

**DESERT HEALTHCARE FOUNDATION
FINANCE AND ADMINISTRATION COMMITTEE
MEETING MINUTES
May 12, 2015**

A Meeting of the Finance and Administration Committee of the Desert Healthcare Foundation was held in the Arthur H. "Red" Motley Boardroom, Palm Springs, CA

Attendance:

Members

Mark Matthews – Chairman/Treasurer
Michael Solomon MD - Director

Staff

Kathy Greco, Chief Executive Officer
Donna Craig, Chief Grants Officer
Chris Christensen, Controller

Guests

Carlos Campos, Legal Counsel

CALL TO ORDER

The meeting was called to order at 6:04 pm by Chairman Matthews.

APPROVAL OF AGENDA

Chairman Matthews asked for a motion to approve the agenda.

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

PUBLIC COMMENTS

None

APPROVAL OF MINUTES

Submitted for approval:

1. February 10, 2015

FINANCE REPORTS

Submitted for approval:

1. April 2015
 - a. Financial Statements
 - b. Asset Allocation Schedule
 - c. Deposits
 - d. Check Register

- e. ACA Grants Schedule
- f. General Grants Schedule

It was moved and seconded (Director Solomon, Chairman Matthews) to approve the April 2015 Foundation Financial Reports with Director Solomon's following abstention:

"Director Solomon requested this be included in the minutes:

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 the Financial Reports on pages 5-12 in the F&A May 12 2015 Foundation 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 Financial Statements referenced above and the Grant Payment Schedule on pages 11-12 of the F&A May 12, 2015 Foundation 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. "

OTHER MATTERS

1. FY2015-2016 Preliminary Budget Review

The Committee in light of the news that Mayor Pougnet has announced he is not going to run for Mayor again that the successful Mayors Health and Wellness fundraiser may not be as successful for the foundation as it has been in the past.

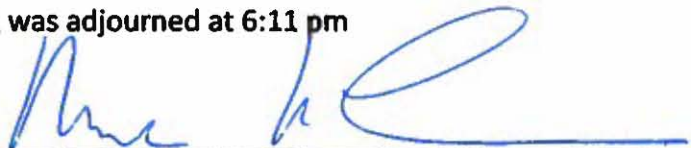
Ms. Greco commented that the funding is there for the 3 year commitment for the health portal. To continue the "Ready, Set, Swim" program, other sources of funds and/or fundraising will be necessary.

2. CEO Report – No report was given

ADJOURNMENT

The meeting was adjourned at 6:11 pm

ATTEST: _____


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

Minutes respectfully submitted by Steve Brown, Clerk of the Board