



**Board Meeting
May 20th, 2021
6:30 PM**

MINUTES

1. **CALL TO ORDER AND ROLL CALL** – Chair Taverner called the meeting to order at **6:33pm**
 - **Present:** Board Chair Nigel Taverner, Helen Galligan, Board Members: Larry Cappel, Liz Dodge, Clyde Hinshelwood, Rick Navarro, Sheryl Young.
 - **Also Present:** CEO Tracey Fecher, CFO Cheryl Fama, Dental Director Dr. Torrey Rothstein, Center Director Pat Kinniburgh, Community Engagement Director Dr. Bonnie Jue, Director of Development Maura LeBaron-Hsieh, Sr. Accountant Tina Wang, Executive Assistant Libby Barnard, Dental Hygienist Jim Terry.

2. **MISSION MOMENT** – Dr. Torrey Rothstein shared how Sonrisas’ partnership with community-based organizations like Bay Area Border Relief and ALAS has helped connect immigrants and their families to health care. Sonrisas’ staff were able to expedite care coordination and help individuals with their insurance forms. Dr. Rothstein thanked the Sonrisas team for their effort and said that he is proud that Sonrisas is an organization which recognizes the challenges that these communities face and takes time to provide care and financial assistance to those that need it. Sonrisas worked with these two organizations in December 2020, providing 1000 toothbrushes in 250 dental kits for families. SDH’s 20th Anniversary event will feature the story of one of these children that came to our Half Moon Bay clinic from Bay Area Border Relief.

3. **PUBLIC COMMENTS** – CFO Fama introduced two new staff at Peninsula Health Care District - Ann Wasson, Community Engagement Director and Eddie Flores, Director of Youth Behavioral Health Programs.

4. **APPROVAL OF BOARD MINUTES** – *Vice Chair Galligan motioned to approve the minutes for the board meeting on March 18th, 2021. The motion was seconded by Director Hinshelwood and approved by roll call. Ayes: Nigel Taverner, Helen Galligan, Liz Dodge, Clyde Hinshelwood, Rick Navarro, Sheryl Young. Director Cappel abstained from a vote because of his absence at that board meeting.*

5. **REPORTS**
 - **CEO Report** – Chair Taverner asked for clarification on the protocol for staff that are exposed to Covid-19, considering that Sonrisas will no longer be testing staff members. Director Navarro asked if all staff are now vaccinated (several are not). He pointed out that at Seton any staff who do not have a flu shot have to wear a mask in the hospital.
 - **Dr Torrey** reported that all clinical staff continue to wear full PPE while non-clinical continue to follow CDC and County guidelines.
 - **CFO Report** – Chair Taverner commended Ms. LeBaron-Hsieh for raising \$217K more than budget in donations and grants.
 - **Fundraising Report** – Maura LeBaron-Hsieh reported that Sonrisas exceeded its goal for Coastsides Gives 2021 by raising \$15,429. Sonrisas will host its virtual 20th



Anniversary Celebration on June 5th.

- **Outreach Report – Dr. Bonnie Jue** reported that Sonrisas has screened more than 300 children (pre-K through to High School) this year. 40% of them had decay, 30% had never seen a dentist and 60% reported that they did not have a dental home. Dr. Jue will present a full report at the June Board meeting.
- **Board Nomination Committee – Director Young** presented Sonrisas’ New Board Selection and Orientation Guidelines 2021. She asked the board to review this document and provide feedback to finalize this process. **CFO Fama** asked for more information on PHCD’s role in appointing new board members. **Director Young** responded that she would be consulting with individual board members about this drafted document and the process would be in keeping with the Sonrisas’ board bylaws. The board will hold its annual retreat in October, hosting a dinner on the peninsula on the 1st and an all-day meeting on the 2nd. CEO Fecher and Mx. Barnard will follow-up to secure a venue for that date.

