

BOARD OF DIRECTORS MEETING

June 20, 2019

MINUTES

- 1. CALL TO ORDER:** Chair Taverner called the meeting to order at 6:34 pm.
- 2. ROLL CALL – Present:** Chair Taverner, Vice-Chair Galligan, Secretary Hinshelwood, and Directors Navarro, Young, Cappel and Dodge. **Also present:** Transitioning CEO Tracey Carrillo Fecher, CEO Jue, CFO Fama, PHCD CFO Yee, Sr. Accountant Wang, and Administrative Assistant Barnard. **None Absent.**
- 3. MISSION MOMENT – CEO Jue** recounted Ms. Fecher’s Staff Welcome Meeting. She included one anecdote from a staff member who was very pleased that Ms. Fecher has joined the Sonrisas team because of the immense support that Gatepath provided her son who has autism. Dr. Jue hopes that people feel the same way about Sonrisas that she feels about Gatepath.
- 4. PUBLIC COMMENTS:** No public in attendance.
- 5. APPROVAL OF April 18, 2019 BOARD MINUTES:**
It was moved by Vice Chair Galligan, seconded by Director Navarro, and approved unanimously to approve the minutes as written. 7/0/0
- 6. CEO Report – Vice Chair Galligan** inquired whether the two new, full-time dentists work at the San Mateo or Coastside Center. Dr. Jue responded that they are both bilingual, one speaking Korean and one speaking Spanish. Both dentists have worked in both clinics, and one even saw patients for our mobile visit at Pescadero. Vice Chair Galligan also asked whether SDH was still looking for a pediatric dentist, to which Dr. Jue reported that SDH hired Judyth Lee a few months ago. Dr. Lee has enjoyed working at SDH so much that she has offered to add a day a week in our clinic, though a few more patients are needed to fill up the schedule before she can do this. (Pediatric dentists command a premium, so a full schedule is preferred).

Director Dodge asked whether we have pediatric facilities in Half Moon Bay. **Dr. Jue** clarified that while any dental equipment can be used for children, some instruments are more appropriate to use for children’s teeth. Dr. Leri uses some of her own special pediatric dental instruments and leaves them at the Coastside Center; therefore, SDH only had to purchase one other set of pediatric instruments, which has saved the organization hundreds of dollars.

Chair Taverner inquired as to whether SDH’s dental volunteers, who fill in on days when the clinics do not have enough dental assistants, are trained and licensed. **Dr. Jue** clarified that dental assistants, in general, can be highly trained, but not required to have a license. Typically, volunteers want to apply to Dental School (and are looking for references); some have dental experience while others are receiving “on-the-job” training by our SDH staff.



Chair Taverner also asked for clarification about how the cost for services for patients with disabilities are covered. **Dr. Jue** explained that the answer depends on the individual. For instance, almost all of the clients of Golden Gate Regional Center (GGRC) whom we have seen have Denti-Cal. For the one person that did not, GGRC paid for the exam and x-rays, which they will do on occasion but not regularly. The nurse who has been coordinating these visits for GGRC clients is currently trying to help SDH become an authorized vendor of GGRC, so that we can more easily get paid for some procedures that are done for their clients.

Director Cappel asked if SDH is paid for the school screenings that we have done this year. **Dr. Jue** explained that we have received grants that pay for the screenings and follow-up for Hoover Community School and the three schools in the La Honda-Pescadero Unified School District. Other school districts that received screenings over the last year have not paid for those services. He also mentioned that Hoover Elementary will be closing their doors this upcoming school year; Dr. Jue noted that she will follow up with the Wellness Director at Redwood City School District.

Chair Taverner asked for clarification on the term “capitation” as it pertains to the medical field, to which several board members chimed in. Our Farmworkers Health program is one example of a type of capitation program, in which a fixed per capita payment is made for only the first visit of a patient, whether that patient is seen only one time or ten.

Chair Taverner further noted that new patient numbers are down by 10%. With these extra dentists, he asked if these numbers would pick up in future months. According to Dr. Jue, SDH has already begun seeing more new patients, referencing the numbers reported in this month’s CEO report. She reported that in earlier months, Sonrisas has been holding off on adding new patients, anticipating a possible influx of County FQHC patients. However, since SDH has added some new dentists in order to be prepared for a possible sub-contract with County, we are now filling their schedules with new patients.

