

**DESERT HEALTHCARE DISTRICT  
FINANCE, ADMINISTRATION, REAL ESTATE AND LEGAL COMMITTEE  
MEETING MINUTES  
October 11, 2016**

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Meeting of the Finance, Administration, Real Estate and Legal Committee of the Desert Healthcare District was held in the Desert Healthcare District Conference Room, 2<sup>nd</sup> Floor, Palm Springs, CA

**Attendance:**

Members

Mark Matthews – Chairman/Treasurer  
Michael Solomon – Director

Staff

Chris Christensen, Interim CEO/CFO/COO  
Donna Craig, Chief Grants Officer  
Mary Pannoni, Accounting/Admin Support  
Steve Brown, Director of Community Relations/Clerk of the Board

Community Members

Joseph Wild, Community Member  
Richard Cagen, Community Member

Community Members Absent

Arthur Shorr, Community Member  
Sid Rubenstein, Community Member

Guest

Craig Hartzheim – Moss Levy & Hartzheim

**CALL TO ORDER**

The meeting was called to order at 3:00 p.m. by Chairman Matthews.

**APPROVAL OF AGENDA**

Chairman Matthews asked for an approval of the agenda.

It was moved and seconded (Director Solomon, Community Member Cagen) to approve the agenda. Motion passed unanimously.

**PUBLIC COMMENT**

1. None

**APPROVAL OF MINUTES**

Submitted for approval:

1. Minutes – September 13, 2016

It was moved and seconded (Director Solomon, Member Wild) to approve the minutes of September 13, 2016. Motion passed unanimously.

## CHIEF OPERATING OFFICER'S REPORT

The COO Report and the LPMP rental status were reviewed.

## FINANCIAL REPORTS

1. Financial Statements. The District's and LPMP financial statements for September 2016 were reviewed.
2. Accounts Receivable Aging Summary – Accounts Receivable detail was reviewed.
3. Deposits – District – The District's September 2016 deposit detail was reviewed.
4. Property Tax Receipts – property tax receipts were reviewed.
5. Deposits – LPMP – The LPMP's September 2016 deposit detail was reviewed.
6. DHCD Check Register – The September 2016 check register for the District was reviewed.
7. Credit Card – The September 2016 credit card expenditures were reviewed.
8. LPMP Check Register – The September 2016 check register for the LPMP was reviewed.
9. RPP Update
10. Grant Payment Schedule

It was moved and seconded (Community Member Cagen, Community Member Wild) to approve the September 2016 District Finance Reports Items 1-10 and forward to the Board for approval with the following abstention by Director Solomon:

“Director Solomon requested this be included in the minutes:

California Health & Safety Code Section 32121, subparagraph (j) tells the Board of Directors how it can spend taxpayer's money. This law requires us to *only* spend taxpayer's money on programs or purposes that are “for the benefit of the district and the people served by the district”. This means we can only spend district money on programs that *primarily* serve the people who live within the district and pay district taxes.

With regard to pages 9-34 in our packet, all money granted to the Desert Healthcare Foundation from the Desert Healthcare District, with the exception of those earmarked for the Hospital's collective fund, are therefore illegal.

These expenditures, which are listed in the FINANCIALS section of our agenda and on the Grant Payment Schedule which can be found on page 36 of our Finance and Administration Sub-Committee packet, are illegal because they are not “for the benefit of the district and the people served by the district” because they do not *primarily* serve or benefit the people who live within the Desert Healthcare District. Therefore by definition these expenditures are not only wrong but they are illegal. Our staff and our CEO should have never recommended them and our Attorney should be counseling us against them.

I Therefore I abstain from approving those specific items because they are illegal and would ask that my concerns be duly noted in the minutes of this meeting. I urge each of the members of this Sub-Committee to do the same.

Motion passed with Director Solomon's abstention.



## **OTHER MATTERS**

1. Craig Hartzheim – Moss Levy & Hartzheim – FY 2016 Audit Reports & RPP Management Letter, Communication Letter, Internal Controls Reports.

Mr. Hartzheim reported that it was a perfect audit with no issues. Staff is very knowledgeable and were helpful with the audit process.

It was moved and seconded (Community Member Cagen), Director Solomon to forward to the Board for approval the FY 2016 District Audit Reports Motion passed unanimously.

Chairman Matthews requested that Mr. Hartzheim review the FY 2016 Desert Healthcare Foundation Audit Report, Management Letter, Communication Letter and Internal Controls. Director Solomon did not participate.

As he reported for the District Audit, Mr. Hartzheim reported that the Foundation audit was a perfect audit with no issues. Staff is very knowledgeable and were helpful with the audit process.

It was moved and seconded (Community Member Cagen), Director Matthews to forward to the Board for approval the FY 2016 Foundation Audit Reports. Motion passed unanimously.

2. RPP Termination – Information for Discussion

The Committee recommended to continue administering the RPP program at this time.

3. Las Palmas Medical Plaza Maintenance Contract

It was moved and seconded (Director Solomon, Community Member Cagen) to forward to the Board for approval the Maintenance Contract for Las Palmas Medical Plaza. Motion passed unanimously.

6. CEO Report

No report was given.

## **ADJOURNMENT**

The meeting was adjourned at 3:46 pm.

ATTEST: 

Mark Matthews, Chairman Finance and Administration Committee/Treasurer  
Desert Healthcare District Board of Directors

*Minutes respectfully submitted by Steve Brown, Clerk to the Board*