

**DESERT HEALTHCARE DISTRICT
BOARD MEETING
Board of Directors
February 28, 2017
2:00 P.M.**

Jerry Stergios Building, 2nd floor
Arthur H. "Red" Motley Boardroom
1140 N. Indian Canyon Drive, Palm Springs, California 92262
This meeting is handicapped-accessible

<i>Page(s)</i>	AGENDA	<i>Item Type</i>
	<i>Any item on the agenda may result in Board Action</i>	
	A. CALL TO ORDER – President Rogers Roll Call ____Director Zendle ____Director Wortham ____Director Matthews ____Vice-President Hazen ____President Rogers	
	B. PLEDGE OF ALLEGIANCE	
1-4	C. APPROVAL OF AGENDA	Action
	D. PUBLIC COMMENT At this time, comments from the audience may be made on items <i>not</i> listed on the agenda that are of public interest and within the subject-matter jurisdiction of the District. The Board has a policy of limiting speakers to no more than three minutes. The Board cannot take action on items not listed on the agenda. Public input may be offered on agenda items when they come up for discussion and/or action.	
	E. CONSENT AGENDA All Consent Agenda item(s) listed below are considered to be routine by the Board of Directors and will be enacted by one motion. There will be no separate discussion of items unless a Board member so requests, in which event the item(s) will be considered following approval of the Consent Agenda.	
5-10	1. BOARD MINUTES a. Meeting of January 24, 2017	Action
11-32	2. FINANCE & ADMINISTRATION a. Consideration of approve District January 2017 Financial Statements	Action

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F. NEW BUSINESS

- | | | |
|--------------|---|---------------|
| 33-39 | 1. Consideration to approve the Proposed Strategic Planning Process – Vision, Workplan & Timeline | Action |
| | • Consideration to approve the Service Agreement for Pacific Health Consulting Group | Action |
| 40-49 | 2. Consideration to approve a legal counsel service agreement with Archer Norris to review the District's Conflict of Interest Policy, provide education on state law and regulations, and develop a policy/procedures for addressing potential issues. | Action |
| 50-72 | 3. Consideration to approve a revision to Policy #OP-07 to include the District's roles and responsibilities regarding Hospital Lease compliance. | Action |
| | Rename Governing Board committee to DRMC Governance and Facilities Committee | Action |
| 73 | 4. Consideration to approve service agreement with Probolsky Research to perform polling of East Valley residents. | Action |
| 74-80 | 5. Consideration to approve service agreement with Premier Inc to update the Market Analysis with 2015 and seasonality data. | Action |

G. COMMITTEE REPORTS

- | | | |
|----------------|---|--|
| | 1. PROGRAM COMMITTEE - Chair Vice-President Hazen | |
| 81-84 | a. Draft minutes of February 14, 2017 | |
| 85 | b. Grant payment schedule | |
| 86 | c. Proposals under development - pipeline | |
| | d. Progress reports: | |
| 87-94 | 1. Grant #870 Mizell Senior Center – 3 rd report | |
| 95-97 | 2. Grant #891 Jewish Family Service – 2 nd report | |
| 98-104 | 3. Grant #908 Angel View – 1 st report | |
| 105-106 | 4. Grant #907 Volunteers in Medicine – 1 st report | |

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2. FINANCE, ADMINISTRATION, REAL ESTATE AND LEGAL COMMITTEE – Director Matthews

- | | | |
|----------------|--|---------------|
| 107-111 | a. Draft minutes of meeting February 14, 2017, COO Report, Las Palmas Medical Plaza Rental Update | Information |
| 112-115 | b. Consideration to approve amended Policy #Op-11 Professional Services to include CEO execution authority up to \$5,000 | Action |
| 116-118 | c. Consideration to approve proposed assignment of Lease for West Pacific Medical Laboratory at LPMP. | Action |
| 119-123 | d. Consideration to approve proposed Lease Extension – Quest Diagnostics at LPMP. | Action |
| 124-140 | e. Consideration to approve proposed Lease Extension, Assignment & Sublease – Milauskas Eye Institute. | Action |
| 141-144 | f. Consideration to approve job description & salary range for Special Assistant to the CEO/Board Relations Officer. | Action |

3. AD HOC COMMITTEES

- | | |
|--|-------------|
| 1. Ad Hoc Hospital Future Planning | Information |
| 2. Ad Hoc Strategic Planning Committee | Information |
| 3. Ad Hoc District Expansion | Information |
| 4. Ad Hoc Mental Health Committee | Information |

H. OLD BUSINESS

I. LEGAL COMMENTS & REPORT

Information

J. DIRECTORS' COMMENTS & REPORTS

Information

K. DRMC GOVERNING BOARD DIRECTORS' REPORT – President Rogers & Director Zendle

Information

L. INFORMATIONAL ITEMS

Information

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M. CEO REPORT

Information

N. ADJOURNMENT

**DESERT HEALTHCARE DISTRICT
BOARD OF DIRECTORS
MEETING MINUTES
January 24, 2017**

A Meeting of the Board of Directors of the Desert Healthcare District was held in the Arthur H. "Red" Motley Boardroom, Palm Springs, CA.

Attendance:

Members

Carole Rogers RN – President
Kay Hazen – Vice-President/Secretary
Mark Matthews – Treasurer
Jennifer Wortham - Dr.PH
Les Zendle MD – Director

Absent

Staff

Herb K. Schultz, CEO
Chris Christensen, CFO/COO
Donna Craig, Chief Grants Officer
Alejandro Espinoza, Director Programs/Projects
Mary Pannoni, Accounting/Admin Support
Steve Brown, Clerk to the Board

Legal Counsel

Blaise Jackson

Guests

Rich Ramhoff, Director of Marketing, DRMC
Jeff Hocker

CALL TO ORDER

The meeting was called to order at 2:00 pm by President Rogers.

APPROVAL OF AGENDA

President Rogers asked for a motion to approve the agenda.

#17-01 MOTION WAS MADE by Director Matthews and seconded by Director Zendle to approve the agenda. Motion passed unanimously.

PUBLIC COMMENTS

None

CONSENT AGENDA

Submitted for approval:

1. Board Minutes
 - a. Special Meeting of December 20, 2016
 - b. Special Meeting of December 29, 2016

#17-02 MOTION WAS MADE by Vice-President Hazen and seconded by Director Zendle to approve the Consent Agenda. Motion passed unanimously.

COMMITTEES

Program Committee – Vice-President Hazen

There was no meeting in January, however the Program Committee was invited to a review of the HARC 4th Community Health Monitor on January 17th before the public presentation on January 31st at UCR Palm Desert, 8:00 – 10:00 am

Finance Committee – Director Matthews

- a. There were no meetings in December 2016 or January 2017.
- b. Consideration to Approve District December 2016 Financial Statements

17-03 MOTION WAS MADE by Director Matthews and seconded by Director Zendle to Approve the District December 2016 Financial Statements

Before the vote Vice-President Hazen abstained from Check #14224 due to a potential business conflict.*

Roll Call Vote:

AYES 5 **Director Zendle; Director Wortham; Director Matthews
Vice-President Hazen; President Rogers**

NOES: 0

ABSTAIN: 1 **as per stated above***

ABSENT: 0

Motion Passed 5-0

Ad Hoc Committees

1. Ad Hoc Hospital Future Planning Committee

There has been no meeting since the last report.