Director Young asked for clarification about the budget for “allowance of bad debt,” but withheld the question until the financials reporting section.

7. **CFO Report – CFO Fama** reiterate that a possible partnership between SDH and County FQHC could increase our revenue and our visibility significantly.

Director Cappel posed the following questions relating to Prop 56: Has Sonrisas been paid properly through Prop 56? What can SDH expect from Prop 56? Can Sonrisas forecast from accounts receivable? Has SDH billed for every patient covered under this prop? Has anyone heard anything about the continuation of Prop 56 beyond July?

PHCD CFO Yee reported that SDH has started receiving payments since January and it is now caught up to date. **Dr. Jue** further clarified that last year, SDH had received payment for the procedures, but then received the supplemental payments retroactively from July 1, 2018 once the program was approved. All payments, both original and supplemental are posted and can be monitored on our software system. We



are currently caught up with the retroactive payments to date and now are receiving payments through June. However, she added that Dr. Torrey received confirmation that the Prop will continue until 2021.

Director Young suggested that this money be marked on the Profit Loss dashboard by a footnote, so that the source is clear.

Dr. Jue noted that SDH's dentists are making headway on completing their credentialing for the County FQHC program, so that SDH can be ready for the next once the agreement has been approved.

Secretary Hinshelwood inquired where the Paella cash receipts were recorded in the financial statements. He also asked why the amount looks low. Referencing page 20, **Ms. Wang** responded that the proceeds from the Paella Dinner were recorded under "other events." She further explained that this amount was only from the cash receipts received in April, and that Sonrisas deposited cash receipts in May. These additional receipts will show up in the May financials.

[Since there was a natural transition to report on audited financials for April 2019, Ms. Wang continued her report, see section 8]

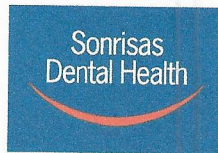
Ms. Yee addressed Director Young's previous question in reference to "allowance for bad debt" on page 24, stating that this budget is to allow for the portion of accounts receivable that may be uncollectable based, to avoid overstating income.

[After this, the meeting proceeded with a report from the Board Nominating Committee, see section 7]

8. **BOARD NOMINATING COMMITTEE** – **Director Young** reported on three areas that the board nominating committee would like to focus on. While the most recent nomination, Director Dodge, is doing a phenomenal job, the board would like to ensure that she receives mentorship and support so that she can be an empowered ambassador for Sonrisas and its programs. The intention is to set up a time for her to meet with Judy Macias, who has a rich understanding of Sonrisas' history. Another goal is to add Director Dodge to the Board Nominating Committee. Lastly, Director Young reported that this committee would like to make recommendations to the Board to change the bylaws with the intent of strengthening the board. It was suggested to increase the number of Board members from 7 to 12 people, from various influential backgrounds, who would serve a 3-year term.

Director Cappel agreed with the idea to increase numbers, especially if candidates could assist the organization in its fundraising and development opportunities. He noted that it would also help to ensure consistent Board meeting attendance. However, he offered that a plan should be implemented to stagger the addition of Board members, in order to promote fresh ideas and appropriate growth, without sudden diminished numbers. He raised a practical question about where the Board meetings could be held to accommodate the increase in Board members.

Chair Taverner invited each Director to contribute their thoughts on the idea of expansion under these recommendations. **Director Navarro** agreed with the recommendation for more Board members. **Vice**



Chair Galligan raised a concern about the length of the meetings and effectiveness of the board with an increase in numbers to twelve and suggested maybe 9 or 10. **Director Dodge**, who shared the Vice Chair's concerns, offered that we keep the board at an odd number to have a majority vote. She also suggested that the Board take deliberate action in its nominations, as it's better to secure the right candidate than fill seats.

Director Young acknowledged these concerns and noted that it takes time to acclimate a new Board member, so it's important to have a procedure to help them get up to speed. In conjunction with this, it is worth considering who is on the Board Nominating Committee. **CFO Fama** posed that it might be an ideal time to consider the possibility of Board committees, in tandem with the changes in these recommendations. **Director Cappel** advised that consideration be given to protecting the culture and legacy of both centers.

