

**DESERT HEALTHCARE FOUNDATION
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 MD - Director

Absent:

Staff

Kathy Greco, Chief Executive Officer
Chris Christensen, Coo/CFO
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 3:27 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 – September 8, 2015

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

FINANCIAL REPORTS

1. Financial Statements. October 2015 were reviewed.
2. Asset Allocations Schedule – October 2015 schedule was reviewed.
3. Deposits – October 2015 deposit detail was reviewed.
4. Check Register – The October 2015 check register was reviewed.
5. ACA Grants Schedule – October 2015 schedule was reviewed
6. General Grants Schedule – October 2015 schedule was reviewed.

There were no questions or comments.

It was moved and seconded (Director Solomon, Chairman Matthews) to approve the October 2015 Foundation 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

Desert Healthcare Foundation Audit Report FY# 6/30/15

Mr. Hartzheim reported that the report for the Foundation was the same as for the District. 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 to the Board to receive and file the audit.

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

2. CEO Report
No report was given.

ADJOURNMENT

The meeting was adjourned at 3:30 p.m.

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