



**DESERT HEALTHCARE DISTRICT**

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**FINANCE, ADMINISTRATION, REAL ESTATE AND LEGAL COMMITTEE**

**MEETING MINUTES**

**September 11, 2018**

<b>Directors Present</b>	<b>District Staff Present</b>	<b>Absent</b>
Chair/Treasurer Mark Matthews Director Jennifer Wortham, DrPH Arthur Shorr, Community Member	Chris Christensen, Interim CEO and CFO Stephen Huyck, Accounting Manager Andrea S. Hayles, Clerk to the Board	

<b>AGENDA ITEMS</b>	<b>DISCUSSION</b>	<b>ACTION</b>
<b>I. Call to Order</b>	Chair Matthews called the meeting to order at 3:08 p.m.	
<b>II. Approval of Agenda</b>	Chair Matthews asked for a motion to approve the Agenda.	<b>It was moved and seconded (Director Wortham, Community Member Shorr) to approve the agenda. Motion passed unanimously.</b>
<b>III. Public Comment</b>		
<b>IV. Approval of Minutes</b>	Chair Matthews asked for a motion to approve the minutes of July 10, 2018.	<b>It was moved and seconded (Director Wortham, Community Member Shorr) to approve the minutes. Motion passed unanimously.</b>
<b>V. CEO Report</b>	None	
<b>VI. Chief Financial Officer's Report</b> <b>1. LPMP Leasing Update</b>	<b>VI.1.</b> Chris Christensen, Interim CEO, explained that the financial audits are being finalized and will be presented	



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	at the October F&A Committee meeting.	
<b>VII. Financial Reports</b> <b>1. District and LPMP Financial Statements</b> <b>2. Accounts Receivable Aging Summary</b> <b>3. District – Deposits</b> <b>4. District – Property Tax Receipts</b> <b>5. LPMP Deposits</b> <b>6. District – Check Register</b> <b>7. Credit Card – Detail of Expenditures</b> <b>8. LPMP – Check Register</b> <b>9. Retirement Protection Plan Update</b> <b>10. Grant Payment Schedule</b>	<b>VII.1.-10.</b> The Financial Reports were reviewed with Chris Christensen, Interim CEO. The current occupancy rate at Las Palmas Medical Plaza is 95%. Mr. Christensen also indicated that the A/R Aging for Sovereign Group is now up-to-date with all payments established from the financial commitment.	<b>It was moved and seconded (Community Member Shorr, Director Wortham) to approve the August and September 2018 District Financial Reports - Items 1-10 and to forward to the Board for approval. Motion passed unanimously.</b>
<b>Public Comment</b>		
<b>VIII. Other Matters</b> <b>1. District &amp; RPP Investment Reports 2Q18 – Keith Stribling, High Mark Capital</b>  <b>2. RPP Actuarial Valuation Report</b>  <b>3. Service Agreement Addendum #2 – Kaufman Hall</b>	<b>VIII.1.</b> Chris Christensen, Interim CEO, introduced Keith Stribling, CFA, Vice President, Senior Portfolio Manager, Highmark Capital. Mr. Stribling provided details on his background and experience and explained the specifics of the Desert Hospital Retirement Plan and the Facilities Replacement Fund.  <b>VIII.2.</b> Chris Christensen, Interim CEO, detailed the roll forward Retirement Protection Plan report. The net pension as of June 30, 2018 is \$3.3M.  <b>VIII.3.</b> Chris Christensen, Interim CEO, described the endeavors of the Ad Hoc Committee on New Providers, Facilities, Programs, and Services, seismic assessment of Desert Regional Medical	<b>It was moved and seconded (Director Wortham, Community Member Shorr) to forward to the Board for discussion with no recommendation of the Service Agreement Addendum #2 – Kaufman Hall.</b>



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<p><b>4. Audit Firm – 5 Year Review of District/Foundation Audit Firm</b></p>	<p>Center, appraisal of Desert Regional Medical Center, and the efforts of the demands for the potential expansion. Director Wortham explained that the District is aware of the options, and Kaufman Hall is not providing any additional information that the District has not already identified. Director Wortham also expressed concerns with the costs-to-date. Chair Matthews described the impending costs of the seismic issues, the potential sale of the hospital, and recommended forwarding the Kaufman Hall amendment to the board for discussion in a closed session. Chair Matthews requested that Staff speak with the chair of the Board concerning the options such as tabling the matter based on Director Wortham’s issues and concerns. Chair Matthews explained that he is acceptable with postponing the work until after the November election.</p> <p><b>VIII.4.</b> Chris Christensen, Interim CEO, described the current audit firms work over the past five years, the reclassification of the cash flow statement for the net pension liability for accruals (non-cash item) for better representation in the report, and that the auditors have completed an overall job well done. Chair Matthews explained the current aspects of the District</p>	<p><b>It was moved and seconded (Chair Matthews, Director Wortham) to continue with the current audit firm and forward to the Board for approval. Motion passed unanimously.</b></p>
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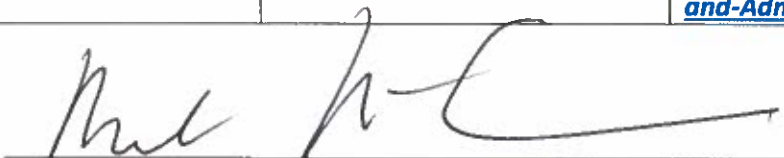
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<p><b>5. Proposed DHCD Hours of Operation</b></p>	<p>related to the current audit and the tremendous undertakings of the District. Chair Matthews suggested a recommendation to defer a new firm for one year and continue with the auditors that are experienced and familiar with the District.</p> <p><b>VIII.5.</b> Chris Christensen, Interim CEO, explained the internal discussions between staff and the favorability of the 9/80 work schedule that would continue to boost morale and provide staff with an additional day off every other week for appointments. Mr. Christensen presented the options with the office hours unaffected for the public and would allow staff an extra hour of productivity. Director Wortham proposed the 4/10 schedule and Chair Matthews explained that it is more productive for staff and staggering the cycle could become confusing to the public.</p>	<p><b>It was moved and seconded (Community Member Shorr, Director Wortham) to recommend a 4/10 work schedule and forward to the Board for approval. Motion passed unanimously.</b></p>
<p><b>IV. Adjournment</b></p>	<p>Chair Matthews adjourned the meeting at 4:09 p.m.</p>	<p><b>Audio recording available on the website at <a href="http://dhcd.org/Finance-and-Administration">http://dhcd.org/Finance-and-Administration</a></b></p>

ATTEST:



Mark Matthews, Chair Finance & Administration Committee/Treasurer  
Desert Healthcare District Board of Directors

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