2. Working Group with CV Strategies – President Rogers and Vice-President Hazen

All work has been completed and the committee is dissolved.

3. Ad Hoc District Expansion Committee – President Rogers and Director Matthews

The LAFCO application was submitted for the expansion on January 5, 2017

4. Ad Hoc District Mental Health Consultant Committee – President Rogers and Director Zendle

Mr. Schultz reported that this will be discussed through the strategic planning process.

NEW BUSINESS

1. 2017 Strategic Planning Session – Process and Procedure

a. Consideration to Approve an Ad Hoc Strategic Planning Committee

Mr. Schultz reported that pre-planning has been completed and it is time to form an Ad Hoc Strategic Planning Committee.

b. Consideration to Approve a Budget in the Amount NTE \$50,000 for the Strategic Planning Process.

Mr. Schultz asked for a budget in order to request proposals from consultants to assist in the process. All contracts will be presented first to the F&A Committee for recommendations to forward to the Board at their February meeting.

17-04 MOTION WAS MADE by Vice-President Hazen and seconded Director Matthews to Approve An Ad Hoc Strategic Planning Committee. Motion passed unanimously.

President Rogers appointed herself and Vice-President Hazen to the committee.

17-05 MOTION WAS MADE by Vice-President Hazen and seconded by Director Matthews to Approve a Budget in the Amount of NTE \$50,000 for the Strategic Planning Process.

Roll Call Vote:

**AYES 5 Director Zendle; Director Wortham; Director Matthews
Vice-President Hazen; President Rogers**

NOES: 0

ABSTAIN: 0

ABSENT: 0

Motion Passed 5-0

2. Consideration To Approve Engaging Legal Counsel for Review and Discussion of the Desert Healthcare District Conflict of Interest Policy.

Mr. Jackson reported to the Board that anyone who needs clarification for a potential conflict of interest can write directly to the California Fair Political Practices Commission (FPPC) and receive a legal opinion within approximately 21 days.

17-06 MOTION WAS MADE by Vice-President Hazen and seconded by Director Wortham to Approve Engaging Legal Counsel for Review and Discussion of the Desert Healthcare District conflict of Interest Policy.

Roll Call Vote:

**AYES 5 Director Zendle; Director Wortham; Director Matthews
Vice-President Hazen; President Rogers**

NOES: 0

ABSTAIN: 0

ABSENT: 0

Motion Passed 5-0

3. Consideration to Approve a Contract with the Boys & Girls Club of the Coachella Valley – Desert Hot Springs Clubhouse for the Nutrition Education & Obesity Prevention Program (NEOBP) Grant.

It was clarified that the NEOPB grant is limited to services in the City of Desert Hot Springs.

17-06 MOTION WAS MADE by Vice-President Hazen and seconded by Director Matthews to Approve a Contract with the Boys & Girls Club of the Coachella Valley – Desert Hot Springs Clubhouse for the Nutrition Education & Obesity Prevention Program (NEOBP) Grant.

Roll Call Vote:

**AYES 5 Director Zendle; Director Wortham; Director Matthews
Vice-President Hazen; President Rogers**

NOES: 0

ABSTAIN: 0

ABSENT: 0

Motion Passed 5-0

4. Consideration to Approve a Part-Time Health Educator for the Nutrition Education & Obesity Prevention (NEOPB) Grant

a. Job Description

It was clarified that this position is paid completely by the grant.

b. Temporary Employment Agreement

17-07 MOTION WAS MADE by Vice-President Hazen and seconded Director Wortham to Approve a Job Description and Temporary Employment Agreement for a Part-Time Health Educator for the Nutrition Education & Obesity Prevention (NEOPB) Grant. Motion passed unanimously.

5. Consideration to Approve Up to \$20,000 to the Desert Healthcare Foundation for Matching Funds from the Palm Springs Healthy Run & Fitness Expo – January 28, 2017.

17-08 MOTION WAS MADE by Director Zendle and seconded by Director Matthews to Approve Up to \$20,000 to the Desert Healthcare Foundation for Matching Funds from the Palm Springs Healthy Run & Fitness Expo – January 28, 2017.

Roll Call Vote:

**AYES 5 Director Zendle; Director Wortham; Director Matthews
Vice-President Hazen; President Rogers**

NOES: 0

ABSTAIN: 0

ABSENT: 0

Motion Passed 5-0

OLD BUSINESS

None

LEGAL COUNSEL COMMENTS & REPORTS

Mr. Jackson reviewed Assembly Bill 1661 which requires elected officials to attend workplace harassment prevention training. Mr. Schultz recommended updating the Board Policy requiring this training by referencing the Assembly Bill and replacing “sexual harassment” to “workplace harassment”.

DIRECTORS’ COMMENTS & REPORTS

Director Wortham requested that the Premier report on the hospital needs in the future include seasonal data as well.

DRMC GOVERNING BOARD DIRECTORS’ REPORT – President Rogers & Director Zendle

President Rogers and Director Zendle informed the Board that DRMC continues to monitor quality, participate in community activities, and monitoring activity at the Comprehensive Cancer Center. They will also meet with DRMC legal counsel, along with Mr. Schultz, to learn about the ability to report to the District Board the outcomes of the DRMC Governing Board with as much transparency as possible.

INFORMATIONAL ITEMS

1. ACHD Updates

Mr. Schultz reported that he has spoken to the ACHD Executive Director as well as the lobbyists for ACHD and will be involved in their advocacy efforts.

CEO Report

1. Reminder – January 31st is the 2016 HARC Community Health Monitor presentation at UCR Palm Desert Campus – 8:00 am – 10:00 am

ADJOURNMENT OF OPEN SESSION OF THE DESERT HEALTHCARE DISTRICT BOARD OF DIRECTORS

The open session was adjourned at 3:25 p.m.

RECONVENE TO THE DESERT HEALTHCARE FOUNDATION BOARD OF DIRECTORS @ 4:00 PM OR AS SOON AFTER THE ADJOURNMENT OF THE OPEN SESSION

The Desert Healthcare Foundation Board Meeting began at 3:35 p.m.

ADJOURNMENT OF THE DESERT HEALTHCARE FOUNDATION

The Desert Healthcare Foundation Board Meeting adjourned at 3:48 p.m.

RECONVENE TO CLOSED SESSION OF THE DESERT HEALTHCARE DISTRICT BOARD OF DIRECTORS

1. CONFERENCE WITH LEGAL COUNSEL CONCERNING POTENTIAL LITIGATION

Pursuant to Government Code Section 54956.9(d)(2)

The closed session of the Desert Healthcare District reconvened at 3:48 p.m.

ADJOURNMENT OF CLOSED SESSION

Closed Session was adjourned at 4:15 pm

RECONVENE TO OPEN SESSION OF THE DESERT HEALTHCARE DISTRICT BOARD OF DIRECTORS

The meeting reconvened at 4:15 p.m.