[Jim Terry left the Zoom Conference at approx. 7:15pm]

6. NEW BUSINESS

- **Financial Review**
 - **Unaudited financials for March ‘21** – Sonrisas experienced its highest number of visits and gross revenue of any month in fiscal year 2020-21. March also showed the smallest monthly loss from operations.
 - **Financial Projection Model** – **CEO Fecher** projected \$100K of outgoing cash for capital equipment for the San Mateo operatory build-out. Starting in May, Sonrisas will recognize the first sixth of the second Payment Protection Program loan. **Director Galligan** asked whether we are doing anything with our excess cash. **CEO Fecher** explained that apart from the Merrill Lynch account, cash is held in two current accounts; now we have achieved a period of some stability, she and the CFO will be exploring cash management options.
- **FY22 Budget ACTION Requested** – **CEO Fecher** presented the FY22 budget to the board as displayed in the May Board Meeting Packet, page 30. Sonrisas has received additional funding during Covid and has built relationships with additional funders, which has established a strong cash position for the organization. The positive impact of additional operatories is reflected in the higher budgeted visit volume. **CEO Fecher** also mentioned that the outreach team has seen increased interest from the community in hosting school screenings. The Sonrisas’ team recommends that the same Affordable Scale (up to a maximum 45% discount) is applied at both centers.
 - **Director Young** asked for further clarification on Sonrisas’ payer mix, specifically private pay patients and how the FY22 budget assumptions will affect visit volume. **CEO Fecher** explained that with the additional operatories, capacity will increase 9.5 provider days per week. The private pay estimate, which is 3% of the budget, is based on actuals from the previous fiscal year. It is a smaller payer pool because of the difficulty in recruiting these types of patients.
 - **Director Galligan** suggested partnering with local real estate agencies to market to people moving into the area as potential private pay patients.
- **Ms. Kinniburgh** explained that the cost of dental supplies has increased 81% due to increased use of protective gear and higher prices (50%+. FQHC and pediatric patients require more consumables as well as lab work. In indirect costs, **Mx. Barnard** recommended that the board approve a budget of \$15K to bring in a DEI consultant.



Ms. LeBaron-Hsieh presented a fundraising goal for growth in FY22. The budgeted development expenses cover extra support for Sonrisas' fundraising growth and initial preparation for a capital campaign. In the Outreach department, Sonrisas will conduct 800 screenings at 6-7 schools and plans to partner with Health Plan of San Mateo (HPSM). All budget assumptions can be reviewed on the PowerPoint slides 3-9 attached to these minutes. Overall, the budget sees a net positive income of \$360 for the year. The biggest risk to achieving this budget is the (non-)availability of hygienists, with an estimated loss of \$12-13K every month that we do not fill budgeted positions. In mitigation, the plan is to delay hiring for the budgeted extra dental assistant or care coordinator positions until 1.0 FT hygienists or more are secured. **CEO Fecher** also shared that the FQHC contract, which will reach the contract maximum this summer, could be a risk.

- **Director Young** asked for CEO Fecher to prepare a contingency plan, to be presented at the June board meeting, outlining how Sonrisas would respond to unmet visit volume and fundraising goals. She also asked for further clarification on Sonrisas' plan to recover from the pandemic and reduced contributions from the Peninsula Health Care District (PHCD). Currently, PHCD support is committed until June 30th, 2023. **CEO Fecher** highlighted that HPSM will have a significant effect on Sonrisas' net revenue – reflected in the budget - through increased Medi-Cal Dental fee reimbursements. If fundraising goals are not being met, consulting contracts will be terminated. At the June board meeting, **CEO Fecher** will present the Capital Budget and a cash flow analysis. **Director Young** was satisfied by CEO Fecher's response but asked that a written contingency plan with dollar amounts be presented at the next board meeting. **Director Galligan** asked to see the Capital Budget before approving the operating budget before taking the action to a vote.
- **Director Cappel** motioned to approve the operating budget for Fiscal Year 21-22, with the understanding that a Capital Budget will be presented and reviewed at the June board meeting. If the contingency plan is not accepted, this motion to approve the FY21-22 budget could be rescinded. The motion was seconded by **Director Navarro** and approved by roll call. Ayes: **Nigel Taverner, Larry Cappel, Liz Dodge, Clyde Hinshelwood, Rick Navarro, Sheryl Young**, Nays: **Helen Galligan**

[Irma Ochoa joined the Zoom conference at approx. 8:15pm]

