

CMF Board Meeting, 4/17/20

Video Meeting over Zoom, **Zoom Password: cmf**

Call to Order: Marlene Farrell

Attendees: Marlene Farrell, Linda and Scott Bradshaw, Diane Blake (Hospital CEO), Mark and Teri Judy, Ted and Kathy Montgomery, Jeff and Dana Wilson, Bob Adamson, Vangie Schasse, Bob Jennings, Ann McPherson, Linda Kinder, Wade and Kathy Nash, Scott Schimelfenig, Mogens Bach, Nancy Lellelid, Helen Rayfield (Hospital Commissioner)

Our Mission: To enhance and financially support Cascade Medical's ability to deliver quality healthcare to our community.

Note: Bob Jennings read our mission statement.

1. Consent Agenda – Any of the following items may be pulled for discussion at a board member's request. All items not pulled for discussion will be approved by the Board with one motion.
 - a. March 2020 Minutes* Approval
 - b. April 2020 Agenda* Approval

Notes: Nancy Lellelid made a motion to accept the consent agenda. Bob Jennings seconded the motion. All approved.

2. Overview of financial review and 990 with DZA representative, Kami Matzek
 - a. Board must vote to approve financial review and 990

Notes: Kami shared that Marlene got all necessary materials to the firm very early which resulted in the review being completed earlier than usual. Kami believes that this is a very "clean" report that fairly represents the financials at CMF. Any money over \$30,000 goes to the Foundation's campaigns. Total assets were about the same as the previous year. Net assets were divided between those with and without donor restrictions. Expenses are broken down between Program, Management and General, and Fundraising. 68% of CMF's money was spent on program purposes which is in line with its purpose. The IRS and outside organizations look at the percentages of how money is spent. Notes to the financial statement help explain how our finances are recorded and the board's mission. Investments were reviewed. There are many notes to the investments. There was about \$30,000 in investment gains. The bulk of the expenses (note 6) were for the contribution to Cascade Medical for the mammography unit. Mark Judy wanted to know if there is a review of

the Community Foundation finances. DZA receives a report but does not do a review of their finances.

990 Discussion: The purpose of the 990 is to provide transparency of our organization to the IRS, donors and potential donors. All 990s are available online. This shows that the Foundation is living up to its non-profit status and meeting its mission. The shorter 990-EZ form is used. Part III shows how CMF is accomplishing its mission. The board of directors is listed on the form which is public record. Part IV is a checklist that will show if additional forms need to be filled out. Schedule A demonstrates that you are a non-for-profit organization. Schedule B shows who the donors are. This information is not shared publicly. Only donations over \$5,000 are lined out with individual donors' names, although this information is not available publicly. All the events are listed with expenditures and donations. Schedule C shows the payment from CMF to the hospital for the purchased medical equipment. Mark Judy thanked Kami for the work on the review and the IRS 990 form. A motion was made to approve the financial review by Wade Nash and seconded by Mogens Bach. All approved. Bob Jennings made a motion to accept the 990 and Scott Schimelfenig seconded it. All approved.

3. CM Update – Diane Blake

Notes: Diane focused on the shared values of the clinic. This meeting's focus was on community. A nurse reported that there has been a generous outpouring of support from the community including masks, food, and other donations. Employees feel supported and appreciated.

Updates: The clinic has two new employees, Melissa Grimm, director of HR and Ethan Maffey, Director of Process Improvement. Efforts of Covid 19: 82 tests have been administered. 78 have come back. Only two of those have been positive which has been some time ago. The challenge is to get more test kits. She encourages everyone to be very careful with standard healthful practices. She believes our test numbers do not represent the number of positives in our community. Oral swabs were given to CM by the state. There are not enough tests to have a drive-through testing center. Small facilities such as CM have had big disruptions in the supply chain. CM was supposed to get 100 test kits from the lab they work with and were just informed that they would not receive any until the end of the month. CM is meeting regularly with representatives from the school, sheriff's office, and local hospitals (Confluence Health in Wenatchee). A negative: There is a federal funding source offering eight weeks paid leave to employees and that this would be paid for by the federal government in the form of payroll tax deductions. However, in a small facility such as CM,

the federal government would not grant the payroll deduction and would result in CM having to pay for the paid leave out of its resources. Most facilities have opted out of this federal program due to the financial consequences of the program. There is a big decrease in revenue. By the end of April, the clinic will be down in revenue by \$1,000,000. This is due to shutting down of some services: mammographies, physical therapy, colonoscopies. Expenses have increased. The response to Covid19 has resulted in \$300,000 of additional expenses. 2.2 million dollars in the form of a loan has been received from the PPP - payroll protection provision. This loan will be forgiven as long as it is used for its intended purpose. CM received a \$410,000 grant as part of the Care Act. She believes there will be continued federal funding. CM does not foresee shutting its doors such as other small facilities. Diane is very proud of her staff for the work they've done to prepare for Covid19. Preparations are being made to return to some degree of normalcy. She would like to re-open physical therapy services. Telehealth is also being considered. Wade wanted to know if there was any sign of burn-out among employees. Diane reported that this seems to be happening mostly at the leadership level due to working very long hours. We have not had a big surge of cases here in Leavenworth, and some employees are working less than normal. Mark Judy had a question about testing. Priority 1 test results should be returning within 24-48 hours. Just yesterday oral swabs were put into use; these take 4-5 days to return results. One of the pieces of lab equipment could be used for getting test results within 15 minutes but it requires a "reagent" and CM is low on the list to get this.

