

**DESERT HEALTHCARE FOUNDATION  
BOARD OF DIRECTORS  
SPECIAL MEETING MINUTES  
November 17, 2015**

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A Special Meeting of the Board of Directors of the Desert Healthcare Foundation was held in the Arthur H. "Red" Motley Boardroom, Palm Springs, CA

**Attendance:**

Members

Kay Hazen - President  
William Grimm, DO -- Vice-President/Secretary  
Mark Matthews - Treasurer  
Michael Solomon, MD -- Director  
Carole Rogers - Director

Absent

Staff

Kathy Greco, Chief Executive Officer  
Donna Craig, Chief Grants Officer  
Chris Christensen, CFO/COO  
Steve Brown, Clerk to the Board

Legal Counsel

Carlos Campos

Guests

None

**BOARD DIRECTION/FOLLOW-UP**

1. Board training for cvHIP

**CALL TO ORDER**

The meeting was called to order at 5:57 pm by President Hazen.

**APPROVAL OF AGENDA**

President Hazen asked for a motion to approve the agenda.

**#15-26 MOTION WAS MADE by Director Matthews and seconded by Director Solomon to approve the agenda.  
Motion passed unanimously**

**PUBLIC COMMENT**

None

## **CONSENT AGENDA**

Submitted for approval:

1. Board Minutes
  - a. Meeting – October 27, 2015
2. October 2015 Financial Statements

The Clerk of the Board requested that the minutes and the District Financial Statements be considered in separate motions.

President Hazen asked for a motion to approve the minutes of October 27, 2015

**#15-26 MOTION WAS MADE by Director Matthews and seconded by Director Rogers to approve the minutes of October 27, 2015**  
**Motion passed unanimously**

President Hazen asked for a motion to approve the Foundation October 2015 Financial Statements.

**#15-27 MOTION WAS MADE by Director Matthews and seconded by Director Rogers to approve the District October 2015 Financial Statements.**

Before the vote, Director Solomon provided a written statement with abstaining for portions of the October 2015 Financial Statements.\*

“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 33-51 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 96 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 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.”\*

**Roll Call Vote:**

**AYES** Director Rogers; Director Matthews; Director Solomon;  
Vice-President Grimm; President Hazen

**NOES:** 0

**ABSTAIN:** \*Director Solomon only per the abstention above

**ABSENT:** 0

**Motion Passed 5-0** except for partial abstentions noted above

**FINANCE & ADMINISTRATION COMMITTEE**

1. Final Audit Reports Desert Healthcare Foundation FYE 6/30/2015

Director Matthews reported that the auditors gave the same report for the Foundation as for the District. The audit was reviewed with the F&A Committee. There were no weaknesses or deficiencies. The management letter is unmodified, which is the best anyone can receive. There were no issues or adjustments. The auditors commended staff for doing an excellent job.

**#15-28 MOTION WAS MADE by Director Matthews and seconded by Director Solomon to approve and receive the Final Audit Report for the Desert Healthcare Foundation for FYE 6/30/2015.**

**Roll Call Vote:**

**AYES** Director Rogers; Director Solomon; Director Matthews;  
Vice-President Grimm; President Hazen

**NOES:** 0

**ABSTAIN:** 0

**ABSENT:** 0

**Motion Passed 5-0**

**OLD BUSINESS**

1. Desert Highlands Gateway Grant Request

President Hazen reported that Ron Oden, Chair of the Desert Highlands Gateway Health & Wellness Committee, was here earlier ( he had to leave) just to express his appreciation to the DHCD Board for your continued interest in supporting the Health & Wellness Committee. At the committee's November meeting it was continued to their December meeting to decide to move forward grant from the Foundation.

**DIRECTOR'S COMMENTS & REPORTS**

1. Director Solomon commented that for transparency, the District and Foundation should not have the same board members.

**CEO REPORT**

1. The California state representative from the NEOPB grant will be having a site visit here in a few weeks. They are very interested in seeing the inclusion of the NEOPB program with the Ready Set Swim Program. President Hazen requested that these types of items be included on the monthly calendar.

**ADJOURNMENT**

The meeting was adjourned at 6:03 p.m.

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

  
William Grimm, DO  
Desert Healthcare Foundation Board of Directors

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