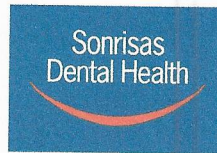
In summarizing the thoughts surrounding the recommendations to the bylaws that govern SDH's Board, **Director Young** proposed that the Board Nominating Committee produce some candidates, with the help of Vice Chair Galligan in the next six months, while the Board collectively considers branching out to Board committees. **Chair Taverner** remarked that while the Board was lucky to find Director Dodge, it is not easy to find new Board members.

CFO Fama advised briefly that the committee use the network that has come with our new CEO, Tracey Fecher, as the committee is in search of candidates. She also volunteered to get Mike Petersen (lawyer) to look at the By-laws with respect to increasing the size of the Board.

9. **UNAUDITED FINANCIALS FOR APRIL '19** – **Ms. Wang** reported on SDH's April performance, highlighting that the year to date income is \$342,014 better than the budget. This is due to revenue from various private donations, proceeds from the Paella Dinner and a 22% increase in patient revenue compared to last month. SDH received \$14,000 in revenue from Prop 56: Tobacco Tax, which was recorded in prior period adjustments. This resulted in a revenue surplus. **Ms. Wang** also noted that the budget reflects a higher personnel cost to cover two employees' vacation schedules and more indirect costs for the Paella Dinner. **Chair Taverner** inquired what would happen to SDH's equity if the loan from PHCD loan was forgiven? **Ms. Yee** explained that the loan forgiveness would be recorded as a gift, which would allow SDH to zero out that liability and the organization's equity will increase.

10. PROGRESS AGAINST KEY INITIATIVES:

- A. **IV Sedation** – **CEO Jue** reported one potential patient was not the right fit for sedation dentistry, another has consulted with Dr. Chan, our sedation dentist, and will consider the treatment. She observed that there are multiple factors for a person to consider before consenting to a procedure with sedation but concluded that she, Ms. Fecher, and the administrative assistant will be working with Dr. Chan and San Mateo Dental Society to begin the formal marketing campaign to local dentists. **Chair Taverner** asked whether Dr. Jue was happy with the rate of progress of this program, to which she replied that she is waiting to see what results from the next few months of outreach to the local dental community. Due to the newness of the program, lack of marketing and the arrival of summer, she is not surprised by the current program plateau. The challenge to this service is how difficult it is



for a potential client to make the decision to go through with procedure. Many potential patients have expressed that they cannot afford the cost of the anesthesia which is approximately \$2,500. However, she is hopeful that it will make a difference in the lives of people that need sedation procedures. **Dr. Jue** remarked that school screenings and presentations at care homes provide opportunities to promote the program.

- B. **Mobile Program** – **CEO Jue** reported that due to a misunderstanding with its partner agency, Puente de la Costa Sur Community Center in Pescadero, they did not have room for the SDH mobile visits during the summer months, so it was moved to the SDH Coastside Center in Half Moon Bay, where the first day there went well. However, there is still concern that the patients may have difficulty traveling to this different location. We will monitor how future appointment dates turn out. **Chair Taverner** asked whether transportation through Puente was used. Unsure, **Dr. Jue** said she would verify when they meet with the Puente team on July 3rd. She mentioned that the relationship with Puente and the county has greatly improved with increased communication. **Chair Taverner** referenced a topic discussed in the last Board meeting regarding Facebook’s Onsite Dental Program. Spring-boarding from this remark, **Vice Chair Galligan** asked if it would be worth talking to unions, and **Ms. Fecher** mentioned that some of the hotels are unionized. **Director Young** suggested further market research is needed to pursue this opportunity.
- C. **Outreach Program** – **CEO Jue** shared that San Mateo Adult School is interested in partnering with SDH after a recent health fair that SDH was invited to participate. One of the students was so enthusiastic about the Sonrisas mission that she would like to volunteer with her daughter, who is in high school. The Program Coordinator is also interested in creating a dental assistant program on site and will discuss further with Dr. Jue.

