



*MCHCD provides a hospital and fosters leadership, advocacy and collaboration
for our community health and well-being.*

TO: BOARD OF DIRECTORS

BOD Meeting: 5/14/2026

FROM: Katharine Wylie, Agency Administrator

Agenda Item 6h)

SUBJECT: STAFF REPORT - BYLAWS AMENDMENT - PLANNING COMMITTEE
SCOPE OF WORK

RECOMMENDATION

It is recommended that the Board of Directors **approve an amendment to Article III, Section 2 of the District Bylaws** to remove "ongoing facilities planning" from the oversight responsibilities of the Standing Planning Committee. This adjustment aligns the District's governance structure with the existing contractual obligations set forth in the lease agreement with Adventist Health.

BACKGROUND

The current MCHCD Board Bylaws, last revised on March 12, 2026, task the Standing Planning Committee with performing oversight for "ongoing facilities maintenance and a five-year facilities improvement plan". However, the operational reality of facility management is governed by the lease agreement between the District (Landlord) and Adventist Health (Tenant).

Specific provisions in the lease agreement redefine these responsibilities:

- **Seismic Compliance (Section 7.2.1):** The Landlord is required to prepare a committed plan to achieve seismic compliance for improvements by January 1, 2030, to the reasonable satisfaction of the Tenant.
- **Improvement Projects (Section 7.3):** The Tenant is granted the authority to perform any improvement projects it deems necessary or appropriate. The Tenant's obligation to the Landlord in this regard is to keep the Landlord "reasonably informed" of the projects being performed, and their associated costs.

Because the Tenant now holds the primary authority to deem projects necessary and execute them, the Planning Committee's broad mandate to plan "ongoing maintenance" and a "five-year facility plan" is redundant and potentially conflicts with the Tenant's rights under the lease.

FISCAL IMPACT

Anticipated to be de minimis.



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LEGAL & REGULATORY COMPLIANCE

Amending the Bylaws to remove the specific facilities planning aspect ensures that the District's internal governing documents do not assert oversight authority that has been contractually delegated to the Tenant under Sections 7.2.1 and 7.3 of the lease. This change maintains the Board's fiduciary duty to protect District assets while respecting the legal boundaries established by the Adventist Health lease agreement.