALYSIS

It is clear that the work needed for accurate, compliant and transparent administration exceeds the capacity and often the expertise of a part-time unpaid Board drawn from throughout the community. The District has a critical and immediate need to respond to the Grand Jury report, and this response will need to identify a credible approach to address the identified deficiencies.

Extending the District’s agreement with RGS through June 30, 2024 will allow the District to complete critical work of establishing appropriate and compliant policies and practices that align with its current role, provide a strategic framework for serving the health care needs of the community, and identify an appropriate path to ensure that the District remains an effective and vital contributor to the wellbeing of the Mendocino Coast.

Failure to take this action not only jeopardizes the District’s immediate ability to respond to the Grand Jury, and to convene transparent and compliant Board meetings as scheduled, it leaves the District vulnerable to a range of legal and financial consequences are regulatory requirements are not met, and undermines public trust and confidence in the District’s ability to sustain healthcare access for this community.

A draft amendment and revised scope of services to amend and extend the RGS contract is attached for the Board’s consideration.

FISCAL IMPACT

The funds to retain these services through the coming fiscal year have been included in the FY24-25 budget, as shown in Agenda Item 3c) for this meeting of June 27, 2024.