

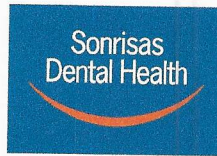


BOARD OF DIRECTORS MEETING

May 16, 2019

MINUTES

1. **CALL TO ORDER:** Chair Taverner called the meeting to order at **6:48pm**.
2. **ROLL CALL – Present:** Chair Taverner, Vice-Chair Galligan, and Directors Navarro and Dodge. Also present: CEO Jue, CFO Fama, PHCD CFO Yee, Sr. Accountant Wang, and Administrative Assistant Barnard.
Absent: Secretary Hinshelwood, Directors Young and Cappel.
3. **Introduction of New CEO Tracey Fecher – Chair Taverner** deferred this item until arrival of Ms. Fecher.
4. **MISSION MOMENT – CEO Jue** reported on the progress of SDH’s services to patients with intellectual and developmental challenges who are clients of Golden Gate Regional Center (GGRC). Representatives and caregivers from GGRC and the group homes were grateful for the dental services provided by SDH, especially because about 21 of the individuals in their care have not had regular access to dental care. **CEO Jue** shared that a local community member donated furniture that allowed for an extra waiting room to accommodate these patients using wheelchairs and gurney beds. Most of the patients have Denti-Cal coverage, but GGRC is currently expediting the process for SDH to become a vendor for their organization. This would allow GGRC to pay for some procedures not covered by Denti-Cal.
5. **PUBLIC COMMENTS:** No public in attendance.
6. **APPROVAL OF April 18, 2019 BOARD MINUTES:**
It was moved by Vice-Chair Galligan, seconded by Director Dodge, and approved unanimously to approve the minutes as written. 5/0/0
7. **REPORT OUT FROM CLOSED SESSION:** Chair Taverner reported that the issues reflected under New Business item 14A were discussed in closed session and will be acted upon later in the meeting.
8. **CEO Report –** No questions were presented concerning this report. **CFO Fama** acknowledged the phenomenal number of school screenings that **CEO Jue** was able to accomplish. **CEO Jue** expressed her gratitude for the great amount of help from others, including Director Dodge. In response to Director Dodge’s query whether there are any



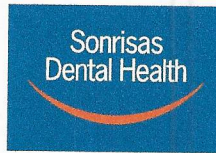
upcoming screenings, **CEO Jue** said possibly be one on June 19 in San Bruno for students with disabilities, as well as more in the Fall. **Chair Taverner** stated that there is no need to approve this report.

- 9. CFO Report – CFO Fama** shared an overall positive report, remarking that year to date is following the same pattern. San Mateo visits are down since the pediatric dentist moved to SDH Coastside Center. Expenses have been down due to the vacancies in positions, the hard work of current staff, and good management. She reported there has been some progress with the County Health CFO on the FCHQ County Partnership to be explained later on the agenda. ; and through a fluke of luck, she was able to secure used office furniture for SDH from the San Francisco Police Credit Union Building that was planning to dump items in good condition. She acknowledged the fast work of her assistant, Stephanie Arevalo for mobilizing movers and a truck within 24 hours to beat the deadline at short notice. There was no cost incurred in this provision except for the reduced cost of the truck, and services of movers.

[At 7:04 Tracey Fecher entered the room]

Chair Taverner introduced the Board members and Tracey to each other. He then redirected the attention of the Board back to CFO Fama's report and thanked her for finding furniture. She said she was pleased to find the opportunity, glad SDH team sees good use for it and offered to repurpose any pieces for which SDH does not have the need or space.