REPORT AFTER CLOSED SESSION

The Board unanimously rejected the Reis claims as presented and directed Staff to issue the appropriate notification.

ADJOURNMENT

The meeting was adjourned at 4:15 p.m.

ATTEST: _____

Kay Hazen, Vice-President/Secretary
Desert Healthcare District Board of Directors

Minutes respectfully submitted by Steve Brown, Clerk to the Board

DESERT HEALTHCARE DISTRICT
JANUARY 2017 FINANCIAL STATEMENTS
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**DESERT HEALTHCARE DISTRICT
YEAR TO DATE VARIANCE ANALYSIS
ACTUAL VS BUDGET
FOUR MONTHS ENDED JANUARY 31, 2017**

Scope: \$25,000 Variance per Statement of Operations Summary

Account	YTD		Over(Under)	Explanation
	Actual	Budget	Budget	
5000 - Direct Expenses	\$ 439,921	\$ 548,415	\$ (108,494)	Lower wage and payroll tax \$87K due primarily to CEO vacancy and straight-line amortization of salaries and 5.0% incentive pool, and vacations taken charged to vacation accrual; lower Medical insurance and reimbursement of \$14K; Lower retirement plan expense of \$8K; Lower various \$1K.
6500 - Professional Fees Expense	\$ 328,839	\$ 108,722	\$ 222,117	Higher Professional Fees due primarily to CEO recruiting fees of \$40k and other consulting fees for market analysis, focus groups and surveys \$88k; and AB2414 LAFCO Application \$89. Lower various other expenses of \$5K.
7000 - Grants Expense	\$ 1,313,414	\$ 2,709,000	\$ (1,395,586)	Budget of \$4.5MM for fiscal year is amortized straight-line over the fiscal year. \$1MM is for Pulmonary.
9999-1 Unrealized loss on invest	\$ 1,390,401	\$ 743,750	\$ 646,651	Continuing market price fluctuations for fixed income investments - Treasury's and Agency Bonds.
Las Palmas Medical Plaza - Net	\$ 188,080	\$ 96,985	\$ 91,095	Higher Rent Income \$4K; Lower Depreciation Expense \$40K due to delayed TI costs on DRMC suite; Lower Deferred Maintenance and Professional Fees expense \$32K; Lower Landscaping expense \$11K; Lower various other expenses \$4K.

Desert Healthcare District
Cumulative Profit & Loss Budget vs. Actual
July 2016 through January 2017

	MONTH			TOTAL		
	Jan 17	Budget	\$ Over Budget	Jul '16 - Jan 17	Budget	\$ Over Budget
Income						
4000 · Income	591,150	667,500	(76,350)	4,686,588	4,672,500	14,088
4500 · LPMP Income	98,768	100,695	(1,927)	708,741	704,865	3,876
4501 · Miscellaneous Income	750	6,250	(5,500)	16,271	43,750	(27,479)
Total Income	690,668	774,445	(83,777)	5,411,600	5,421,115	(9,515)
Expense						
5000 · Direct Expenses	85,310	78,345	6,965	439,921	548,415	(108,494)
6000 · General & Administrative Exp	37,879	36,546	1,333	265,633	255,822	9,811
6325 · CEO Discretionary Fund		417	(417)	931	2,919	(1,988)
6445 · LPMP Expenses	78,344	86,843	(8,499)	520,661	607,901	(87,240)
6500 · Professional Fees Expense	109,801	15,246	94,555	328,839	106,722	222,117
6700 · Trust Expenses	20,396	20,873	(477)	147,024	146,111	913
Total Expense Before Grants & Unrealized Loss	331,730	238,270	93,460	1,703,009	1,667,890	35,119
7000 · Grants Expense	10,076	387,000	(376,924)	1,313,414	2,709,000	(1,395,586)
9999-1 · Unrealized (gain)loss on invest	83,534	106,250	(22,716)	1,390,401	743,750	646,651
Net Income	265,328	42,925	222,403	1,004,775	300,475	704,300

Desert Healthcare District
Cumulative Profit & Loss Budget vs. Actual
 July 2016 through January 2017

	MONTH			TOTAL		
	Jan 17	Budget	\$ Over Budget	Jul '16 - Jan 17	Budget	\$ Over Budget
Income						
4000 · Income						
4010 · Property Tax Revenues	508,875	508,875		3,562,125	3,562,125	
4200 · Interest Income	71,450	144,958	(73,508)	1,033,290	1,014,706	18,584
4300 · DHC Recoveries	1,749	1,666	83	11,912	11,662	250
4400 · Grant Income	9,076	12,000	(2,924)	79,263	84,000	(4,737)
Total 4000 · Income	591,150	867,499	(76,349)	4,686,590	4,672,493	14,097
4500 · LPMP Income	98,767	100,695	(1,928)	708,739	704,865	3,874
4501 · Miscellaneous Income	750	6,250	(5,500)	16,271	43,750	(27,479)
Total Income	690,667	774,444	(83,777)	5,411,600	5,421,108	(9,508)
Expense						
5000 · Direct Expenses						
5100 · Administration Expense						
5110 · Wages Expense	41,134	51,466	(10,332)	257,939	360,262	(102,323)
5111 · Allocation to LPMP - Payroll	(3,491)	(3,491)	0	(24,437)	(24,437)	0
5112 · Vacation/Sick/Holiday Expense	6,701	5,417	1,284	41,592	37,919	3,673
5114 · Allocation to Foundation	(2,127)	(2,127)	0	(14,889)	(14,889)	0
5115 · Allocation to NEOPB	(7,432)	(9,494)	2,062	(46,005)	(66,458)	20,453
5116 · Allocation to Avery-Pulmonary		(519)	519		(3,633)	3,633
5119 · Allocation to RSS/CVHIP-DHCF	(4,149)	(1,866)	(2,283)	(25,145)	(13,062)	(12,083)
5120 · Payroll Tax Expense	6,043	3,937	2,106	27,375	27,559	(184)
5130 · Health Insurance Expense						
5131 · Premiums Expense	12,143	7,635	4,508	42,120	53,445	(11,325)
5135 · Reimb./Co-Payments Expense	2,084	1,500	584	7,590	10,500	(2,910)
Total 5130 · Health Insurance Expense	14,207	9,135	5,072	49,710	63,945	(14,235)
5140 · Workers Comp. Expense	138	540	(402)	2,794	3,780	(986)
5145 · Retirement Plan Expense	3,966	4,252	(286)	23,534	29,764	(6,230)
5160 · Education Expense		208	(208)	1,340	1,456	(116)
Total 5100 · Administration Expense	54,990	57,458	(2,468)	293,808	402,206	(108,398)
5200 · Board Expenses						
5210 · Healthcare Benefits Expense						
5211 · Health Insurance Expense	15,626	5,722	9,904	41,346	40,054	1,292
5224 · Retired Board - Medical Expense	1,237	997	240	8,659	6,979	1,680
Total 5210 · Healthcare Benefits Expense	16,863	6,719	10,144	50,005	47,033	2,972
5230 · Meeting Expense	122	583	(461)	1,394	4,081	(2,687)
5240 · Catering Expense		208	(208)	1,385	1,456	(71)
5250 · Mileage Reimbursement Expense		42	(42)		294	(294)
5270 · Election Fees Expense	13,333	13,333	0	93,331	93,331	0
Total 5200 · Board Expenses	30,318	20,865	9,433	146,115	146,195	(80)
Total 5000 · Direct Expenses	85,308	78,343	6,965	439,923	548,401	(108,478)
6000 · General & Administrative Exp						
6110 · Payroll fees Expense	1,026	208	818	1,874	1,456	418
6120 · Bank and Investment Fees Exp	9,501	9,667	(166)	67,488	67,669	(181)
6125 · Depreciation Expense	1,181	1,200	(19)	8,267	8,400	(133)

