



**Board Meeting
January 19, 2023
6:30 PM**

Teleconference Via Zoom

MINUTES

1. **CALL TO ORDER AND ROLL CALL** – **Chair Taverner** called the meeting to order at 6:32 pm.
 - A. **Present:** Chair Nigel Taverner, Vice Chair Helen Galligan, Secretary Clyde Hinshelwood, Board Members: Larry Cappel, Larissa Cutler, Dennis Kneoppel, Steve Stielstra, Sheryl Young
 - B. **Also Present:** CEO Tracey Fecher, Administrative Assistant Veronica Le, PHCD CFO Vickie Yee, San Bruno Community Foundation (SBCF) Program Manager Jessica Carrillo
 - C. **Absent:** Rick Navarro, CFO Cheryl Fama

2. **BOARD RESOLUTION ADDING AGENDA ITEM ACTION REQUESTED**
 - A. **Chair Nigel Taverner** moved to approve adding an action item to Section 7 of January 19th's agenda. **Director Sheryl Young** seconded the motion and was approved by roll call. Ayes: **Nigel Taverner, Helen Galligan, Clyde Hinshelwood, Larry Cappel, Larissa Cutler, Dennis Kneoppel, Steve Stielstra, Sheryl Young.**

3. **MISSION MOMENT** – Last Fall, Sonrisas applied for a grant for Access to Care and school screenings from the San Bruno Community Foundation and was successful amongst a competitive pool of applicants. At the meeting, SBCF's Program Manager, Jessica Carrillo, presented a check for Sonrisas to fund access to dental care for low-income children in the San Bruno School District.
Due to the sinkhole on HWY 92, **CEO Fecher** expressed gratitude for Sonrisas staff, who experience challenging commutes to and from the Coastside clinic. Despite HWY 92 being partially reopened, there are still extensive delays; nevertheless, staff members remain dedicated to serving and providing dental care to the Half Moon Bay community.

4. **PUBLIC COMMENTS** - No public in attendance.

5. **APPROVAL OF NOVEMBER BOARD MINUTES**
 - A. **Chair Nigel Taverner** moved to approve the minutes of November 17th's meeting. **Director Dennis Kneoppel** seconded the motion and was approved by roll call. Ayes: **Helen Galligan, Clyde Hinshelwood, Larry Cappel, Larissa Cutler, Dennis Kneoppel, Steve Stielstra, Sheryl Young.**
Abstained: Nigel Taverner.

6. **ANNUAL MEETING**
 - A. **Election of Slate of Officers**
 - a. The bylaws of Sonrisas were changed in 2022 so that officers are elected on even years, therefore no officers are up for reelection this year.
 - B. **Appointment of Directors**

- a. This year, none of the directors' terms have ended, therefore there is no need to appoint or reappoint directors.

C. Conflict of Interest Forms

- a. Ms. Le emailed the Board, Conflict of Interest forms to be filled out, signed and returned.

D. CFO Transition ACTION Requested

- a. **Director Larry Cappel** moved to approve appointing Vickie Yee as CFO of Sonrisas Dental Health succeeding Cheryl Fama. **Vice Chair Helen Galligan** seconded the motion and was approved by roll call. Ayes: **Nigel Taverner, Helen Galligan, Clyde Hinshelwood, Larry Cappel, Larissa Cutler, Dennis Kneoppel, Steve Stielstra, Sheryl Young.**

E. Approval of FY21-22 Audit ACTION Requested

- a. A clean audit was received this year with new auditors, JWT & Associates.
 - i. JWT & Associates work with numerous hospital clients and they provided healthcare related footnotes
- b. Because this was the first year working with new auditors, preparation took a bit longer gathering all the necessary information, but it went smoothly.
- c. There was only one minor adjustment on payroll in the Sonrisas audit.
- d. **Director Kneoppel**—how much does the annual audit cost?
 - i. \$0 since Sonrisas is a component unit of PHCD, who pay for the required audit.
- e. **Director Larry Cappel** moved to approve the FY21-22 Audit. **Vice Chair Helen Galligan** seconded the motion and was approved by roll call. Ayes: **Nigel Taverner, Helen Galligan, Clyde Hinshelwood, Larry Cappel, Larissa Cutler, Dennis Kneoppel, Steve Stielstra, Sheryl Young.**