- 10. BOARD NOMINATING COMMITTEE – Chair Taverner** announced that a Board succession planning meeting will take place next Wednesday May 22nd in the Coastside Boardroom. While the role of Judy Macias has been filled, there remains the question about whether the Board should increase its numbers or have a subsidiary board. **Vice Chair Galligan** suggested that each Board member serve on a term-basis, in order to comply with the bylaws. Under this law, a Board member would be able to serve three 3-year terms.
- 11. UNAUDITED FINANCIALS FOR MARCH '19 and FY19 3Q – Ms. Wang** reviewed SDH reports included in the meeting materials, page 25-26. Between San Mateo and Coastside, there was a 119-visit increase from the prior month. Sonrisas has 51 private pay patients, which is the highest year to date. Direct expenses for this month decreased by \$5000 from the prior month due to personnel cost adjustments that were made in March. The overall report for March reflects a \$26,029 profit with non-cash items. Ms. Wang reported that Sonrisas' year-to-date performed better than the budget. **Chair Taverner** inquired who was behind the \$40k grant from Silicon Valley Community Foundation. **CEO Jue** responded that this income was from Hurlbut-



Johnson. **Chair Taverner** commented that the positive cash flow means SDH does not need to take money from the PHCD grant as previously estimated.

Ms. Yee presented the projected forecast through the end of the year based on the month's actuals and projected 3-months. Projection anticipates not drawing on the PHCD grant for two months during the fiscal year. **CFO Fama** offered a clarification that even by not drawing from the grant during these two months, the grant is still available to Sonrisas as the need arises. **CFO Fama** suggested at some point clarifying whether undrawn funds at the end of the fiscal year are rolled over or will cease to be available. **Chair Taverner** commented that the original grant stated that funds are available up to a certain amount and until the end of the fiscal year.

Ms. Yee also shared the Sonrisas' Q3 Dashboard Report, which was presented to the PHCD at their most recent meeting. **Chair Taverner** asked if SDH has fewer private pay clients because these patients typically look after their teeth so well. **CEO Jue** responded that a private pay patient may not accept the treatment planned procedures because they feel they don't need them, or because they prefer not to pay the high price out-of-pocket, whereas an affordable scale patient may accept treatment because their payment is discounted. Thus, the report suggests that Sonrisas gains more income from people that are on an affordable pay scale. **Director Navarro** suggested looking into silver nitrate as an alternative. **CEO Jue** stated that this method, which SDH providers have been using, can be a good holding pattern for decayed teeth but has limitations. **Chair Taverner** inquired whether this report in its current form is accessible enough for the PHCD Board meeting next week. **Director Navarro**, as well as other Board members, stated that the information, in its comprehensive form is helpful, but suggested that Chair Taverner break the information into two pages and increase the font. **CFO Fama** suggested that the information be compiled into a presentation. **Ms. Yee** will send a copy of this Excel spreadsheet so Chair Taverner can change the format.

Ms. Yee continued by presenting the 2019-2020 budget, which reflects similarly to this year's budget. A change was made to cost per visits for public dental insurance and affordable scale plans, based on plan eligibility. Clarification was provided about the details of the farmworkers grant agreement in response to questions from **Chair Taverner** about the duration of the grant, the number of patients that must be seen, and the attainability of this grant agreement. **Ms. Yee** explained that there were also changes in the personnel category after the addition of a Full-Time Equivalent provider to cover dentists who are out sick and to have a trained dentist available if we enter into a contract with FQHC. SDH has increased its administrative personnel budget to accommodate the management restructure and increase in insurance premiums for eligible employees. A budget was created for recruitment and increased the budget for equipment expenses and insurance and decreased for marketing.

Chair Taverner asked for the reasoning behind the use of a recruitment agency. This budget was used to find an administrative assistant. **Chair Taverner** also asked for clarification about the outreach budget. **CEO Jue** explained that these funds were



primarily used for supplies; whereas the budget to compensate the individual hired for the outreach project is already a salaried employee, who receives additional income as an outreach coordinator under the personnel category. After some discussion about budget allocation for different categories, it was determined that the outreach coordinator expenses should remain in the budget, but be reallocated to cover outreach expenses. Overall clarification was provided regarding recruitment expenses, outreach, and personnel expenses.

Ms. Fecher asked whether the Director of Development role was budgeted for this year.

