

**DESERT HEALTHCARE DISTRICT
FINANCE, ADMINISTRATION, REAL ESTATE AND LEGAL COMMITTEE
SPECIAL MEETING MINUTES
August 6, 2013**

A Special 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

Michael Solomon, M.D. – Chairman/Treasurer
Kay Hazen, Vice-President/Member

Staff

Kathy Greco, Chief Executive Officer
Peter Young, Chief Operating Office
Carlos Campos, Legal Counsel
Steve Brown, Clerk to the Board

Guests

None

CALL TO ORDER

The meeting was called to order at 10:14 am by Chairman Solomon.

APPROVAL OF AGENDA

It was moved and seconded (Vice-President Hazen, Chairman Solomon) to approve the agenda. Motion passed unanimously.

PUBLIC COMMENTS

None

OTHER MATTERS

1. Discussion of the Finance and Operations at the Desert Hot Springs Community Health & Wellness Foundation Board.
2. Discussion of the Composition of the Health & Wellness Foundation Board.

Ms. Greco informed the Committee that she was looking for direction as to the position and role of the District, if any, with the Desert Hot Springs Community Health & Wellness Center (Wellness Center) because of the various changes occurring with the city.

Ms. Greco reminded the committee that the Health & Wellness Foundation (Foundation) owns the Center. The Foundation leased the facility to DHS, who then sub-leased the respective spaces to the Boys & Girls Club and Borrego Community Health Foundation. The Foundation has the ultimate responsibility for the required reports and operational conditions set by the New Market Tax Credit (NMTC) program.

The Foundation Board has 5 seats, 4 appointed by the city of DHS and one seat appointed by the Healthcare District. There is currently one opening on the board following the resignation of the DHS Police Chief 3 months ago. With the DHS City Manager resigning, there will soon be two vacant seats on the foundation board.

Ms. Greco confirmed, in response to Vice-President Hazen's question, that the Foundation board of directors does not have to be elected officials. The potential board member needs only to be approved by the agency filling the seat(s).

Ms. Greco reported that she has been asking the Foundation chairman for a 3 year operating budget for over 6 months. A copy of the DHS FY 2013-14 City Budget was reviewed by staff and a summary shared with the committee. The expenses for the Health & Wellness Center were included. Vice-President Hazen questioned the amount shown as budgeted for the Wellness Center Facilities Coordinator salary. Ms. Greco concurred that the amount budgeted for reimbursement to the city from the Foundation appears to be more than the Foundation Board's approved salary for the position. Also, the source of funding for the City's yearly commitment to the Boys & Girls Club is not clear.

Vice-President Hazen suggested that Ms. Greco call for a Foundation Board meeting to review the budget. This does not imply that anything is wrong, but clarification is needed. She also suggested that Ms. Greco request copies of any/all compliance reports to insure the Foundation is fulfilling all NMTC requirements.

Mr. Greco reported that the good news is that the 8200 sq. ft. Health Center (funded by the District) is self sufficient. Borrego is staffing the Health Center, providing the programming and paying their share of utilities/common area maintenance.

The aquatic center is only being operated seasonally from Memorial Day to Labor Day. The Desert Recreational District has a one year operating contract. The aquatic center fee study estimated yearly revenue of approximately \$120,000. However the pool is not getting the number of residents estimated. Director Solomon asked if the admission price to the pool was excessive. Ms. Greco responded that the cost is very reasonable and comparable to the other pools the Recreation District operates in the Coachella Valley.

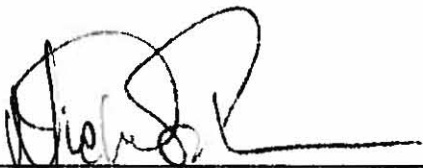
Vice-President Hazen commented that other sources of revenue for the pool are obviously needed. However, the operations of the aquatic center and the Boys & Girls Club are not the

responsibility of the District. There should be a conversation at the Foundation Board regarding future funding for operations. Any discussion with the other players, for example the Boys & Girls Club, should be through the Foundation.

There needs to be a future funding plan, including a worst case scenario. Ms. Greco, as the Foundation Board Member representing the District, should feel comfortable encouraging such a discussion in order to insure services can continue to be provided and to maximize the significant investment made by the public in the Health & Wellness Center. Chairman Solomon stated that if Ms. Greco needs any additional support or to report back to the F&A Committee he would be happy to call for a special meeting.

ADJOURNMENT

The meeting was adjourned at 11:35 am.

ATTEST: 

Michael Solomon M.D., Chairman, Finance and Administration Committee
Treasurer, Desert Healthcare District Board of Directors

Minutes respectfully submitted by Steve Brown, Clerk to the Board