Desert Healthcare District
Cumulative Profit & Loss Budget vs. Actual
 July 2016 through January 2017

	MONTH			TOTAL		
	Jan 17	Budget	\$ Over Budget	Jul '16 - Jan 17	Budget	\$ Over Budget
6126 • Depreciation-Solar Parking lot	15,072	15,092	(20)	105,504	105,644	(140)
6130 • Dues and Membership Expense	1,483	2,167	(684)	19,609	15,169	4,440
6200 • Insurance Expense	701	700	1	4,907	4,900	7
6300 • Minor Equipment Expense		42	(42)		294	(294)
6305 • Auto Allowance & Mileage Exp	462	600	(138)	1,708	4,200	(2,492)
6306 • Staff- Auto Mileage reimb	483	42	441	448	294	154
6309 • Personnel Expense	519	83	436	719	581	138
6310 • Miscellaneous Expense		42	(42)		294	(294)
6311 • Cell Phone Expense	375	542	(167)	3,184	3,794	(610)
6312 • Wellness Park Expenses	200	250	(50)	1,505	1,750	(245)
6315 • Security Monitoring Expense	108	38	70	352	266	86
6340 • Postage Expense	312	542	(230)	1,536	3,794	(2,258)
6350 • Copier Rental/Fees Expense	1,723	458	1,265	3,388	3,206	182
6351 • Travel Expense	172	500	(328)	1,028	3,500	(2,472)
6352 • Meals & Entertainment Exp	64	83	(19)	885	581	304
6355 • Computer Services Expense	944	2,167	(1,223)	23,000	15,169	7,831
6360 • Supplies Expense	2,075	1,000	1,075	9,882	7,000	2,882
6380 • LAFCO Assessment Expense	1,479	1,125	354	10,353	7,875	2,478
Total 6000 • General & Administrative Exp	37,880	36,548	1,332	265,637	255,836	9,801
6325 • GEO Discretionary Fund		417	(417)	931	2,919	(1,988)
6445 • LPMP Expenses	78,343	86,840	(8,497)	520,659	607,880	(87,221)
6500 • Professional Fees Expense						
6516 • Professional Services Expense	89,653	4,625	85,028	242,017	32,375	209,642
6520 • Annual Audit Fee Expense	1,413	1,413		9,891	9,891	
6530 • PR/Communications/Website	4,675	2,958	1,717	23,871	20,706	3,165
6560 • Legal Expense	14,060	6,250	7,810	53,059	43,750	9,309
Total 6500 • Professional Fees Expense	109,801	15,246	94,555	328,838	106,722	222,116
6700 • Trust Expenses						
6710 • Long Term Disability						
6711 • Disability Admin. Fee Expense		269	(269)	3,222	1,883	1,339
6720 • Pension Plans Expense						
6721 • Legal Expense		208	(208)	1,030	1,456	(426)
6725 • RPP Pension Expense	20,000	20,000		140,000	140,000	
6728 • Pension Audit Fee Expense	396	396		2,772	2,772	
Total 6720 • Pension Plans Expense	20,396	20,604	(208)	143,802	144,228	(426)
Total 6700 • Trust Expenses	20,396	20,873	(477)	147,024	146,111	913
Total Expense Before Grants & Unrealized Loss	331,728	238,267	93,461	1,703,012	1,667,869	35,143
7000 • Grants Expense						
7010 • Major Grant Awards Expense	1,000	375,000	(374,000)	1,234,151	2,625,000	(1,390,849)
7027 • Grant Exp - NEOPB	9,076	12,000	(2,924)	79,263	84,000	(4,737)
Total 7000 • Grants Expense	10,076	387,000	(376,924)	1,313,414	2,709,000	(1,395,586)
9999-1 • Unrealized (gain)/loss on invest	83,534	106,250	(22,716)	1,390,401	743,750	646,651
Net Income	265,329	42,927	222,402	1,004,775	300,489	704,286

Las Palmas Medical Plaza
Cumulative Profit & Loss Budget vs. Actual
 July 2016 through January 2017

	MONTH			TOTAL		
	Jan 17	Budget	\$ Over Budget	Jul '16 - Jan 17	Budget	\$ Over Budget
Income						
4500 · LPMP Income						
4505 · Rental Income	70,626	71,821	(1,195)	513,732	502,747	10,985
4506 · LPMP -Rental Income DRMC/UCR						
4510 · CAM Income	28,791	28,791	(2,000)	193,657	201,537	(7,880)
4513 · Misc. Income	1,350	83	1,267	1,350	581	769
4500 · LPMP Income	98,767	100,695	(1,928)	708,739	704,865	3,874
Expense						
6445 · LPMP Expenses						
6420 · Insurance Expense	975	1,000	(25)	6,825	7,000	(175)
6425 · Building - Depreciation Expense	22,923	23,129	(206)	160,461	161,903	(1,442)
6426 · Tenant Improvements -Dep Exp	14,044	19,790	(5,746)	100,198	138,530	(38,332)
6427 · HVAC Maintenance Expense		1,458	(1,458)	8,144	10,208	(2,062)
6428 · Roof Repairs Expense		208	(208)		1,456	(1,456)
6431 · Building -Interior Expense		208	(208)		1,456	(1,456)
6432 · Plumbing -Interior Expense		208	(208)	2,200	1,456	744
6433 · Plumbing -Exterior Expense		208	(208)	4,400	1,456	2,944
6434 · Allocation Internal Prop. Mgmt	3,491	3,491	0	24,437	24,437	0
6435 · Bank Charges	922	917	5	7,460	6,419	1,041
6437 · Utilities -Vacant Units Expense	138	333	(195)	820	2,331	(1,511)
6439 · Deferred Maintenance Repairs Ex		1,250	(1,250)		8,750	(8,750)
6440 · Professional Fees Expense	14,342	12,000	2,342	61,102	84,000	(22,898)
6441 · Legal Expense		83	(83)		581	(581)
6458 · Elevators - R & M Expense	207	917	(710)	5,094	6,419	(1,325)
6460 · Exterminating Service Expense	180	208	(28)	1,260	1,456	(196)
6463 · Landscaping Expense	1,250	2,917	(1,667)	9,335	20,419	(11,084)
6467 · Lighting Expense		500	(500)	2,776	3,500	(724)
6468 · General Maintenance Expense		83	(83)	307	581	(274)
6470 · Maint. / Janitorial Service Exp	2,245	2,083	162	10,753	14,581	(3,828)
6475 · Property Taxes Expense	5,663	4,583	1,080	39,641	32,081	7,560
6476 · Signage Expense	266	250	16	1,396	1,750	(354)
6480 · Rubbish Removal Medical Waste E	1,362	1,333	29	9,991	9,331	660
6481 · Rubbish Removal Expense	2,039	2,083	(44)	14,273	14,581	(308)
6482 · Utilities/Electricity/Exterior	820	667	153	4,715	4,669	46
6484 · Utilities - Water (Exterior)	294	583	(289)	2,855	4,081	(1,226)
6485 · Security Expenses	7,182	6,250	932	42,127	43,750	(1,623)
6490 · Miscellaneous Expense		100	(100)	89	700	(611)
6445 · LPMP Expenses	78,343	86,840	(8,497)	520,659	607,880	(87,221)
Net Income	20,424	13,855	6,569	188,080	96,985	91,095

