

**DESERT HEALTHCARE DISTRICT
FINANCE, ADMINISTRATION, REAL ESTATE AND LEGAL COMMITTEE
MEETING MINUTES
June 9, 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 – May 12, 2015

It was moved and seconded (Director Solomon, Chairman Matthews) to approve the minutes of May 12, 2015. Motion passed unanimously.

CONTROLLER'S REPORT & LPMP LEASING UPDATE

Mr. Christensen reported that the preliminary audit went well and the auditors will be back on July 27th to begin the final audit. Desert Regional Medical Center (DRMC) staff has been showing a suite to an Eisenhower provider with privileges at DRMC and wants space in the Palm Springs area. Mr. Christensen does all the leasing and showing at LPMP. The management company hired only does the maintenance.

FINANCIAL REPORTS

1. Financial Statements. The District's and LPMP financial statements for May 2015 were reviewed.
2. Accounts Receivable Aging Summary – Accounts Receivable detail was reviewed.
3. Deposits – District – The District's May 2015 deposit detail was reviewed.
4. Property Tax Receipts – property tax receipts were reviewed. Revenue is very close to the projection in the budget.
5. Deposits – LPMP – The LPMP's May 2015 deposit detail was reviewed.
6. Check Register – The May 2015 check register for the District was reviewed.
7. Credit Card – The May 2015 credit card expenditures were reviewed.
8. Check Register – The May 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 May 2015 District Finance Reports with the following abstention by Director Solomon:

“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 pages 9 – 31 Of our 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 Payments Schedule on page 32 of our Finance and Administration Sub Committee 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. Grant Payment Schedule

There were no questions or comments.

2. LPMP Leasing Policy & Lease Execution Policy

Chairman Matthews recommended having legal counsel review the language. Staff was asked to check with the City of Palm Springs for all allowable uses for the zoning of the medical building and report back to the F&A Committee at the next meeting. Chairman Matthews thought Director Rogers requested a 30 day notice to DRMC instead of 15 days.

It was moved and seconded (Director Solomon, Chairman Matthews) to have legal counsel review the language and forward to the Board for approval.

Motion passed unanimously.

3 & 4. Investment Policy Resolution FY 2015-16 and Investment Policy Statements from Highmark Capital.

Chairman Matthews requested legal to review the disclaimers in the Highmark report. Mr. Christenson reported that there is no vendor contract with Highmark Capital.

It was moved and seconded (Director Solomon, Chairman Matthews) to have legal counsel review the language in Highmark Capitals's Investment Policy Statement and forward to the Board for approval.

Motion passed unanimously.

5. FY 2015-2016 Draft 2 Budget Review

Mr. Christensen reported the changes to the budget:

- Property Tax Revenue reduced from 4% increase to 3.5% increase.
- The projection for the LPMP 99% vacancy was pushed back to April 2016 from October 2015.
- Removed the Coordinator Position for the NEOPB grant.
- Reduced merit increases from 5% to 3.5%
- Grant budget reduced by \$385,000.
- Cut CEO Discretionary fund to \$5000
- Increased legal expenses to \$85,000

The Committee thanked Staff for the fine work on the revised budget.

It was moved and seconded (Director Solomon, Chairman Matthews) to forward the revised Desert Healthcare District Budget for FY 2015-2016 to the Board for approval.

Motion passed unanimously

6. Family Services of the Desert Update

Ms. Craig reviewed the staff report with the Committee who were happy with the outcome and recommended informing the Board on the consent calendar and requesting approval for the balance of funds owed to be paid within 60 days.

It was moved and seconded (Director Solomon, Chairman Matthews) to recommend the Board approve Family Services of the Desert's request to pay the balance of funds, \$993.28, within 60 days.

Motion passed unanimously.

7. Brent Ives – Amended Cost of Services to Include Customary Travel Expenses.

It was moved and seconded (Director Solomon, Chairman Matthews) to approve the amended cost of services to include customary travel expenses and have the CEO execute the contract as directed at the May 26, 2015 DHCD board meeting.

Motion passed unanimously.

ADJOURNMENT

The meeting was adjourned at 4:04 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