

**DESERT HEALTHCARE DISTRICT
FINANCE, ADMINISTRATION, REAL ESTATE AND LEGAL COMMITTEE
MEETING MINUTES
November 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, CFO/COO
Donna Craig, Chief Grants Officer
Steve Brown, Director of Community Relations/Clerk of the Board

Guest

Craig Hartzheim, Partner, Moss Levy & Hartzheim

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 – October 13, 2015

It was moved and seconded (Director Solomon, Chairman Matthews) to approve the minutes of October 13, 2015. Motion passed unanimously.

CHIEF OPERATING OFFICER'S REPORT

1. LPMP Leasing Update

The Lease for the 2300 sq.ft. with DRMC in off to Tenet Corp for execution.

Chairman Matthews asked about the space DRMC would like for the residency program.

Mr. Christensen reported that he sent the proposal to the DRMC COO, Mr. Patterson, who responded that DRMC will have an answer before the end of the year. Mr. Patterson understood that if DRMC does not respond within 30 days, the District will have the ability to show the suite to other potential clients.

FINANCIAL REPORTS

1. Financial Statements. The District's and LPMP financial statements for October 2015 were reviewed.

2. Accounts Receivable Aging Summary – Accounts Receivable detail was reviewed.

3. Deposits – District – The District's October 2015 deposit detail was reviewed.

4. Property Tax Receipts – property tax receipts were reviewed.

5. Deposits – LPMP – The LPMP's October 2015 deposit detail was reviewed.

6. DHCD Check Register – The October 2015 check register for the District was reviewed.

7. Credit Card – The October 2015 credit card expenditures were reviewed.

8. LPMP Check Register – The October 2015 check register for the LPMP was reviewed.

9. RPP Update

There were no questions or comments.

It was moved and seconded (Director Solomon, Chairman Matthews) to approve the October 2015 District Finance Reports and forward to the Board for approval 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 8-18 in 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 FINANCIALS section of our agenda and on the Grant Payment Schedule which can be found on page 28 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

No questions or comments.

2. Desert Healthcare Audit Report and RPP Audit Report FYE 06/30/2015

Mr. Hartzheim reported that the transition from the Mr. Young to Mr. Christensen was very professional and very complete. Mr. Hartzheim reviewed the audit 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. The F&A Committee recommended to forward the audit to the Board to receive and file.

It was moved and seconded (Director Solomon, Chairman Matthews) to forward the FYE 06/30/2015 Desert Healthcare District Audit Report and the RPP Audit Report to the Board to receive and file. Motion passed unanimously.

3. LPMP Lease Proposal –DRMC

Previously Reported

4. Policy Work Shop

Ms. Greco reported that at the Special Board Meeting on November 17th, Brent Ives will facilitate a workshop. The agenda includes:


1. Good Governance
2. Approval of Board Policy Manual Table of Contents and possibly 3 policies in this order:
 - a. Policy for the Election of Officers
 - b. Policy for the Appointment of Board members to the Standing Committees and the Governing Board
 - c. Policy for Governing Professional Services and Schedule for Issuing Requests for Proposals

5. CEO Report

Ms. Greco reported that Directors Rogers informed her that the accountant who was interested in serving as a community member on the F&A Committee was not available. Director Matthews requested staff to work on a policy/role for community members for the F&A Committee similar to the Program Committee Criteria and Policies and the best way to advertise for the community members.

ADJOURNMENT

The meeting was adjourned at 3:27 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