Desert Healthcare District
Balance Sheet
As of January 31, 2017

		Jan 31, 17
ASSETS		
Current Assets		
Checking/Savings		
	1000 · CHECKING CASH ACCOUNTS	2,269,489
	1100 · INVESTMENT ACCOUNTS	54,111,599
	Total Checking/Savings	56,381,088
	Accounts Receivable	4,852
Other Current Assets		
	1270 · Prepaid Insurance -Ongoing	22,120
	1279 · Pre-Paid Fees	22,690
	1281 · NEOPB Receivable	28,588
	1295 · Property Tax Receivable	351,654
	Total Other Current Assets	425,052
	Total Current Assets	56,810,991
Fixed Assets		
	1300 · FIXED ASSETS	4,888,795
	1335-00 · ACC DEPR	(1,289,717)
	1400 · LPMP Assets	7,757,648
	Total Fixed Assets	11,356,727
Other Assets		
	1700 · OTHER ASSETS	3,341,799
	TOTAL ASSETS	71,509,517
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
	2000 · Accounts Payable	4,842
	2001 · LPMP Accounts Payable	18,335
	Total Accounts Payable	23,176
Other Current Liabilities		
	2002 · LPMP Property Taxes	5,661
	2131 · Grant Awards Payable	1,991,276
	2133 · Accrued Accounts Payable	227,173
	2141 · Accrued Vacation Time	17,713
	2142 · Accrued Sick Time	18,434
	2152 · 457B/401A Liability	761
	2155 · Grant Payable - NEOPB	5,440
	2186 · Retired BOD Medical - Current	18,795

Desert Healthcare District
Balance Sheet
As of January 31, 2017

		Jan 31, 17
	2188 · Current Portion - LTD	14,803
	2190 · Investment Fees Payable	34,389
	Total Other Current Liabilities	2,333,681
	Total Current Liabilities	2,356,857
	Long Term Liabilities	
	2170 · RPP - Pension Liability	6,384,702
	2171 · RPP-Deferred Inflows-Resources	717,310
	2280 · Long-Term Disability	63,443
	2281 · Grants Payable - Long-term	11,318,022
	2286 · Retirement BOD Medical Liabilit	84,784
	2290 · LPMP Security Deposits	57,341
	Total Long Term Liabilities	18,625,602
	Total Liabilities	20,982,459
	Equity	
	3900 · *Retained Earnings	49,522,282
	Net Income	1,004,775
	Total Equity	50,527,058
	TOTAL LIABILITIES & EQUITY	71,509,517

Desert Healthcare District
Balance Sheet
As of January 31, 2017

		Jan 31, 17
ASSETS		
Current Assets		
Checking/Savings		
1000 · CHECKING CASH ACCOUNTS		
	1010 · Union Bank - Checking	1,843,369
	1046 · Las Palmas Medical Plaza	425,620
	1047 · Petty Cash	500
	Total 1000 · CHECKING CASH ACCOUNTS	2,269,489
1100 · INVESTMENT ACCOUNTS		
	1130 · Facility Replacement Fund	
	1129 · F R Fund - Restricted-Pulmonary	1,000,000
	1130 · Facility Replacement Fund - Other	54,984,219
	Total 1130 · Facility Replacement Fund	55,984,219
	1135 · Unrealized Gain(Loss) FRF	(1,872,620)
	Total 1100 · INVESTMENT ACCOUNTS	54,111,599
	Total Checking/Savings	56,381,088
Accounts Receivable		
	1201 · Accounts Receivable	
	1204 · LPMP Accounts Receivable	(42,521)
	1205 · Misc. Accounts Receivable	7,338
	1211 · A-R Foundation - Exp Allocation	40,035
	Total Accounts Receivable	4,852
Other Current Assets		
	1270 · Prepaid Insurance -Ongoing	22,120
	1279 · Pre-Paid Fees	22,690
	1281 · NEOPB Receivable	28,588
	1295 · Property Tax Receivable	351,654
	Total Other Current Assets	425,052
	Total Current Assets	56,810,991
Fixed Assets		
1300 · FIXED ASSETS		
	1310 · Computer Equipment	75,835
	1315 · Computer Software	68,770
	1320 · Furniture and Fixtures	27,085
	1325 · Offsite Improvements	300,849
	1331 · DRMC - Parking lot	4,416,257
	Total 1300 · FIXED ASSETS	4,888,795
	1335-00 · ACC DEPR	

Desert Healthcare District
Balance Sheet
As of January 31, 2017

	Jan 31, 17
1335 · Accumulated Depreciation	(176,899)
1336 · Acc. Software Depreciation	(65,318)
1337 · Accum Deprec- Solar Parking Lot	(979,851)
1338 · Accum Deprec - LPMP Parking Lot	(67,648)
Total 1335-00 · ACC DEPR	(1,289,717)
1400 · LPMP Assets	
1401 · Building	8,705,680
1402 · Land	2,165,300
1403 · Tenant Improvements -New	1,965,325
1404 · Tenant Improvements - CIP	129,550
1406 · Building Improvements	
1406.1 · LPMP-Replace Parking Lot	676,484
1406 · Building Improvements - Other	1,364,337
Total 1406 · Building Improvements	2,040,821
1407 · Building Equipment Improvements	350,663
1409 · Accumulated Depreciation	
1410 · Accum. Depreciation	(6,601,411)
1412 · T I Accumulated Dep.-New	(998,280)
Total 1409 · Accumulated Depreciation	(7,599,691)
Total 1400 · LPMP Assets	7,757,648
Total Fixed Assets	11,356,727
Other Assets	
1700 · OTHER ASSETS	
1731 · Wellness Park	1,693,800
1740 · RPP-Deferred Outflows-Resources	1,647,999
Total Other Assets	3,341,799
TOTAL ASSETS	71,509,517
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	4,842
2001 · LPMP Accounts Payable	18,335
Total Accounts Payable	23,176
Other Current Liabilities	
2002 · LPMP Property Taxes	5,661
2131 · Grant Awards Payable	1,991,276
2133 · Accrued Accounts Payable	227,173

