DESERT HEALTHCARE DISTRICT BOARD OF DIRECTORS MEETING MINUTES March 28, 2017

A Meeting of the Board of Directors of the Desert Healthcare District was held in the Arthur H. "Red" Motley Boardroom, Palm Springs, CA.

Attendance

Members

<u>Absent</u>

Carole Rogers, RN – President Mark Matthews – Treasurer

Jennifer Wortham, Dr.PH - Director

Les Zendle, MD - Director

Kay Hazen – Vice-President/Secretary

Staff

Legal Counsel

Jeff Scott

Herb K. Schultz, CEO

Chris Christensen, COO/CFO

Donna Craig, Chief Grants Officer

Alejandro Espinoza, Director Programs/Projects

Andrea S. Hayles, Clerk to the Board

Guests

Rich Ramhoff, Director of Marketing, DRMC

Michelle Finney, Interim CEO, DRMC

CALL TO ORDER

The meeting was called to order at 2:10 pm by President Rogers.

APPROVAL OF AGENDA

President Rogers asked for a motion to approve the agenda.

#17-24 MOTION WAS MADE by Director Matthews and seconded by Director Wortham to approve the agenda.

Motion passed unanimously.

Roll Call Vote:

AYES

4 Director Zendle; Director Wortham; Director Matthews;

President Rogers

NOES:

0

ABSTAIN:

ABSENT:

1 Vice President Hazen

Motion Passed 4-0

PUBLIC COMMENTS

Jeff Hawker, Coordinator, Palm Springs Health Run & Fitness Expo, presented an overview of the January 28, 2017, Health Run & Fitness Expo sponsored by Desert Regional Medical Center and Desert Sun. Mr. Hawker presented Herb Schultz, CEO, Desert Healthcare District, with a \$1,000 check representing financial contributions from the Expo. Mr. Schultz thanked Mr. Hawker for the partnership, including Vice-President Kay Hazen's participation in the Expo.

CONSENT AGENDA

Submitted for approval:

- 1. BOARD MINUTES
 - a. Meeting of February 28, 2017
 - Director Wortham requested a correction on motion 17-17 (page 9) striking the first sentence. Director Wortham also requested a motion (page 13) related to the legal opinion of the hospital lease provisions.
 - Dr. Zendle recommends an agenda item for the legal perspective at the April meeting.
 - Dr. Zendle requested a revision to his comments from compassion to concern.

#17-25 MOTION WAS MADE by Director Wortham and seconded by Director Matthews to approve the Consent Agenda with changes to the February 28, 2017 Minutes.

Motion passed unanimously.

Roll Cali Vote:

AYES

4 Director Zendle; Director Wortham; Director Matthews;

President Rogers

NOES:

0

ABSTAIN:

ABSENT:

1 Vice-President Hazen

Motion Passed 4-0

2. FINANCE & ADMINISTRATION

a. Consideration to approve District February 2017 Financial Statements

#17-26 MOTION WAS MADE by Director Zendle and seconded by Director Rogers to Approve the District February 2017 Financial Statements.

Motion passed unanimously.

Roll Call Vote:

AYES 4 Director Zendle; Director Wortham; Director Matthews;

President Rogers

NOES:

0

ABSTAIN:

ABSENT: 1 Vice-President Hazen

Motion Passed 4-0

COMMITTEE REPORTS

- 1. Program Committee Chairman Vice-President Hazen
 - a. No meeting in March.
- 2. FINANCE, ADMINISTRATION, REAL ESTATE, AND LEGAL COMMITTEE Director Matthews
 - a. Draft minutes of meeting March 13, 2017, COO Report, Las Palmas Medical Plaza Rental Update.
 - Director Mark Matthews presented the report.
 - b. 2016 Year End Investment Reports Robert Adams, Highmark Capital Management
 - Robert Adams, Highmark Capital Management, introduced himself and provided background on his organization.
 - Mr. Adams gave an overview of the 2016 Year End Investment Reports.
 - c. CVEP/Coachella Valley Workforce Excellence Separation MOU
 - Donna Craig, Chief Grants Officer, detailed the CVEP Separation MOU recommending an extension for four months.grant.
 - One Future Coachella Valley is the new name of the organization.

#17-27 MOTION WAS MADE by Director Matthews and seconded by Director Rogers to approve the Draft Minutes of March 13, 2017, COO Report, Las Palmas Medical Plaza Rental Update.

Motion passed unanimously.

Roll Call Vote:

AYES 4 Director Zendle; Director Wortham; Director Matthews;

President Rogers

NOES: 0

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ABSTAIN:

ABSENT: 1 Vice-President Hazen

Motion Passed 4-0

#17-28 MOTION WAS MADE by Director Matthews and seconded by Director Zendle to Approve CVEP/Coachella Valley Workforce Excellence Separation MOU. Motion passed unanimously.

Roll Call Vote:

AYES 4 Director Zendle; Director Wortham; Director Matthews;

President Rogers

NOES:

0

ABSTAIN:

ABSENT: 1 Vice-President Hazen

Motion Passed 4-0

3. AD HOC COMMITTEES

- 1. Ad Hoc Hospital Future Planning
- 2. Ad Hoc District Expansion
- Herb Schultz, CEO, provided an overview of the Ad Hoc Hospital Future Planning Committee.
- Mr. Schultz explained that in the coming week President Rogers and Director Matthews would discuss the next steps of the District Expansion.
- A final report of the East Valley survey will be provided to the Board.
- Director Matthews's requests including Ad Hoc Committee Members on all Board Meeting agendas.

