

**DESERT HEALTHCARE DISTRICT
FINANCE, ADMINISTRATION, REAL ESTATE AND LEGAL COMMITTEE
SPECIAL MEETING MINUTES
February 23, 2016**

A Special 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

Joe Tanner, Admin Services Director, City of Desert Hot Springs
Joe Wild, F&A Community Member Applicant
Sid Rubenstein, F&A Community Member Applicant
Arthur Shorr, F&A Community Member Applicant

CALL TO ORDER

The meeting was called to order at 1:15 p.m. by Chairman Matthews.
Chairman Matthews welcomed the residents to the meeting.

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 – December 8, 2015

It was moved and seconded (Director Solomon, Chairman Matthews) to approve the minutes of December 8, 2015. Motion passed unanimously.

CHIEF OPERATING OFFICER'S REPORT

Mr. Christensen reviewed the CEO Report and LPMP Leasing Update with the committee. He added that the management company for the LPMP is currently on a month to month basis. He will conduct an analysis of the contract to determine if there is any advantage to bring the property management back in-house rather than contract out. Mr. Christensen also mentioned that public agencies are required to pay prevailing wages to any type of project with a cost of \$1000 or more. Chairman Matthews required a copy of that legislation.

FINANCIAL REPORTS

1. Financial Statements. The District's and LPMP financial statements for January 2016 were reviewed.
2. Accounts Receivable Aging Summary – Accounts Receivable detail was reviewed.
3. Deposits – District – The District's January 2016 deposit detail was reviewed.
4. Property Tax Receipts – property tax receipts were reviewed.
5. Deposits – LPMP – The LPMP's January 2016 deposit detail was reviewed.
6. DHCD Check Register – The January 2016 check register for the District was reviewed.
7. Credit Card – The January 2016 credit card expenditures were reviewed.
8. LPMP Check Register – The January 2016 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 January 2016 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 7-31 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 31 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.

OTHER MATTERS

1. Grant Payment Schedule

No questions or comments.

2. City of Desert Hot Springs Compensation Agreement for Transfer of the City Hall Annex Property.

3. City of Desert Hot Springs Compensation Agreement for Transfer of the City Corporate Yard Expansion Property.

Mr. Christensen reviewed the staff report in the packet. Joe Tanner, Admin Services Director from the City of Desert Hot Springs was present to answer any questions.

Mr. Tanner reported that when the California Redevelopment Agencies (RDA) were dissolved these two properties and only these two properties were reported to the State for public use and would not be sold. All taxing entities will receive their share of all future sales of previous RDA land.

It was moved and seconded (Director Solomon, Chairman Matthews) to forward the City of Desert Hot Springs Compensation Agreement for Transfer of the City Hall Annex Property and the City of Desert Hot Springs Compensation Agreement for Transfer of the City Corporate Yard Expansion Property to the Board for approval.

Motion passed unanimously.

4. Lease Renewal – Desert Oasis (Dr. Congress) Suite 1E 204

The renewal has no changes from the existing lease. Dr. Congress has been a tenant for 3 years and would like to renew for an additional 3 years, with an option for two (2) 3 year extensions.

It was moved and seconded (Director Solomon, Chairman Matthews) to forward to the board for approval the lease renewal for Desert Oasis (Dr. Congress) Suite 1E204.

5. New Lease Agreement – UCR Resident's Lounge Suite 1E 201-203

UCRSOM intends to utilize the suite as a residency lounge for their residency program. The suite is currently suited for physical therapy, with large open space. Tenant Improvements required for the residency lounge would not be compatible for future medical clinic use. The suite requires extensive improvements and upgrades to meet building code. As a result, the District is offering a TI allowance not to exceed \$45/sf (\$126,000), which does not include the cost of fire sprinklers which is required by law. The District will perform/manage the architectural/engineering and construction process. The District will charge a management fee to UCR and will reimburse the District for costs in excess of the \$45/sf allowance.

It was moved and seconded (Director Solomon, Chairman Matthews) to forward to the board for approval the lease agreement with UCR for the Resident's Lounge Suite 1E 201-203.

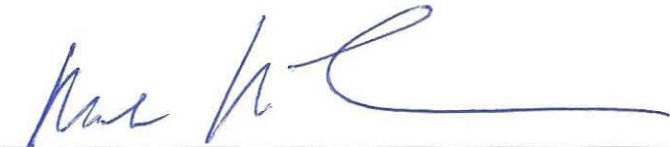
6. CEO Report

Ms. Greco asked the three F&A Committee community member applicants to introduce themselves. The Committee was pleased with all three candidates, however Mr. Christensen reported that additional applicants have applied. They were invited to attend this meeting but had prior commitments. Chairman Matthews recommended holding interviews on March 15th at 10:00 am for all candidates.

ADJOURNMENT

The meeting was adjourned at 2:01 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

Per Director Matthews Request

Desert HealthCare District funds utilized to pay The Desert HealthCare Foundation for grants outside the District Boundaries

DHCD's grant to DHCF for ACA funding around the valley.	\$650,000
DHCD grant to DHCF for RAP match.	\$195,000
DHCD's grant to DHCF for Mayor's Race	\$100,000
DHCD grant to DHCF for Alliance for a Healthier Gen.	\$900,000

Total Taxpayer Dollars awarded to DHCF for redistribution: \$1,845,000

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Desert Healthcare District Grants that do not primarily serve the people who live within the District and pay District Taxes

|                                                       |              |
|-------------------------------------------------------|--------------|
| DHCD's grant to El Sol (not in the district boundary) | \$314,000    |
| Grant #806 (Riverside County office on Aging)         | \$ 95,966    |
| DHCD's grant to CV Link                               | \$10,000,000 |

**Not including the CV Link, the total is; \$409,966**  
**With CV Link, the total is; \$10,409,966**