Desert Healthcare District
Balance Sheet
As of January 31, 2017

		Jan 31, 17
	2141 · Accrued Vacation Time	17,713
	2142 · Accrued Sick Time	18,434
	2152 · 457B/401A Liability	761
	2155 · Grant Payable - NEOPB	5,440
	2186 · Retired BOD Medical - Current	18,795
	2188 · Current Portion - LTD	14,803
	2190 · Investment Fees Payable	34,389
	Total Other Current Liabilities	2,333,681
	Total Current Liabilities	2,356,857
	Long Term Liabilities	
	2170 · RPP - Pension Liability	6,384,702
	2171 · RPP-Deferred Inflows-Resources	717,310
	2280 · Long-Term Disability	63,443
	2281 · Grants Payable - Long-term	11,318,022
	2286 · Retirement BOD Medical Liabilit	84,784
	2290 · LPMP Security Deposits	57,341
	Total Long Term Liabilities	18,625,602
	Total Liabilities	20,982,459
	Equity	
	3900 · *Retained Earnings	49,522,282
	Net Income	1,004,775
	Total Equity	50,527,058
	TOTAL LIABILITIES & EQUITY	71,509,517

Desert Healthcare District
A/R Aging Summary
As of January 31, 2017

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL	Comments
Bio-Data Medical Laboratories, Inc	-	-	-	1,376	2,931	4,307	Tenant filed bankruptcy
Desert Family Medical Center	(3,395)	-	-	-	-	(3,395)	Prepayment
Desert Healthcare Foundation-	6,276	-	6,935	4,689	22,134	40,035	Due from Foundation
Desert Oasis Healthcare Medical Group	(1,892)	-	-	-	-	(1,892)	Prepayment
Desert Regional Medical Center	(4,658)	-	-	-	-	(4,658)	Prepayment
Laboratory Corporation of America	-	(4,620)	-	-	-	(4,620)	Prepayment
Miscellaneous	-	-	588	-	-	588	Medical Exp. Reimbursement
Quest Diagnostics Incorporated	-	(5,652)	-	-	-	(5,652)	Prepayment
Sovereign	750	-	750	750	4,500	6,750	Slow Pay
Steven Gundry, M.D.	-	5,192	-	-	-	5,192	Slow Pay
Tenet HealthSystem Desert, Inc	(5,157)	-	-	-	-	(5,157)	Prepayment
Tenet HealthSystem Desert, Inc.	(26,646)	-	-	-	-	(26,646)	Prepayment
TOTAL	(34,722)	(5,080)	8,273	6,815	29,566	4,852	

**Desert Healthcare District
Deposit Detail
January 2017**

Type	Date	Name	Amount
Deposit	01/04/2017		1,749
		T-Mobile	(1,749)
TOTAL			(1,749)
Deposit	01/09/2017		1,083,296
		Riverside County Treasurer-	(1,083,296)
TOTAL			(1,083,296)
Deposit	01/10/2017		15,118
		Riverside County Treasurer-	(15,118)
TOTAL			(15,118)
Deposit	01/20/2017		815,399
		Riverside County Treasurer-	(815,399)
TOTAL			(815,399)
Deposit	01/23/2017		17,344
		Riverside County Treasurer-	(17,344)
TOTAL			(17,344)
Deposit	01/23/2017		15,970
		Riverside County Treasurer-	(15,970)
TOTAL			(15,970)
Deposit	01/23/2017		1,303
		Riverside County Treasurer-	(1,303)
TOTAL			(1,303)
Deposit	01/25/2017		65,654

**Desert Healthcare District
Deposit Detail
January 2017**

Type	Date	Name	Amount
		Riverside County Treasurer-	(65,654)
TOTAL			(65,654)
Deposit	01/26/2017		23,507
		Principal Financial Group	(193)
		Riverside County Treasurer-	(18,772)
Payment	01/26/2017	Kay Hazen-Insurance Premium Reimbursement	(2,292)
Payment	01/26/2017	Sovereign	(750)
Payment	01/26/2017	Sovereign	(750)
Payment	01/26/2017	Sovereign	(750)
TOTAL			(23,507)
		Total Deposits	2,039,340

**Las Palmas Medical Plaza
Deposit Detail - LPMP
January 2017**

Type	Date	Name	Amount
Deposit	01/05/2017		18,114
Payment	01/05/2017	Aijaz Hashmi, M.D., Inc.	(2,601)
Payment	01/05/2017	Brad A. Wolfson, M.D.	(3,212)
Payment	01/05/2017	Derakhsh Fozouni, M.D.	(4,125)
Payment	01/05/2017	Derakhsh Fozouni, MD -	(2,249)
Payment	01/05/2017	Ramy Awad, M.D.	(2,406)
Payment	01/05/2017	Ronald Himelman, M.D.	(3,520)
TOTAL			(18,114)
Deposit	01/13/2017		31,530
Payment	01/13/2017	Dennis Spurgin, D.C.	(2,601)
Payment	01/13/2017	Pathway Pharmaceuticals, Inc.	(2,118)
Payment	01/13/2017	Steven Gundry, M.D.	(5,192)
Payment	01/13/2017	Cohen Musch Thomas Medical Group	(3,296)
Payment	01/13/2017	Cohen Musch Thomas Medical Group	(3,296)
Payment	01/13/2017	Cohen Musch Thomas Medical Group	(3,296)
Payment	01/13/2017	Cohen Musch Thomas Medical Group	(3,365)
Payment	01/13/2017	Cohen Musch Thomas Medical Group	(276)
Payment	01/13/2017	Desert Family Medical Center	(3,395)
Payment	01/13/2017	West Pacific Medical Laboratory	(1,849)
Payment	01/13/2017	Peter Jamieson, M.D.	(2,844)
TOTAL			(31,530)
Deposit	01/26/2017		4,620
Payment	01/26/2017	Laboratory Corporation of America	(4,620)
TOTAL			(4,620)
Deposit	01/30/2017		5,652
Payment	01/30/2017	Quest Diagnostics Incorporated	(5,652)
TOTAL			(5,652)
Deposit	01/31/2017		52,811
Payment	01/31/2017	Desert Oasis Healthcare Medical Group	(1,892)

**Las Palmas Medical Plaza
Deposit Detail - LPMP
January 2017**

Type	Date	Name	Amount
Payment	01/31/2017	Milauskas Eye Institute Medical Group	(5,740)
Payment	01/31/2017	University of California, Riverside	(1,750)
Payment	01/31/2017	Pathway Pharmaceuticals, Inc.	(44)
Payment	01/31/2017	University of California, Riverside	(3,529)
Payment	01/31/2017	Desert Family Medical Center	(3,395)
Payment	01/31/2017	Desert Regional Medical Center	(4,658)
Payment	01/31/2017	Tenet HealthSystem Desert, Inc	(5,157)
Payment	01/31/2017	Tenet HealthSystem Desert, Inc.	(26,646)
TOTAL			(52,811)
		Total Deposits	112,727