Ms. Yee clarified that the role is factored in, starting from October, and at a lower salary. **CFO Fama** clarified that the Board wanted to allow Ms. Fecher some flexibility during the restructure.

Chair Taverner raised a concern about approving this budget before we've reallocated amounts for the Community Engagement Director under the outreach budget category.

CFO Fama addressed Chair Taverner's concern by pointing out that \$10,000 is a modest budget that provides an integral buffer as this program expands.

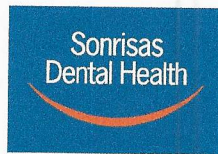
CEO Jue echoed that this money can be put to good use in a volunteer thank you luncheon, which encourages hygienists to volunteer. **Chair Taverner** was in accordance with approving the overall budget, including the outreach expenses.

Vice Chair Galligan motions to approve the budget as presented and it was seconded by Director Navarro. The 2019-2020 Fiscal Year Budget was unanimously approved. 5/0/0

12. PROGRESS AGAINST KEY INITIATIVES:

- A. **IV Sedation** – **CEO Jue** provided a review of SDH's sedation program for which information can be seen on the website. The marketing strategy for this program is to send out an email blast and direct interested individuals to the website. She also noted that there might be an opportunity to put an ad in the San Mateo Dental Society quarterly news magazine.

- B. **Mobile Program** – **CEO Jue** reviewed the mobile program and the business plan that was created by Sonrisas' Spring Intern, Peter Dimitrov. In this plan, Peter presented the profit difference between a traditional client and a Denti-Cal patient. He also reviewed the variance of costs among different insurance plans and procedures. This plan shows that in order to generate a profit margin that will sustain the mobile program, Sonrisas will need to continually scale up, generating new patients, and completing restorative procedures.
CFO Fama asked for clarification on the drastic difference between the mobile program and clinic costs and profits. In addition, **Ms. Wang** asked whether the overhead was included in the figures provided by Peter. In response, **CEO Jue** explained how the scale of operation affects the profit margin and stated that the building, indirect costs, and overhead are not included in the figures for the mobile



program. She acknowledged that these estimates reflect a typical day for the mobile program and are useful for creating a trajectory of the program, but they are only general estimates.

Chair Taverner commented that this study focused on Puente farmworkers, though this concept has also been applied to clients at hi-tech companies by On-site Dental, which has not made a significant profit since their formation in 2003. Based on his queries to connections at certain tech companies, the demand may not be present. If SDH does explore offering the mobile program to tech companies, SDH should partner with a company that has two or three smaller companies. Additionally, he learned that SDH would be working with the benefits department of a company, rather than Human Resource. He commented that Peter's business plan revealed that there is much to learn before moving forward.

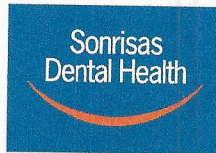
CFO Fama clarified that the nursing home mobile program was Apple Tree Dental's first and very successful dental program in Minnesota, where different regulatory requirements made it appealing to nursing home operators and it was easier to make a profit from this type of program. In California, officials and nursing homes were enthusiastic about this initiative, but after reviewing the logistics involved, it was too much of a strain on an already strained system.

Outreach Program – CEO Jue discussed her outreach to Atria Burlingame (assisted living) and Silverado (all memory care). To reduce the strain of completing paperwork, CEO Jue's strategy is to first offer dental health presentations and needs assessment screenings. She hopes this will bring staff awareness and resident participation. She noted that the lack of requirement in California for dental care in a senior home facility makes it difficult to get agencies to commit to programs that can put a strain on their staff. **CFO Fama** suggested that we lobby and advocate for dental services for seniors, noting that there are no dental benefits through Medicare.