7. STRATEGIC PLAN FY23-FY25

A. Sustainable Growth

- a. **FQHC Subrecipient Contract Update – CEO Fecher** reported that we are currently in discussions with SMMC.
 - i. Dientes, located in Santa Cruz, has a subrecipient FQHC contract with Santa Cruz County.
 - Dientes' CEO is willing to consult with Sonrisas and SMMC and can help connect San Mateo County with representatives in Santa Cruz County
 - ii. **Chair Taverner** and **CEO Fecher** will meet with Jim Beaumont, HCH/FH Program Director, to discuss the possibility of a meeting with Dientes to hear about how the program works in Santa Cruz County.
 - iii. Are there ways Sonrisas can deliver the current contract with the county without using eCW?
 - Working in two electronic health records is found to be cumbersome.
 - Rescheduling FQHC patients is challenging.
 - Research is underway to see if there is a more efficient workflow.
- b. **Additional Unbudgeted Providers and Staff ACTION Requested**
 - i. The strategic plan has a goal of exploring diverse patient revenue streams and finding ways of utilizing the clinic space better by expanding capacity to weekends or evenings.
 - ii. When planning for the current fiscal year, a decision was made not to build growth into the budget due to COVID and staffing constraints at the time.
 - iii. The team now has the staffing to add two additional hygiene days a week and a Saturday dentist in San Mateo's clinic.
 - The Saturday dentist would need to be hired before hiring a Saturday hygienist.

- An additional dental assistant and support staff on Saturdays would also be needed.
- iv. This growth can generate another 100 visits a month and have a positive net revenue monthly.
- v. The budgeted salary year to date is less than the actual year to date.
- vi. **CEO Fecher** requested the approval of 1.8 FTE unbudgeted positions.
- **Director Cappel** - Why is the net revenue relatively small for the 1.8 FTE positions per month?
 - There is a 1 FTE position for a Care Coordinator with multiple goals, including reducing the patients' no-show rate at both clinics. This would improve monthly revenue but was not included in the revenue forecasts (to be conservative).
 - While a Care Coordinator was on maternity leave, the team temporarily hired a Spanish-speaking Care Coordinator. The team would like to retain this individual in a permanent position. The additional staffing will allow a focus on FQHC visits and can be available for new opportunities that come up.
 - **CEO Fecher** affirmed with **Director Kneoppel** the salary costs include benefits and taxes. **CFO Yee** agreed that the increase in visit volume should generate extra revenue.
- vii. **Director Dennis Kneoppel** moved to approve the unbudgeted 1.8 FTE positions. **Director Steve Stielstra** seconded the motion and was approved by roll call. Ayes: **Nigel Taverner, Helen Galligan, Clyde Hinshelwood, Larry Cappel, Larissa Cutler, Dennis Kneoppel, Steve Stielstra, Sheryl Young.**

B. Sonrisas Culture

- i. **Sonrisas Compensation Overview** – **CEO Fecher** thanked **Director Stielstra** for meeting earlier in the week to review all the components of compensation. **CEO Fecher** asked if there were any questions from the information she had shared with board members earlier in the week. **CEO Fecher** then promoted a discussion with the Board about compensation and items that might be considered in the FY24 budget process that will begin in the March and April timeframe.
- There are 10 different elements which make up total compensation, some of which could be increased to improve it.
 - **CEO Fecher** recommends reviewing two elements that would have the greatest impact for employees - and Sonrisas would be able to afford - salary scales and the number of paid holidays.
 - We could work out how to make salaries as competitive as possible and base the scale on years of experience.
 - Sonrisas could offer loan forgiveness to providers through the State of California – making the process easier for them.
 - At the last board meeting, **CEO Fecher** presented to the Board a comparison of compensation for dentists by Sonrisas, a government agency, private dental office, or other dental service organizations.
 - Sonrisas has a relatively low number of paid holidays
 - A challenge in competing with organizations offering more numerous paid holidays, like SMMC.

Government positions also have more paid vacation.

- During the budget process, the team will consider which holidays the clinic can be closed as a paid holiday and the impact on clinic revenue.
 - **Director Kneepfel** - work-life balance is very important, emphasizing the increasing need for PTO so consider the impact on revenues while looking at next year's budget proposal.
 - **CFO Yee** - for some patients, a holiday or federal holiday may be the only time they can come in. Taking the day after Thanksgiving and one floater holiday would not result in loss of revenue or visit volume.
- **Director Hinshelwood**—have we ever considered having unlimited paid time off?
 - The concept is interesting but could create a challenge for clinic staffing.
 - **Director Kneepfel** said he worked that way at Kaiser. The result was that he was never away.
 - **CEO Fecher** wants to continue changing the culture so that staff do not work while on PTO.
 - **Director Cappel** pointed out the difficulty in knowing the potential liability without specific PTO tracking.
 - He also confirmed that everybody in healthcare is having difficulty with staffing.
- Employees are eligible for medical and dental insurance if they work 30 hours a week as required by the insurance company.
- To be eligible for the 401k plan, staff have to work 1,000 hours or more per year.
- PTO includes sick days, unless employees work less than 15 hours a week, then California requires three sick days, annually.
- FSA and HSA are offered but Sonrisas does not contribute to the plans other than paying administrative fees
- Medical insurance can be expensive for some employees due to having a small group rate, with contributions based on age.
 - A single mom in their fifties pays significantly more than a provider in their thirties
 - Sonrisas could research joining a PEO to access large group insurance rates - not based on age.
- Unlike private dental services organizations, Sonrisas provides vision, life insurance and short/long term disability coverage.
- Sonrisas has a solid 401k plan, matching 4% for employees.
- Private dental and dental service organizations pay dentists based on the provider's production.
 - Some FQHCs require providers to see a high number of patients each day.
- **Director Young** suggested researching more short- and long-term solutions for medical insurance to help maintain affordable costs on top of high cost of living in San Mateo County.