DESERT HEALTHCARE DISTRICT
PROPERTY TAX RECEIPTS FY 2016 - 2017
RECEIPTS - TWELVE MONTHS ENDED JUNE 30, 2017

	FY 2015-2016 Projected/Actual					FY 2016-2017 Projected/Actual				
	Budget %	Budget \$	Act %	Actual Receipts	Variance	Budget %	Budget \$	Act %	Actual Receipts	Variance
July	2.5%	\$ 152,663	2.7%	\$ 163,542	\$ 10,880	2.5%	\$ 152,663	1.3%	\$ 79,912	\$ (72,750)
Aug	1.6%	\$ 97,704	0.6%	\$ 37,174	\$ (60,530)	1.6%	\$ 97,704	1.7%	\$ 101,498	\$ 3,794
Sep	2.6%	\$ 158,769	2.5%	\$ 151,341	\$ (7,428)	2.6%	\$ 158,769	2.4%	\$ 147,194	\$ (11,575)
Oct	0.0%	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	0.0%	\$ -	\$ -
Nov	0.4%	\$ 24,426	0.1%	\$ 4,643	\$ (19,783)	0.4%	\$ 24,426	0.0%	\$ 2,455	\$ (21,971)
Dec	16.9%	\$ 1,031,999	17.2%	\$ 1,051,608	\$ 19,610	16.9%	\$ 1,031,999	17.6%	\$ 1,075,328	\$ 43,330
Jan	31.9%	\$ 1,947,974	30.8%	\$ 1,880,042	\$ (67,931)	31.9%	\$ 1,947,974	33.0%	\$ 2,014,083	\$ 66,110
Feb	0.0%	\$ -	0.9%	\$ 54,158	\$ 54,158	0.0%	\$ -	0.0%		
Mar	0.3%	\$ 18,320	0.2%	\$ 9,745	\$ (8,575)	0.3%	\$ 18,320	0.0%		
Apr	5.5%	\$ 335,858	5.6%	\$ 340,687	\$ 4,829	5.5%	\$ 335,858	0.0%		
May	19.9%	\$ 1,215,194	18.9%	\$ 1,153,366	\$ (61,828)	19.9%	\$ 1,215,194	0.0%		
June	18.4%	\$ 1,123,596	17.8%	\$ 1,088,129	\$ (35,467)	18.4%	\$ 1,123,596	0.0%		
Total	100%	\$ 6,106,500	97.2%	\$ 5,934,434	\$ (172,066)	100.00%	\$ 6,106,500	56.0%	\$ 3,420,471	\$ 6,937

Desert Healthcare District
Check Register
As of January 31, 2017

Type	Date	Num	Name	Amount
1000 - CHECKING CASH ACCOUNTS				
1010 - Union Bank - Checking				
Bill Pmt -Check	01/04/2017	14272	.County of Riverside -VOID	-
Bill Pmt -Check	01/04/2017	14273	Alejandro Espinoza-VOID	-
Bill Pmt -Check	01/04/2017	14274	Blackbaud, Inc.-VOID	-
Bill Pmt -Check	01/04/2017	14275	Chris Christensen-VOID	-
Bill Pmt -Check	01/04/2017	14276	Ready Refresh-VOID	-
Bill Pmt -Check	01/04/2017	14277	Underground Service Alert of Southern Cal-VOID	-
Bill Pmt -Check	01/04/2017	14278	Verizon Wireless	(771)
Bill Pmt -Check	01/04/2017	14279	.County of Riverside	(1,000)
Bill Pmt -Check	01/04/2017	14280	.County of Riverside	(11,610)
Bill Pmt -Check	01/04/2017	14281	.County of Riverside	(5,160)
Bill Pmt -Check	01/04/2017	14282	Alejandro Espinoza-	(84)
Bill Pmt -Check	01/04/2017	14283	Blackbaud, Inc.	(1,982)
Bill Pmt -Check	01/04/2017	14284	Chris Christensen	(84)
Bill Pmt -Check	01/04/2017	14285	Ready Refresh	(44)
Bill Pmt -Check	01/04/2017	14286	Underground Service Alert of Southern Cal	(3)
Bill Pmt -Check	01/05/2017	14287	Boyd & Associates	(108)
Bill Pmt -Check	01/05/2017	14288	UPS	(35)
Liability Check	01/12/2017		QuickBooks Payroll Service	(25,851)
General Journal	01/13/2017	07-01	401a payment - 01/13/17 payroll	(1,210)
General Journal	01/13/2017	07-01	457b payment - 01/13/17 payroll	(2,518)
General Journal	01/13/2017	07-01	457b loan payment - 01/13/17 payroll	(109)
Bill Pmt -Check	01/17/2017	14289	Alejandro Espinoza-	(169)
Bill Pmt -Check	01/17/2017	14290	Brian Wachs, CPA	(500)
Bill Pmt -Check	01/17/2017	14291	Burke Consulting	(2,150)
Bill Pmt -Check	01/17/2017	14292	First Bankcard (Union Bank)	(2,212)
Bill Pmt -Check	01/17/2017	14293	Grantmakers In Health	(2,875)
Bill Pmt -Check	01/17/2017	14294	Moss, Levy & Hartzheim LLP	(4,712)
Bill Pmt -Check	01/17/2017	14295	Pitney Bowes Global Financial Services	(11)
Bill Pmt -Check	01/17/2017	14296	RSG, Inc.-VOID	-
Bill Pmt -Check	01/17/2017	14297	Staples Credit Plan	(500)
Bill Pmt -Check	01/17/2017	14298	Xerox Financial Services	(1,299)
Bill Pmt -Check	01/17/2017	14299	RSG, Inc.	(2,888)
Bill Pmt -Check	01/17/2017	14300	Calif. Public Employees'Retirement System	(9,424)
General Journal	01/20/2017	07-02	Jan 2017 LTD Payment - Jena Marie Van Earl	(1,234)
Liability Check	01/23/2017		QuickBooks Payroll Service	(885)
Bill Pmt -Check	01/24/2017	14301	Alejandro Espinoza-	(185)
Bill Pmt -Check	01/24/2017	14302	Calif. Public Employees'Retirement System	(10,919)

