

**DESERT HEALTHCARE DISTRICT  
FINANCE, ADMINISTRATION, REAL ESTATE AND LEGAL COMMITTEE  
MEETING MINUTES  
October 14, 2014**

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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, 2<sup>nd</sup> 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  
Donna Craig, Chief Grants Officer  
Chris Christensen, Controller  
Steve Brown, Clerk to the Board

Guests

Craig Hartzheim, Moss Levy & Hartzheim  
Jay Siegel, Moss Levy & Hartzheim  
Carlos Campos, Legal Counsel

**CALL TO ORDER**

The meeting was called to order at 3:00 pm 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 – September 16, 2014

**It was moved and seconded (Director Matthews, Chairman Grayman) to approve the minutes of September 16, 2014. Motion passed unanimously.**

#### **CHIEF OPERATING OFFICER'S REPORT**

The transition from the District's current 401(k) retirement plan to the 457(b) plan for the employee payroll deferral contribution and the 401(a) plan for the company's matching contribution was completed on October 1, 2014 through the Principal Life Insurance Company.

Chris Christensen, CPA, has accepted the position of Controller for the Desert Healthcare District and the Desert Healthcare Foundation. His start date is October 7.

The District entered into a Property Management/Maintenance Agreement with The Griffon Management Group, Inc. effective August 1, 2014. The monthly fee for these services is \$8,350.00. District staff is still responsible for leasing matters and authorizing expenditures not included in the contract.

#### **FINANCE REPORTS**

- 1. Financial Statements** - The District's and LPMP financial statements for September 2014 were reviewed.
- 2. Accounts Receivable Aging Summary** – Accounts Receivable detail was reviewed.
- 3. Deposits - District**– the District's September 2014 deposit detail was reviewed..
- 4. Property Tax Receipts** - property tax receipts were reviewed.
- 5. Deposits - LPMP** – The LPMP's September 2014 deposit detail was reviewed.
- 6. Warrants** – The September 2014 warrant register for the District was reviewed.
- 7. Credit Card** – The September 2014 credit card expenditures were reviewed.
- 8. Warrant - LPMP** – The September 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 September District Finance Reports. Motion passed unanimously.**

#### **OTHER MATTERS**

1. Grant Payment Schedule  
No questions or comments.

2. Moss Levy & Hartzheim Audit Reports for the District & RPP.  
The partners reviewed the audit with the F&A Committee. There were no issues or adjustments. The auditors commended staff for doing an excellent job. The auditors discussed the concern about segregation of duties but with such a small staff and approval of the Board, there were no corrections required. Director Matthews added that additional segregation of duties has the board of directors signing all checks,

**It was moved and seconded (Director Matthews, Chairman Grayman) to recommend to the Board to receive and file the FYE 6/30/14 District & RPP Financial Audits. Motion passed unanimously.**

3a. District and Foundation Funding Projects to For-Profit Entities

Ms. Greco reported that President Solomon has suggested providing a grant to the Comprehensive Cancer Center, which is a for-profit entity. Mr. Campos explained that the grant cannot be a gift of public funds and would need to meet the criteria that the funds are used for the public benefit and not providing any benefit or profit for the for profit entity. The District website clearly states that grants are only available to non-profits. Chairman Grayman was concerned that changing the policy to add "for-profits" could give the perception of a gift of public funds and open a can of worms. Director Matthews added that the penalties are pretty severe. Chairman Grayman requested that the CFO verify that the District has errors and omissions coverage for the Board.

**It was moved and seconded (Director Matthews, Chairman Grayman) to direct legal counsel to draft a grant funding policy based on the grant program guidelines on the DHCD website and bring to the October board meeting for board approval. Motion passed unanimously.**

3b. District Board Policies – General

The F&A Committee suggested that legal counsel review any current District policies and then recommend and draft necessary policies to be reviewed by the F&A Committee before being presented to the full board for approval.

4. CEO Report

No report was given

**ADJOURNMENT**

The meeting was adjourned at 3:30 p.m.

ATTEST: \_\_\_\_\_

Mark Matthews, Finance and Administration Committee,

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