4. Finances – Mark Judy

- a. Review March finances* and Mark's comments*
 - i. Board must vote to approve Finances
- b. Consider skipping DZA Financial Review next spring (for 2020 records) to save money
 - i. Board must vote to approve such a motion

Notes: The report shows the first 100 days of 2020 from January 1 - April 10 to show accounting changes. This year CMF is running with a net income loss of \$25,000. This is caused by a loss of \$37,000 in our investments. Total assets are down \$278,000 from a year ago. This is a combination of the donation to the hospital as well as a loss in our investments. In early April, with the decision

to postpone the golf tournament and the home and garden tour, some expenses like those to the golf course, the Enzian, and Taste of Plain were deferred to the balance sheet as a holding place from the Profit and Loss Statement. These will stay there until the first quarter of next year when they will be moved over to the P&L Statement. Donors were given a choice of how those funds could be handled: keep for 2021 event, use as a 2020 donation or get a refund. Most of those have been deferred to future expenses for next year's golf tournament. Some revenue items have not been moved yet. The prepaid sponsorships also included the Charm Walk. Board members can read the summary statement to understand the current accounting changes. The next meeting will show better clarification on the Profit & Loss Statement.

Mogens Bach made the motion to accept the financial reviews. Nancy Lellelid seconded it. All approved.

Linda Bradshaw noted that the financial audit could be deferred for 2020, although we are required to do the Form 990. DZA can do the Form 990 without doing a review by using Marlene's internal records. We could do a combined 2-year financial review or one for only 2021, but we have time to assess that situation. DZA confirmed that we do not need to a financial review each year, but we do have a responsibility to submit a financial report to the hospital. Diane Blake will discuss this issue with the Board of Commissioners. A deferral of doing an audit by DZA would be considered in order to save costs. Linda suggested that we wait to discuss this issue in May after the hospital commissioners have had a chance to meet and discuss it. The cost this year was \$3500 and the 990 was \$1300. Wade noted that the review did not show any deficits in our accounting methods that are being used by both Marlene and Mark so deferring the review is an acceptable option. This is an exceptional year and we as a board are not trying to set a precedent by not conducting a formal review.

5. Governance – Nancy Lellelid

a. Board education deferred until May and later

Notes: Marlene and Nancy decided to hold off on having the education part of our meeting. Aisha, the social worker, will talk about her work at the hospital in a future meeting. Dr. Kranz is scheduled to provide the educational portion for May. Marlene will check with Aisha if she could come to a meeting in June or July, although Marlene thinks she is taking vacation time in June. Other ideas

include education on state health legislation, although this idea was brought up before Covid19. Educational topics including IT and EMR (electronic medical records) might also be addressed this summer sometime. Nancy apologized for not contacting the other members of the Governance committee regarding these decisions due to time constraints.

6. Benevolent Nights – Ted & Kathy Montgomery

- a. Decide about June 3rd BN at Blewett Brewery and July 7th BN at Munchen Haus

Notes: The Montgomerys spoke with Eric at Blewett Brewing and the June 3 benevolent night is being postponed at this time. Mia from the Munchen Haus wants to leave the event on the calendar for July 7 and the Montgomerys will touch base with her at a later date. Wildflour is on the calendar for October 21, and they also want to leave it for that date. The Montgomerys chatted with Carl Evans from the Bavarian Bistro and he said he is open to the idea down the road sometime, but no date was set. Nancy is concerned that we are asking about having a benevolent night under the current circumstances; she suggested that we instead try to support these businesses by having a “reverse” benevolent night. Everyone agreed that when these businesses open back up, all board members make an effort to support the benevolent night restaurants.

7. Coordinator report – Marlene Farrell

- a. COVID-19 Response Relief – new restricted funds -- \$250 so far
- b. Event cancellation update:
 - i. Still need decision from Lake Wenatchee F&R, Crunch Pak, Leavenworth Rotary and Zarthan Lodge about their golf sponsorship.
 - ii. Zip lining tickets – need to get used by October.
 - iii. Deposits with Enzian, Golf Course and Taste of Plain saved for 2021.
 - iv. Still need decision from Simply Found about Charm Walk sponsorship.
- b. Community donations progress – 37 thank yous, webpage, tracking, correspondence and article in this week’s Echo
- c. Starting on grants – with Pat Songer – government grants and maybe Murdock

Notes: Marlene reviewed all the items from her report. Board members are encouraged to look at the webpage to see the new link for donors to use should they want to contribute to Covid-19 response relief. It was suggested that all board members contribute to the Covid-19 response relief fund. It is an individual choice, but one thought was to use the funds that board members were originally considering donating to the golf tournament to this effort instead. Bob Judy suggested that Marlene send all board members that link via email and she agreed to do so. Lake Wenatchee Fire Department has not made a collective decision about what to do with their donation to our campaign.

Zip-Line tickets were donated to the Foundation and are set to expire in October. Mark suggested that the zip-line tickets could go to a hospital employee who has donated to the Foundation, maybe in the format of a drawing. There are also Anthony's Restaurant gift cards. Marlene will keep track of which employees are getting the "reward" from the drawings.

Marlene shared how she is spending her time during Covid19 including coordinating volunteer/donation efforts.

She reported that she is beginning to work on grants. Murdock will not work because of the size of the equipment requested.

Ted Montgomery made a motion to adjourn the meeting. Kathy Montgomery seconded the motion. All approved. The meeting was adjourned at 10:23.

*Handouts that were included in the packet.

Upcoming Events

April 28th, 9am CM Commissioners' Meeting AB Room

May 12th, 9am, CMF Executive Committee Meeting, location TBD

May 15th, 9am, CMF Board Meeting, location TBD

Respectfully submitted,

Dana Wilson, Board Member