

**DESERT HEALTHCARE DISTRICT  
FINANCE, ADMINISTRATION, REAL ESTATE AND LEGAL COMMITTEE  
MEETING MINUTES  
March 8, 2016**

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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, 2<sup>nd</sup> 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

Mary Pannoni, Accounting/Admin Support

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 – February 23, 2016

This item was tabled until the April F&A Meeting.

## CHIEF OPERATING OFFICER'S REPORT

The COO Report and the LPMP rental status were reviewed.  
There were not questions or comments.

## FINANCIAL REPORTS

1. Financial Statements. The District's and LPMP financial statements for February 2016 were reviewed.
2. Accounts Receivable Aging Summary – Accounts Receivable detail was reviewed.
3. Deposits – District – The District's February 2016 deposit detail was reviewed.
4. Property Tax Receipts – property tax receipts were reviewed.
5. Deposits – LPMP – The LPMP's February 2016 deposit detail was reviewed.
6. DHCD Check Register – The February 2016 check register for the District was reviewed.
7. Credit Card – The February 2016 credit card expenditures were reviewed.
8. LPMP Check Register – The February 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 February 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 9-24 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 25 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. Committee Member Selection Update

There have been six qualified candidates who will interviewed on March 15, 2016

## 3. Investment Reports 12/31/15 - Highmark

It was moved and seconded (Director Solomon, Chairman Matthews) to forward the Highmark Investment Reports as of 12/31/2015 to the Board for approval.  
Motion passed unanimously.

## 4. Review of Current Contracts and Develop RFP's if recommended

The contracts for Moss, Levy, Hartzheim (auditing services), Highmark (investing services), and Best Best &Krieger (legal services) were reviewed. The Committee recommended an RFP for legal services.

It was moved and seconded (Director Solomon, Chairman Matthews) to forward to the board for approval F&A Committee recommendation to issue a RFP for legal services.  
Motion passed unanimously

## 5. Review leasing criteria for 555 Tachevah

The current rent study is from 2012. The Committee recommended that a new fair market rent study be prepared by the same company, NPV Advisors.

It was moved and seconded (Director Solomon, Chairman Matthews) to forward to the board to approve an updated fair market value rent study to be prepared by NPV Advisors. Motion passed unanimously

## 6. Review Healthcare Benefits for Board Members and Staff

The Committee reviewed the healthcare plans and costs provided in the packet. They recommended continuing with the current medical plan and \$3000 co-pay/year for both board members and staff.

It was moved and seconded (Director Solomon, Chairman Matthews) to forward to the board to approve a continuation of the current medical plan and \$3000 co-pay/year for both the board and staff. Motion passed unanimously

## 7. Review Tenet Improvements at LPMP Suite 1E 201-203 and Prevailing Wages.

Although the lease agreement was approved at the February 23, 2016 board meeting, Chairman Matthews requested to amend the approval of the lease deleting item 7.3, Tenant Improvement Warranties from the lease.

It was moved and seconded (Director Solomon, Chairman Matthews) to amend the motion from the February 23, 2016 approving the Lease Agreement at LPMP Suite 1E 201-203 with removing Item 7.3, Tenant Improvement Warranties from the lease.  
Motion passed unanimously

**ADJOURNMENT**

The meeting was adjourned at 4:07 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**