7. OLD BUSINESS

- **COVID Testing for Staff** – See 5. CEO Report.
- **Half Moon Bay HVAC and Lease Renewal** – **CEO Fecher** reported that the team is working on a resolution for the installation of the HVAC unit. The landlord is not willing to cover the addition of A/C, so the team is in the process of gathering more information before negotiating the lease, which is up for renewal in August 2021.
- **San Mateo Operatory Build Out and Coastside Refresh Updates** – **CEO Fecher** reported that the Coastside refresh would happen in November/December when the primary dentists at that office, Dr. Gabriella and Dr. Riley Bateman, are expecting to be out on family leave.
- **Medi-Cal Dental Adult Patient Waitlist** – Sonrisas currently has a waitlist of 480 adult patients on public dental insurance (PDI). Clinical Care Coordinator **Irma Ochoa** talked about the difficulty of turning people away when they enquire about being seen. **CEO Fecher** proposed that, over the next six months, no new names are added to the



waitlist, but we see patients from the waitlist as appointments need to be filled. In addition, a block would be placed on Dr. Gabriella Bateman's and Dr. Torrey Rothstein's schedule to take at least one waitlist patient a week, after a new hygienist has been hired. At the same time, Sonrisas will contact those on the waitlist, urging them to update their contact information and asking if they can make themselves available at short notice. This recommendation also includes a re-evaluation that would be conducted in January 2022.

- **Director Cappel** commented that in keeping with Sonrisas' core purpose, it is critical to serve people on this Medi-Cal Dental waitlist. In his view, addressing the needs of those unable to access dental care should be our prime focus. **Director Hinshelwood** asked for additional information on the capacity to clear the waitlist. **CEO Fecher** commented that the team could create a plan to address the waitlist through shifting Sonrisas' payer mix and with a significant negative impact on Sonrisas' financials. **Ms. Kinniburgh** commented that once a hygienist is added to the team, dentists' schedules will open for new patients. **CEO Fecher** echoed Director Galligan's recommendation to pause the PDI waitlist, remarking that this would give the Sonrisas team time to assess the situation and figure out a sustainable solution.
- **Director Hinshelwood** asked how the team prioritizes scheduling at the San Mateo clinic. **Ms. Kinniburgh** responded that all children are added to the schedule while adults with PDI are put on a waitlist, from which the team has not been able to take patients since the pandemic. **Director Cappel** urged the board to have further conversations at the June board meeting to reach a decision concerning this issue, which is at the core of Sonrisas' mission. **Ms. Ochoa** added that people with PDI in these communities are keen to be seen at Sonrisas because they've heard about the high quality of care Sonrisas provides.

[Director Cappel left the meeting at 9:08]

- Board members agreed that this issue needs to be discussed in detail and that it cannot be solved in a few months. **Director Young** noted that Sonrisas cannot be the only dental office that serves those on Medi-Cal Dental. It needs to work in collaboration with the county to create a long-term solution. **CEO Fecher** commented that the board needs to consider whether the payer mix is appropriate or should be changed.
 - **Director Galligan** motioned to pause the waitlist for a period of three months, in which time the Sonrisas team will prepare information about the issue. At the close of three months, the board will re-evaluate the situation. The motion was seconded by **Director Hinshelwood** and approved by roll call. Ayes: **Nigel Taverner, Helen Galligan, Liz Dodge, Clyde Hinshelwood, Rick Navarro, Sheryl Young.**
- **FQHC Contract Update – No Update.**
 - **Employee Payments for 401K employer contribution ACTION Requested –** During the transition from Apple Tree Dental to Sonrisas Dental Health, three employees participating in Sonrisas' 401K plan did not receive full vesting for their seniority. **CFO Fama** recommended that the board approve \$5,120 that would be administered as a legal bonus payment, the amount being based on the record keeping of the Apple Tree 401K at the time of the separation of the organizations.



- **Director Navarro** motioned to approve this recommendation. The motion was seconded by **Director Galligan** and approved by roll call. Ayes: **Nigel Taverner, Helen Galligan, Liz Dodge, Clyde Hinshelwood, Rick Navarro, Sheryl Young.**

8. SUGGESTED AGENDA ITEMS FOR NEXT MEETING – Chair Taverner

- Capital Budget.
- Budget contingency plan.
- Outreach Program Report.

9. Meeting was adjourned at **9:25pm.**

Written and submitted by
Libby Barnard

Approved by

Board Chair, Nigel Taverner