Chair Taverner asked Dr. Jue where she planned to focus for the coming months. **Dr. Jue** noted a few outreach opportunities planned, such as participating in a diabetes forum in November. Not only was she invited as a panelist, but they also waived the \$500 table fee for SDH to market at the forum. In addition, Dr. Jue will inquire into the possibility of participating in the Senior Round Table again since it was such a success last time. **CFO Fama** mentioned that on Monday June 24, Dr. Jue will be attending the Healthy Community Collaborative of San Mateo meeting. This group is comprised of representatives from various hospitals in the Bay Area, such as, Mills Peninsula, Sequoia Hospital, Stanford Lucille Packard, Seton, Kaiser, San Mateo County etc., and is good exposure with possible funding opportunities for SDH, as it gets us on the radar of those who are influential in the health community.

Secretary Hinshelwood met two representatives from the Silicon Valley Community Foundation at a recent event in Half Moon Bay and invited them to tour the SDH San Mateo Center: he will follow up with them.

- D. **FQHC County Partnership** – **CFO Fama** reported that after she submitted the CFO report for this month’s board meeting, she is happy to report a positive progress in the right direction. She recounted to the Board how she was in contact with both Supervisor Dave Pine and Louise Rogers,



who both expressed enthusiasm for moving forward with the partnership. On June 20th she received an email from CFO Dave McGrew. In response to CFO Fama's inquiry into any obstacles that might deter their decision, he reassured her of interest to move forward from his end. However, he did mention the issue of making time, in light of being faced with other pressing responsibilities at this time. Concluding from this information, the Board echoed their appreciation for CFO Fama's persistent approach.

11. FUNDRAISING

- A. **Development and Grant Activity Report** – CEO Jue prefaced this report by saying that Ms. Fecher, in her role as CEO, will be developing fundraising strategies in the months to come. She indicated it has been a productive month for grants, highlighting that Sonrisas received a few private donations, in addition to a \$1,000 gift from the Greenspan Foundation and \$500 from Exxon Mobile. **Director Young** asked for an update on grants from Sunlight Foundation. **Dr. Jue** responded that she had a positive phone conversation with their program manager, who said that their philanthropic mission was directly aligned with SDH's mission. Unfortunately, the foundation had already allocated their philanthropic budgets for this year, but she invited us to apply the following year.
- B. **Giants Raffle** – **Chair Taverner** gave a breakdown of the fundraiser, detailing the prizes and price per ticket. He acknowledged Director Dodge's great work in selling 35 already! He noted that the planning committee is holding off on securing a location for the live drawing, depending on where most of the tickets have been sold.

12. OLD BUSINESS:

- A. **Board Retreat** – **Chair Taverner** suggested hosting this half-day retreat at the end of August. However, several countered that they had scheduling conflicts. At Director Cappel's suggestion, **Ms. Fecher** offered to work with the administrative assistant to send out a poll to secure a date that would work with everyone's schedule.

13. NEW BUSINESS:

- A. **CEO Transition Plan** – **Ms. Fecher** began her report by mentioning that she saw Sonrisas as a perfect fit for her and for the organization at this point in its history. She noted that she believed her strengths in leadership, operational management, and systems would be put to good use. She thanked the Board for their confidence in her leadership. Ms. Fecher then outlined her goals in the first 30 days. She would like to meet with her key direct reports with a consultant to conduct a leadership transition meeting and get acquainted with each other. In the coming days she would also like to understand the culture at Sonrisas. She intends to meet with SDH's key stakeholders, such as Board members, donors and grant funders. She would like to meet with SDH's grant writer to understand the grant pipeline and has taken steps to network with grant experts. In anticipation of the hiring process for a new Development Director, Ms. Fecher will be thinking about the needs of this position and asking for insight from the board to make a successful recruit. Her organization strategizing will focus on administrative operations and processes, SDH's human resources, community outreach and marketing. In addition, Ms. Fecher intends on becoming more familiar with the dental market, Federally Qualified Health Centers and various county programs. Concluding her report by offering



space for input from Board members, she received counsel from Secretary Hinshelwood to meet with Judy Macias. She committed to keeping the Board apprised of her progress through these goals.

14. SUGGESTED AGENDA ITEMS FOR NEXT MEETING (July 18) – Chair Taverner suggested that the Board secure a date for the Board Retreat by the next meeting. He also noted that the Board expects Ms. Fecher to give a report on her progress then.

15. ADJOURNMENT: The meeting was adjourned at **8:44pm**.

Written and submitted by:
Libby Barnard

Approved by:

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

Chair Nigel Taverner