NEW BUSINESS

- 1. Presentation by Collin Coffey of Archer Norris to provide education on state law and regulations. CEO to present proposed policy for addressing potential issues.
 - Herb Schultz, CEO, introduced Collin Coffey of Archer Norris conveying an overview and background of the Conflict of Interest Policy.
 - Collin Coffey gave a summary of the Conflict of Interest Policy. Mr. Coffey passed around a 1090 – Remote Interests and Non-Interests Organized by Topic for all in attendance to review.
 - Director Matthews and President Rogers suggest changing the language to "or" for reporting the potential conflicts since most Board members would go directly to legal counsel for advice.
 - Mr. Coffey suggests adding another "or" to include legal counsel.
 - Director Matthews also recommends obtaining the Fair Political Practices Commission (FPCC) opinion.
 - Director Zendle proposes reviewing the original language and determining if changes are necessary, including pulling the Conflict of Interest and revisiting the matter.

#17-28 MOTION WAS MADE by Director Wortham and seconded by President Rogers to Approve the Conflict of Interest by adding "or" to the conflict of interest description of the policy based on the discussions among the Board Members and CEO. Motion passed unanimously.

- 2. Consideration to approve a Professional Service Agreement with Premier Inc. for additional services to complete the Market Analysis report.
 - Chris Christensen, COO/CFO provided an overview of the Professional Services Agreement.
 - President Rogers's requests that the agreement include that Desert Healthcare
 District have shared ownership in addition to Health Assessment & Research for
 Communities (HARC).

17-29 MOTION WAS MADE by President Rogers and seconded by Director Matthews to approve a Professional Service Agreement with Premier Inc. for additional services to complete the Market Analysis report.

Motion passed unanimously.

Roll Call Vote:

AYES 4 Director Zendle; Director Wortham; Director Matthews;

President Rogers

NOES:

0

ABSTAIN:

ABSENT:

1 Vice-President Hazen

Motion Passed 4-0

3. Consideration to approve the Acknowledgement of Subordination of Statutory Pass-through Payments to Refunding Bond Issue for Riverside County Redevelopment Agency.

- Chris Christensen, COO/CFO explained that the Bond Issue is for replacement/refunding of the bond.
- Director Wortham recused herself from the vote and exited the Board Room.

17-2 MOTION WAS MADE by Director Zendle and seconded by President Rogers_to approve the Acknowledgement of Subordination of Statutory Pass-through Payments to Refunding Bond Issue for Riverside County Redevelopment Agency.

Motion passed unanimously.

Roll Call Vote:

AYES

3 Director Zendle; Director Matthews

President Rogers

NOES:

0

ABSTAIN:

1 Director Wortham

ABSENT:

1 Vice-President Hazen

Motion Passed 3-0

OLD BUSINESS

- 1. Governance and Facilities By-Laws
 - Herb Schultz, CEO, explained the changes to the bylaws in the Governance and Facilities section.
 - Director Matthews suggests a better term to describe Facilities as it relates to maintenance.
 - Hospital Governance and Oversight Committee (HGO) is the proposed name change suggested by Mr. Schultz.

LEGAL COUNSEL COMMENTS & REPORTS

- Jeff Scott, District Legal Counsel, provided a report on Director's votes in accordance to new Brown Act laws.
- Mr. Scott outlined that all actions taken must be recorded in audio and recorded in the minutes.

- Mr. Scott provided to all in attendance the California Supreme Court ruling: City of San Jose v. Superior Court - reiterating to the Board to keep all personal emails separate from District matters.
- Mr. Scott also provided a handout on the history of Health Care Districts.

Director Wortham exited the meeting at 4:33 p.m.

DIRECTORS' COMMENTS & REPORTS

No Directors' Comments & Reports

DRMC GOVERNING BOARD DIRECTORS' REPORT – President Rogers and Director Zendle

- Dr. Zendle reported on the Desert Regional Medical Center's Governing Board of Directors Report detailing that he believes the Governing Board was impressed with the promptness of managing the current hospital issues.
- President Rogers expressed that she was impressed with the Governing Board's engagement.

INFORMATIONAL ITEMS

Michele Finney, Interim CEO, Desert Regional Medical Center, and Tenet Healthcare's
Desert Market CEO, provided updates on structural and capital improvements at DRMC that
include Emergency Room remodeling for more capacity, lift chairs for evacuations, elevator
upgrades, and Operating Room replacement equipment.

CEO Report

- Herb Schultz, CEO, acknowledged the Board, Staff, and Consultants for their work on the Special Board Meeting Strategic Planning Sessions.
- Mr. Schultz provided an overview of the Principles, Content Focus Areas, West/East Valley Demographics, District Expansion, and the Next Steps for Strategic Planning.

ADJOURNMENT

The meeting adjourned at 5:11 p.m.

ATTEST:

Carole Rogers, President

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Desert Healthcare District Board of Directors

Minutes respectfully submitted by Andrea S. Hayles, Clerk to the Board