- **Director Cappel** - It's difficult for nonprofits to pick from a normal health insurance market, especially with high deductibles and significant coinsurance.
- ii. Beginning 2023, a new law in California requires employers to post salary ranges when posting for a position and provide that salary scale to staff, upon request.
- iii. Hiring trends for 2023 from Indeed.com report:
 - Salary transparency
 - Younger workers expect remote work positions and will not apply if that is not an option - possibly not feasible for Sonrisas running clinics
 - Happiness on the job was highlighted
 - One of Sonrisas' strategic plan priorities is strengthening the culture. Initiatives include the following: social events, employee wellness and D/E/I.

b. Board DEI Training

- i. Unconscious Bias: In February's board meeting, Tanya Bluford, a DEI Consultant, will lead a one hour conversation on DEI with an emphasis on Unconscious Bias and the implications for Sonrisas:
 - Board members were asked to read Biased by Jennifer Eberhardt.

C. Community and Patient Engagement

a. Partnership Update

- i. The Leadership Team submitted a RFI bid to run the dental office in the County's new Navigation Center. The County chose the University of the Pacific, who can provide a specialist to perform root canals and oral surgery once a week.
- ii. **CEO Fecher** is working closely with the Sequoia Healthcare District and recently met with Kim Griffin, Sequoia's Board Chair.
 - A \$97,000 invoice for the services from last quarter was submitted based on the number of children screened in the district area.
 - Ravenswood is interested in operating a dental clinic if Sequoia can open one in their office on Veterans Boulevard.
- iii. **CEO Fecher** and Dr. Bonnie met with San Mateo County's Epidemiology Department to conduct a mapping project of the screenings Dr. Bonnie's Outreach Team accomplished from the past three years.
 - **CEO Fecher** or Dr. Bonnie will present this project in a report or at a board meeting in a few months.
- iv. Dr. Bonnie is working closely with Peninsula Health Care District representatives to connect to schools for oral health screenings.
 - The Outreach Team has been providing oral health screenings to newcomers at elementary schools in San Bruno Park School District and Redwood City School District.
- v. Sonrisas' grant with Peninsula Healthcare District ends June 30,2023.
 - **CEO Fecher** and **CFO Fama** are discussing what types of services are the focus for the next three-year grant cycle.
 - **CEO Fecher** will also work with staff and board members on a proposal.

8. CONTINUING BUSINESS

A. Banking: Insured Sweep Account ACTION Requested

- a. An Insured Cash Sweep (ICS) Account is a banking product which ensures that our bank account balances never exceed \$250,000 – the maximum amount insured by the FDIC. Once any account balance surpasses \$250,000, the excess funds will be swept out and transferred to other accounts.

- i. The auditors noticed the bank account contains a balance higher than \$250,000.
- ii. Creating an ICS Account will cost \$2,300 annually. The downside is that all account fees are currently waived since our checking account balance is higher than \$750,000.
 - The interest rate on the ICS funds will be .2%

- b. Currently, we have \$800,000 in the Heritage checking account. We need \$600,000 in liquidity to maintain regular operations and recommend putting the balance in an investment account along with other liquid assets to achieve a much better return than .2%
- c. **Director Larry Cappel** moved to approve opening an Insured Cash Sweep Account at Heritage Bank of Commerce. **Director Dennis Kneoppel** seconded the motion and was approved by roll call. Ayes: **Nigel Taverner, Helen Galligan, Clyde Hinshelwood, Larry Cappel, Larissa Cutler, Dennis Kneoppel, Steve Stielstra, Sheryl Young.**

