

**DESERT HEALTHCARE DISTRICT
FINANCE, ADMINISTRATION, REAL ESTATE AND LEGAL COMMITTEE
MEETING MINUTES
June 14, 2016**

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

Chris Christensen, Interim CEO/ CFO/COO
Donna Craig, Chief Grants Officer
Mary Pannoni, Accounting/Admin Support

Community Members

Steve Brown, Director of Community Relations/Clerk of the Board
Arthur Shorr, Community Member
Sid Rubenstein, Community Member
Joseph Wild, Community Member
Richard Cagen, Community Member

Guest

None

CALL TO ORDER

The meeting was called to order at 3:00 p.m. by Chairman Matthews.

APPROVAL OF AGENDA

Chairman Matthews asked for an additional agenda, which was to be on this month's agenda, Desert Regional Medical Center CEO, Carolyn Caldwell Request for Approval from the Desert Healthcare District for Improvements to the Emergency Room and a new Linear Layer Accelerator for the Cancer Center be added to the agenda after the approval of the minutes.

It was moved and seconded (Director Solomon, Member Wild) to approve the agenda with the additional agenda item requested by Chairman Matthews.
Motion passed unanimously.

PUBLIC COMMENT

1. Ezra Kaufman, District Resident

Mr. Kaufman recommended that this committee recommend to the District Board for the UCR School of Medicine to refund all funds, \$3.7 million in addition to the \$1.3 million they have not used. They manipulated the funds to maximize the number of residents to receive Medicare and MediCal funds without any guarantee of any value to the hospital services. There is no transparency in any agreement between the UCR School of Medicine and the hospital and no public input. All the funds should be returned.

APPROVAL OF MINUTES

Submitted for approval:

1. Minutes – May 10, 2016

It was moved and seconded (Director Solomon, Member Wild) to approve the minutes of May 10, 2016. Motion passed unanimously.

ADDITIONAL AGENDA ITEM

1. Desert Regional Medical Center Request for Desert Healthcare District to Approve Improvements to the Emergency Room and a New Linear Layer Accelerator for the Cancer Center.

Ms. Caldwell reported that Section 3.5 to the District Lease with Tenet requires the District's approval for capital improvements if within 10 years before the end of the lease. The improvements are a minor expansion for the emergency room at \$3.4 million and a Linear Layer Accelerator for the Cancer Center at \$3.9 million.

It was moved and seconded (Chairman Matthews, Director Solomon), that staff have legal counsel review Section 3.5 of the lease and forward this request with the legal review to the Board June meeting.

Motion passed unanimously.

CHIEF OPERATING OFFICER'S REPORT

Before the report, Member Cagen requested that the committee members be informed with any major changes or issues within the District because a member of a District committee should not have to read major changes in the newspaper and not be informed by the Board first.

The COO Report and the LPMP rental status were reviewed.

Regarding the tenant improvements for the 2800 sq. ft. suite (UCR) Chairman Matthews recommended Mr. Christensen contract for a project manager. Chairman Matthews added that Mr. Christensen should contact legal counsel for the type procurement is necessary for a project manager, solicit proposals and take to the Board for an approval at the June meeting.

It was moved and seconded (Member Wild, Member Cagen) to investigate oversight Management, check with legal for the process, obtain bids and bring to the Board for

approval. Motion passed unanimously.

FINANCIAL REPORTS

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

It was moved and seconded (Director Solomon, Director Member Wild) to approve the May 2016 District Finance Reports Items 1-9 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 7-27 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 Sub-Committee to do the same.

The Committee reviewed Financial Report #10, the Grant Payments Schedule separately.

It was moved and seconded (Director Solomon, Member Wild) to approve the Grant Payments Scheduled and forward to the Board for approval. Motion passed unanimously.

OTHER MATTERS

1. Grant Proposals Under Development

The report was reviewed and for information only.

2. Resolution No. 16-01 - Investment Policy for FY 2016-2017.

It was moved and seconded (Director Solomon, Community Member Wild) to forward Resolution No. 16-01 – Investment Policy for FY 2016-2017 to the Board for approval. Motion passed unanimously.

3. Grant Contract Prevailing Wage Language

The additional language was necessary due to the change in the law regarding the type of work/projects with public funds requiring prevailing wages.

It was moved and seconded (Member Cagen, Director Solomon) to forward the grant contract prevailing wage language to the Board for approval. Motion passed unanimously.

4. Premier Service Agreement – Terms & Conditions

Although the Board approved the contract with Premier at the May board meeting, Premier later forwarded their standard services agreement. Legal Counsel did not approve some of the language and revised the service agreement directly with Premier's legal counsel. To be consistent in the agreement for the amount of the scope of the work as Premier as proposed, Member Wild requested that wherever the amount of the scope of work is listed in the agreement, ("up to \$58,000) it should also include "plus expenses", which is the proposed cost.

It was moved and seconded (Member Wild, Director Solomon) to forward the Premier Service Agreement to the Board for approval with the recommendations of the Committee. Motion passed unanimously.

5. Legal RFP – Proposal Review

The Committee reviewed the seven proposals the District received for legal services. Three firms were recommended by the Committee to move forward to the Board to decide which firms they would like to interview.

The three firms are:

1. Archer Norris Law Corporation
2. Law Offices of Scott & Jackson
3. Slovak, Baron, Empey Murphy & Pinkney LLP

Chairman Matthews confirmed that the three firms will review their proposals and select any or all three for board interviews.

6. Social Media & Analytics

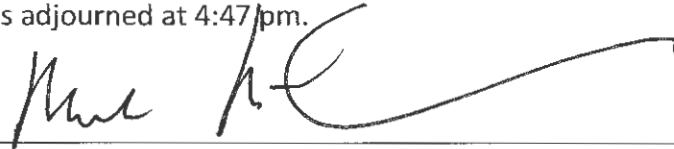
Mr. Espinoza reviewed the social media strategies and the analytics the District Website and Facebook. The Committee recommended presenting the information to the full Board.

7. CEO Report
No report was given.

ADJOURNMENT

The meeting was adjourned at 4:47 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

**PROVIDED BY DIRECTOR SOLOMON
RE:ABSTENSION FOR FINANCIALS**

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**