

PENINSULA HEALTH CARE DEVELOPMENT CORPORATION

ANNUAL MEETING

February 28, 2019

Millbrae City Hall

Chambers Conference Room

621 Magnolia Avenue

Millbrae, CA 94030

6:15 PMPM

- 1. CALL TO ORDER** – The meeting was called to order at 18:15 hours by **Chair Cappel**
- 2. ROLL CALL** – Present were Directors Cappel, Galligan, Pagliaro and Zell; and PHCD CEO Fama and PHCD CFO Yee. Absent: Director Navarro
- 3 ORAL COMMUNICATIONS:** No members of the public were present
- 4. APPROVAL OF THE MINUTES from April 26, 2018:**
It was moved by Director Zell, seconded by Director Cappel and approved unanimously to accept the minutes as presented. 4/0/0
- 5. OLD BUSINESS:** None
- 6. NEW BUSINESS:**
 - A. Proposal to Dissolve the Corporation:** Director Zell reviewed the history of the District Board’s deliberations concerning the construction of the District’s assisted living/memory care facility and the initial opinion from counsel that by establishing a 501c3 organization, the Development Corporation could be the entity that builds and operates the planned project and PHCD would be able to use the design build authority. CEO Fama pursued the tax exempt designation from the IRS and it was issued in August 2015. Further Board discussions raised serious questions about counsel’s position and agreed to solicit two additional opinions from quality law firms in the State familiar with public agency construction. Both separate and independent opinions stated it would be prudent to stay with the Public Works Project Bidding Policy of the District and not confound the project by spinning it off to this new corporation and that is what the District did.

The question whether the District should maintain the corporation was brought to the Finance Committee. Given there is no need for this corporation in the foreseeable future because:

- PHCD now has design build authority
- There are no construction projects on the horizon
- PHCD has tax exempt status and can accept donations to any of the PHCD programs
- Annual IRS filings will take staff time and have some costs
- If needed, a new application can be filed

Therefore, the Finance Committee of the District is recommending that the Peninsula Health Care Development Corporation be dissolved.

Director Zell moved and Director Cappel seconded the motion to dissolve the Corporation.

Discussion: Director Galligan asked if there is any money in the Corporation and how will that be handled. CEO Fama responded there is \$24,000 that was transferred over from the District when it was anticipated that the CEO and Accountant would be providing administrative services. Per bylaws Section 5.05, upon dissolution, the money will be transferred back to the District to be used for public purposes. The motion was modified to read:

Dissolve the Peninsula Health Care Development Corporation and transfer the fund balance of \$24,000 to the Peninsula Health Care District for public use as defined in the Finance Corporation bylaws.

Director Zell moved and Director Cappel seconded to approve the motion as amended. The motion passed 4/0/0.

7. Adjournment: There being no further business, the meeting was adjourned by Chair Cappel at 18:25 hours.

Written and submitted by



Cheryl A. Fama, CEO

Approved:



Frank Pagliaro, Secretary