B. Investment Portfolio Management ACTION Requested

- a. As of this meeting, \$200,000 is invested in CDs at Boston Private, \$500,000 recently matured and was moved into the checking account.
 - i. Boston Private's CDs are generating a low interest rate
- b. City National Bank has offered Sonrisas an account that follows PHCD's investment policies. As a government agency, they must follow a conservative investment strategy.
 - i. Allowed to invest treasuries, CDs, money markets, etc.
 - ii. Offering discounted fees of 15 basis points, or .15%, to manage Sonrisas' funds. This is a very low fee.
 - Fees on \$1.2M, the estimated investment balance, would be around \$1,800 annually.
 - Based on the investment strategy for PHCD, the Portfolio Manager expects to make 4.72% annually.
 - Current investment strategies are short term; if interest rates go up, can reinvest
 - iii. It is recommended that \$1.2M moved into an investment account to have it be professionally managed for low fees.
- c. **Director Larry Cappel** moved to approve opening an Investment Account at City National Bank. **Director Dennis Kneoppel** seconded the motion and was approved by roll call. Ayes: **Nigel Taverner, Helen Galligan, Clyde Hinshelwood, Larry Cappel, Larissa Cutler, Dennis Kneoppel, Steve Stielstra, Sheryl Young.**
- d. **Director Larry Cappel** moved to approve on behalf of the Board, Secretary Clyde Hinshelwood will sign the resolution to appoint City National Bank as Investment Manager. **Chair Nigel Taverner** seconded the motion and was approved by roll call. Ayes: **Nigel Taverner, Helen Galligan, Clyde Hinshelwood, Larry Cappel, Larissa Cutler, Dennis Kneoppel, Steve Stielstra, Sheryl Young.**

C. May 2023 Board Meeting

- a. **CEO Fecher** is not available for the May meeting. Although the May board meeting is designated to approve the operating and capital budget, the approval historically has been pushed back to June's board meeting. Board members recommended that the May meeting be cancelled.
 - i. **CEO Fecher** offered to schedule time for Board members to meet with the Leadership Team to host budget walk through meetings, in late May or early June.
- b. **Chair Nigel Taverner** moved to approve the cancellation of May's board meeting. **Secretary Clyde Hinshelwood** seconded the motion and was approved by roll call. Ayes: **Nigel Taverner, Helen Galligan, Clyde Hinshelwood, Larry Cappel, Larissa Cutler, Dennis Kneoppel, Steve Stielstra, Sheryl Young.**

D. Board Resolution to Continue Virtual Meetings ACTION Requested

- a. **Director Larry Cappel** moved to approve authorizing remote teleconference meetings for the period of January 19, 2023 to February 16, 2023. **Vice Chair Helen Galligan** seconded the motion and was approved by roll call. Ayes: **Nigel Taverner, Helen Galligan, Clyde Hinshelwood, Larry Cappel, Larissa Cutler, Dennis Kneepel, Steve Stielstra, Sheryl Young.**

9. REPORTS

- A. CEO Report** – The beginning of January visit volume was affected due to the stormy weather and the road closure on HWY 92.
- B. CFO Report** – The reports and year-to-date for December 2022 were presented to the Board.
- a. Low visit volume, mainly from San Mateo, due to staff shortage.
 - b. December had a timing difference on a grant from HPSM.
 - i. The grant was initially received in December 2021, but due to supply chain issues, the equipment was back ordered before it was installed in December 2022 and will be paid for in January, when the funds will be released.
 - c. The payoff of the deferred Social Security tax payment occurred in December 2022.
- C. Fundraising Report – Secretary Hinshelwood** cooked paella for the auction winners from Cooking for a Cause. Guests reported that it was an excellent evening.
- D. Outreach Report** – No comments or questions.
- E. Board Nomination Committee**
- a. The Board Nominating Committee met in early January. **Director Young** resigned as Chair of Board Nominating Committee and recommended **Secretary Hinshelwood** for Chair.
 - i. **Director Young** will remain on the committee
 - ii. There are several candidates to approach to engage with Sonrisas in some capacity for potential future board service.
 - iii. **Secretary Hinshelwood** welcomes all comments or suggestions from the Board for potential board candidates.
 - b. **Director Larry Cappel** moved to approve the recommendation of Clyde Hinshelwood as Chair of Board Nominating Committee. **Secretary Clyde Hinshelwood** seconded the motion and was approved by roll call. Ayes: **Nigel Taverner, Helen Galligan, Clyde Hinshelwood, Larry Cappel, Larissa Cutler, Dennis Kneepel, Steve Stielstra, Sheryl Young.**

10. SUGGESTED AGENDA ITEMS FOR NEXT MEETING

- A. Update on donor cultivation event for Spring
- B. Board Retreat in April or May
 - a. Choosing a topic and deciding a location to meet
 - b. Shifting Sonrisas from a Charity Mindset to an Equity Mindset?

11. ADJOURN - Chair Taverner adjourned the meeting at 8:26 pm.

Written by
Veronica Le

Approved by

Nigel Taverner

Feb 16, 2023

Nigel Taverner, Board Chair

SDH Board Meeting Minutes 1.19.23 FINAL (signed)

Final Audit Report

2023-02-17

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