

**DESERT HEALTHCARE DISTRICT
FINANCE, ADMINISTRATION, REAL ESTATE AND LEGAL COMMITTEE
MEETING MINUTES
May 20, 2014**

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

Attendance:

Members

Glen Grayman, M.D. – Chairman/Vice-President
Mark Matthews - Director

Staff

Kathy Greco, Chief Executive Officer
Peter Young, Chief Operating Officer
Steve Brown, Clerk to the Board

Guests

None

CALL TO ORDER

The meeting was called to order at 10:15am by Chairman Grayman

APPROVAL OF AGENDA

It was moved and seconded (Director Matthews, Chairman Grayman) to approve the agenda. Motion passed unanimously.

PUBLIC COMMENTS

None

APPROVAL OF MINUTES

Submitted for approval:

1. Minutes – April 15, 2014

It was moved and seconded (Director Matthews, Chairman Grayman) to approve the minutes of April 15, 2014. Motion passed unanimously.

CHIEF OPERATING OFFICER'S REPORT

The report was reviewed in conjunction with the Las Palmas Medical Plaza (LPMP) report. Mr. Young reported that the LPMP was 98.7% occupied and the rent for the space leased by DRMC for the UCR School of Medicine should be ready for occupancy by the end of June. Visiting Nurse (VNA) has advised the District that they will be vacating their 2,591 sq. ft. Suite 3E, IOI-102 at the end of May, 2014. The lease expired 1/31/14. VNA stated that at this time they do not have plans to maintain an office in Palm Springs.

Cohen, Musch, Thomas Medical Group will be vacating their 1,280 sq. ft. suite on August 31, 2014, which is the date their lease expires. They require a larger suite to provide additional space for an exam room. The size of suite to meet their needs is not currently available at LPMP.

FINANCE REPORTS

1. **Financial Statements** - The District's and LPMP financial statements for April 2014 were reviewed.
2. **Accounts Receivable Aging Summary** – Accounts Receivable detail was reviewed.
3. **Deposits - District**– the District's April 2014 deposit detail was reviewed..
4. **Property Tax Receipts** - property tax receipts were reviewed.
5. **Deposits - LPMP** – The LPMP's April 2014 deposit detail was reviewed.
6. **Warrants** – The April 2014 warrant register for the District was reviewed.
7. **Credit Card** – The April 2014 credit card expenditures were reviewed.
8. **Warrant - LPMP** – The April 2014 warrant register for the LPMP was reviewed.
9. **Retirement Protection Plan Update** – The retirement protection plan update was reviewed.

It was moved and seconded (Director Matthews, Chairman Grayman) to approve the April District Finance Reports. Motion passed unanimously.

OTHER MATTERS

1. Grants Payments Schedule

No questions or comments

2. Schedule of Grant Applications in Process

No questions or comments

3. Staff Salary Range Update for Review

The Committee lowered the recommended salary range for the CEO from the initial consideration of \$160,000 – 240,000, to \$160,000 - \$200,000. The Committee believed that for the size of this agency and the amount of the budget, this recommendation is more appropriate. The range could always be amended again in the future if the Board wishes.

It was agreed that the proposed adjustments for the other positions made sense.

It was moved and seconded (Director Matthews, Chairman Grayman) to recommend that the Board adopt the Staff Salary Update as amended by the Committee for the

CEO position, and adopt of the Staff Salary Update without amendment for each of the other positions. Motion passed unanimously

4. Desert Healthcare District – Review Preliminary Budget for FYE 6/30/15.

Mr. Young reviewed each schedule with the Committee. Mr. Young clarified for Vice-President Grayman that the amount allocated to the Facilities Replacement Fund was based on the expected funds necessary to operate DRMC for 60 days. Mr. Young also clarified that the Retired Directors Health Benefits needs to be accrued and is shown as total future benefits per GASB 45 state and local government guidelines.

It was moved and seconded (Director Matthews, Chairman Grayman) to recommend that the Board adopt the proposed Desert Healthcare District Budget for FYE Ending 6/30/15. Motion passed unanimously

5. Transition of current 401(k) retirement plan to a 403(b) retirement plan.

Mr. Young explained that after all these years, he was informed that a state agency cannot offer a 401(k) plan to its employees. Rather, the attorneys engaged by the District are suggesting that the District offer a 403(b) retirement plan. The two plans are very similar. However, Mr. Young has learned that CalPers, a state agency, offers a 401(k) retirement plan. He will investigate further, working with Stuart Harris, Law Firm of I Davis Wright Tremaine LLP, and bring a final recommendation to the full Board.


6. CEO Report

Ms. Greco reviewed the option agreement to obtain ownership of the Desert Hot Springs Health and Wellness Center after the 7 year New Market Tax Credit requirement expires. The concern is the “put and call option” could require the acquisition cost to be based on a current appraisal. That cost is unknown at this time. The Committee recommended have legal counsel study the process further and before the end of this year bring back a clear explanation to the F&A Committee so they can make a recommendation to the Board.

ADJOURNMENT

The meeting was adjourned at 12:47 p.m.

ATTEST:



Glen Grayman M.D., Chairman, Finance and Administration Committee,
Vice-President/Secretary, Desert Healthcare District Board of Directors

Minutes respectfully submitted by Steve Brown, Clerk to the Board