

**DESERT HEALTHCARE DISTRICT
FINANCE, ADMINISTRATION, REAL ESTATE AND LEGAL COMMITTEE
MEETING MINUTES
March 10, 2015**

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

Mark Matthews – Chairman/Treasurer
Michael Solomon - Director

Staff

Kathy Greco, Chief Executive Officer
Chris Christensen, Controller
Donna Craig, Chief Grants Officer
Steve Brown, Director of Community Relations/Clerk of the Board

Guest

None

CALL TO ORDER

The meeting was called to order at 3:00 p.m. by Chairman Matthews.

APPROVAL OF AGENDA

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

PUBLIC COMMENT

None

APPROVAL OF MINUTES

Submitted for approval:

1. Minutes – February 10, 2015

Director Solomon requested the following be added to the minutes: T

The February 2015 DHCD Financials were not listed on the agenda since they were not completed until the day of the meeting. However, the committee members received and reviewed the financial reports at the meeting and recommended they be forwarded to the board for approval.

It was moved and seconded (Director Solomon, Chairman Matthews) to approve the minutes of February 10, 2015 as amended. Motion passed unanimously.

CONTROLLER'S REPORT & LPMP LEASING UPDATE

A new lease agreement was entered into on February 24, 2015 with DRMC on Suite 3E-IOI & 102 (2,561 sq ft). CAM was increase from \$.53 to \$.56 per foot for common area maintenance.

FINANCIAL REPORTS

1. Financial Statements. The District's and LPMP financial statements for February 2015 were reviewed. Mr. Christensen noted that legal fees were increasing.
2. Accounts Receivable Aging Summary – Accounts Receivable detail was reviewed.
3. Deposits – District – The District's February 2015 deposit detail was reviewed.
4. Property Tax Receipts – property tax receipts were reviewed.
5. Deposits – LPMP – The LPMP's February 2015 deposit detail was reviewed.
6. Check Register – The February 2015 check register for the District was reviewed.
7. Credit Card – The February 2015 credit card expenditures were reviewed.
8. Check Register – The February 2015 check register for the LPMP was reviewed.
9. Retirement Protection Plan Update – The Retirement Protection Plan Update was reviewed.

It was moved and seconded (Director Solomon, Chairman Matthews) to approve the February 2015 District Finance Reports with the following abstention by Director Solomon:

"Director Solomon requested this be included in the minutes (copy provided by Director Solomon):

California Health & Safety Code Section 32121, subparagraph (j) tells the Board of Directors how it can spend taxpayer's money. This law requires us to *only* spend taxpayer's money on programs or purposes that are "for the benefit of the district and the people served by the district". This means we can only spend district money on programs that *primarily* serve the people who live within the district and pay district taxes.

With regard to pages 15-36 of our Board packet, all money granted to the Desert Healthcare Foundation from the Desert Healthcare District, with the exception of those earmarked for the Hospital's collective fund, are therefore illegal.

These expenditures, which are listed in the Consent Agenda and the Grant Payment Schedule on page 42 of our Board packet, are illegal because they are not "for the benefit of the district and the people served by the district" because they do not *primarily* serve or benefit the people who live within the Desert Healthcare District. Therefore by definition these expenditures are not only wrong but they are illegal. Our staff and our CEO should have never recommended them and our Attorney should be counseling us against them.

I Therefore I abstain from approving those specific items because they are illegal and would ask that my concerns be duly noted in the minutes of this meeting. I urge each of the members of this Board to do the same.

I also abstain from any and all financial action approval for any item in our packet regarding either the Healthcare District or the Healthcare Foundation and Borrego Health Systems. "**

Motion passed.

OTHER MATTERS

1. Grant Payment Schedule – the schedule was reviewed.
2. Strategic Planning Process 2015

Ms. Greco reminded the committee the board agreed to hold a special board meeting for strategic planning on Wednesday, April 22nd. Tenet Corporation has requested to meet with the Board that day regarding trade secrets, which would last all morning. In the afternoon Ms. Greco recommended the possibly of having a facilitator for review of the current strategic plan and also provide direction to staff for the use of the Avery Trust money and for mental health. Chairman Matthews commented that the morning session with Tenet will provide significant information that the board members will need to discuss among themselves in the afternoon. It would overload the day to have a facilitator and/or discussion regarding the strategic plan on the same day. Chairman Matthews suggested taking a recommendation to the next board meeting to have morning session with Tenet and after lunch review and discuss Tenet's plan.

3. Public Relations Plan

Director Rogers provided a copy of the Eden Township Healthcare District Public Relations Plan to the F&A Committee as directed by the Board at the February meeting. The F&A Committee asked to staff to review the plan and report any items that are currently being implemented, make recommendations, identify possible consultants, or the need for additional District staff.


4. CEO Report

No report was given.

ADJOURNMENT

The meeting was adjourned at 3:40 pm.

ATTEST:



Mark Matthews, Chairman Finance and Administration Committee/Treasurer
Desert Healthcare District Board of Directors

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