- C. **FQHC County Partnership – CFO Fama** gave a positive report on her recent interaction with the County Health System CFO, Dave McGrew, who described a path forward, despite some concerns from IT about the IT connection and the contract manager about a calculated price. On May 15th, CFO Fama had another phone call from Dave that gave her further confidence that things are moving in the right direction, despite the slow pace. Both the County IT Director and Contract Manager gave verbal assurance and tangible tools to move the process forward.

13. FUNDRAISING

- A. **Development and Grant Activity Report –** Referencing pages 42-44, **CEO Jue** reported that grant applications are in process for Mattel and Patterson. She added that she hopes to make connections with organizations that offer health-related grants by inviting them to tour Sonrisas to show the relevancy of SDH's mission. She admitted that the greatest challenge in writing grants is to make this connection



clear. **CFO Fama** noted that she would contact Judy Powell at Bothin, to further these efforts.

[**Director Navarro** stepped out for a phone call at 8:40; returned at 8:43]

- B. April Fundraising and Friend-raising Events – CEO Jue** presented that Coastside Gives generated \$6177 in proceeds and \$500 in bonuses. She expressed special thanks to Chair Taverner and Vice-Chair Galligan for their generous contributions. The Paella auction generated \$4216, even after our consignment costs. Net profit for this event was around \$9000, including profits from auction and tickets. **Chair Taverner** reported on the upcoming Giant’s Raffle. He stated that the drawing will be at the end of July. While it takes a strategic effort to sell the tickets, the cost to operate this fundraiser is low.

14. OLD BUSINESS:

- A. Administrative Team Restructure – Report out from Closed Session:**

Chair Taverner moved to approve the ratification for the title, salary, and benefits package for the new CEO, the salary for the new Community Engagement Director, and the salary adjustment for the Interim Dental Director.

This motion was seconded by Navarro and unanimously approved. 5/0/0

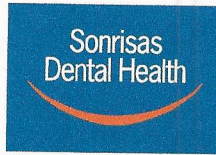
Vice-Chair Galligan moved to approve the edited press release. This motion was seconded by Chair Taverner and approved unanimously. 5/0/0

- B. Quarterly Report to PHCD – Chair Taverner** verified that all above Old Business items had been addressed, but strongly suggested that we ask Peninsula Health Care District for a forgiveness of SDH’s debt. He reasoned that SDH’s debt has been a hindering factor in applying for grants. For PHCD, because SDH is a component unit of that organization, both the asset and debt are reflected on the District’s Balance Sheet so canceling debt has no impact on the District’s financials. **CFO Fama** noted that the PHCD Board will refer to its Finance Committee who will be making a recommendation to the Board at its June 27th meeting.

Chair Taverner motioned that he submits a formal request for loan forgiveness. The motion was seconded by Vice Chair Galligan, and unanimously approved. 5/0/0

15. NEW BUSINESS

- A. Conflict of Interest Policy – CEO Jue** introduced the need for and importance of having a Conflict of Interest Policy in place increase the rating of SDH and its Board members on Guide Star. She will email a copy with the date of approval, and Board members are expected to complete and return this form by the next Board meeting on June 20th.



Director Navarro motioned to approve this policy. Vice Chair Galligan seconded the motion and it was unanimously approved. 5/0/0

- B. Six-month Fundraising Strategy** – CEO Jue noted that while Director Young requested a six-month fundraising strategy be presented in the May Board meeting, this item has been deferred until August due to the upcoming management restructure.

- C. Patient Visit Marketing Strategy** – Chair Taverner proposed to discuss ways to increase Sonrisas’ patient visits, as well as improve the marketing strategy at the next Board retreat. However, due to the upcoming management restructure, a date will be explored for a Saturday morning or afternoon (or whole day) in the latter half of August or early September, so that the new CEO can be present.

16. No suggested agenda items for the June 20th Board meeting.

17. ADJOURNMENT: The meeting was adjourned at **9:05pm**.

Written and submitted by:
Libby Barnard

Approved by:

A handwritten signature in blue ink, appearing to read "Nigel Taverner", written over a horizontal line.

Chair Nigel Taverner