Desert Healthcare District
Check Register
As of January 31, 2017

Type	Date	Num	Name	Amount
Bill Pmt -Check	01/24/2017	14303	Coachella Valley Volunteers in Medicine	(54,359)
Bill Pmt -Check	01/24/2017	14304	CoPower Employers' Benefits Alliance	(1,185)
Bill Pmt -Check	01/24/2017	14305	CV Strategies	(8,513)
Bill Pmt -Check	01/24/2017	14306	Frazier Pest Control, Inc.	(30)
Bill Pmt -Check	01/24/2017	14307	Greenscene Landscape, Inc.	(200)
Bill Pmt -Check	01/24/2017	14308	Image Source	(310)
Bill Pmt -Check	01/24/2017	14309	Jewish Family Service of the Desert	(108,102)
Bill Pmt -Check	01/24/2017	14310	Mizell Senior Center	(90,743)
Bill Pmt -Check	01/24/2017	14311	MSA Consulting, Inc.	(281)
Bill Pmt -Check	01/24/2017	14312	Pitney Bowes Global Financial Services	(279)
Bill Pmt -Check	01/24/2017	14313	Premier Healthcare Solutions	(293)
Bill Pmt -Check	01/24/2017	14314	Principal Life Insurance Co.	(595)
Bill Pmt -Check	01/24/2017	14315	Rogers, Carole	(8,043)
Bill Pmt -Check	01/24/2017	14316	Shred-It	(75)
Bill Pmt -Check	01/24/2017	14317	So.Cal Computer Shop	(679)
Bill Pmt -Check	01/24/2017	14318	The Ranch Recovery Centers, Inc.	(25,172)
Bill Pmt -Check	01/24/2017	14319	Women Leaders Forum of the CV	(1,000)
Bill Pmt -Check	01/24/2017	14320	Angel View Inc.	(32,535)
Liability Check	01/26/2017		QuickBooks Payroll Service	(25,312)
Check	01/27/2017	Auto Pay	Principal Financial Group-	(688)
Check	01/27/2017	Auto Pay	Principal Financial Group-	(425)
General Journal	01/30/2017	07-06	401a payment - 01/27/17 payroll	(1,210)
General Journal	01/30/2017	07-06	457b payment - 01/27/17 payroll	(2,516)
General Journal	01/30/2017	07-06	457b loan payment - 01/27/17 payroll	(109)
Liability Check	01/30/2017		QuickBooks Payroll Service	(5,533)
Bill Pmt -Check	01/31/2017	14321	Alejandro Espinoza-	(345)
Bill Pmt -Check	01/31/2017	14322	Boys & Girls Club of Coachella Valley	(2,230)
Bill Pmt -Check	01/31/2017	14323	El Sol Neighborhood - NEOPB	(6,807)
Bill Pmt -Check	01/31/2017	14324	Image Source	(373)
Bill Pmt -Check	01/31/2017	14325	Law Offices of Scott & Jackson	(14,060)
Bill Pmt -Check	01/31/2017	14326	Premier Healthcare Solutions	(56,876)
Bill Pmt -Check	01/31/2017	14327	Ready Refresh	(43)
Bill Pmt -Check	01/31/2017	14328	Rogers, Carole	(122)
Bill Pmt -Check	01/31/2017	14329	Time Warner Cable	(205)
Bill Pmt -Check	01/31/2017	14330	Tri-Star Risk Management	(138)
Bill Pmt -Check	01/31/2017	14331	Verizon Wireless	(267)
Check	01/31/2017		Service Charge	(501)
General Journal	01/31/2017	07-09	Record Medical Reimb & LT Disb - January 2017	(2,124)
TOTAL				(542,807)

Desert Healthcare District
Details for credit card Expenditures
Credit card purchases - Dec 2016 - Paid Jan 2017

Number of credit cards held by District personnel -1

Credit Card Limit - \$5,000

Credit Card Holders:

Chris Christensen - Chief Executive Officer

Routine types of charges:

Office Supplies, Dues for membership, Computer Supplies, Meals, Travel including airlines and Hotels, Catering, Supplies for BOD meetings, CEO Discretionary for small grant & gift items

Year	Statement		Expense Type	Amount	Purpose
	Month Charged	Total Charges			
Chris' Statement:					
2016	Dec	\$ 2,212.20	District		
			5230	\$ 71.41	COO/Dr. Grimm lunch meeting
			6360	\$ 44.72	Conference call expense
			6351	\$ 278.20	Steve - ACHD Advocacy
			6360	\$ 1,500.00	Holiday gift cards for staff
			5240	\$ 87.20	BOD meeting
			5240	\$ 83.65	Program Committee meeting lunch
			5240	\$ 29.98	Balloons for BOD Oath of Office
			6352	\$ 117.04	Staff lunch
				\$ 2,212.20	

Las Palmas Medical Plaza
Check Register
As of January 31, 2017

Type	Date	Num	Name	Amount
1000 - CHECKING CASH ACCOUNTS				
1046 - Las Palmas Medical Plaza				
Bill Pmt -Check	01/04/2017	9599	Desert Water Agency	(281.30)
Bill Pmt -Check	01/04/2017	9600	Imperial Security	(1,381.25)
Bill Pmt -Check	01/05/2017	9601	Inpro Construction - VOID	-
Bill Pmt -Check	01/05/2017	9602	Palm Springs Disposal Services Inc	(2,039.00)
Bill Pmt -Check	01/05/2017	9603	The Cleaning and Janitorial Company	(1,575.00)
Bill Pmt -Check	01/05/2017	9604	W. Lynn Cooper MD	(1,378.00)
Bill Pmt -Check	01/05/2017	9605	INPRO-EMS Construction	(4,225.00)
Bill Pmt -Check	01/17/2017	9606	Frontier Communications	(207.25)
Bill Pmt -Check	01/17/2017	9607	Imperial Security	(3,038.74)
Bill Pmt -Check	01/17/2017	9608	Southern California Edison	(958.62)
Bill Pmt -Check	01/17/2017	9609	Stericycle, Inc.	(1,363.06)
Bill Pmt -Check	01/24/2017	9610	Frazier Pest Control, Inc.	(180.00)
Bill Pmt -Check	01/24/2017	9611	Peter Jamieson, MD	(1,972.00)
Bill Pmt -Check	01/24/2017	9612	Pink, Inc.	(1,250.00)
Bill Pmt -Check	01/31/2017	9613	Desert Water Agency	(293.81)
Bill Pmt -Check	01/31/2017	9614	Imperial Security	(2,762.50)
Check	01/31/2017		Service Charge	(922.24)
TOTAL				(23,827.77)



MEMORANDUM

DATE: February 14, 2017

TO: F&A Committee

RE: Retirement Protection Plan (RPP)

Current number of participants in Plan:

Active – still employed by hospital	148
Vested – no longer employed by hospital	61
Former employees receiving annuity	<u>16</u>
Total	<u>225</u>

The outstanding liability for the RPP is approximately **\$5.2M** (Actives - \$3.9M and Vested - \$1.3M). The District recently transferred additional funding of \$3.4M to the investment portfolio, which is valued at approximately **\$5.3M**. Per the June 30, 2016 Actuarial Valuation Roll Forward, the RPP has an unfunded liability of approximately **\$9.7M**. Per the April 2015 GASB 68 Statement which requires governmental agencies to record the Net Pension Liability, an accrual (unfunded) in the amount of **\$9.7M** has been recorded in the District's financial statements as of June 30, 2016. A monthly accrual of \$20K is being recorded each month as an estimate for FY2017.

The recent transfer of funds to the investment portfolio reduces the estimated actuarial valuation of the unfunded RPP liability from **\$9.7M** to approximately **\$6.3M**. A new Actuarial Valuation will be performed June 2017.

The payouts, excluding monthly annuity payments, made from the Plan for the Seven (7) months ended January 31, 2017 totaled **\$149K**. Monthly annuity payments (16 participants) total **\$2.5K** per month.



Date: February 28, 2017

To: Board of Directors

Subject: Desert Healthcare District's Strategic Planning Process-Vision, Workplan & Timeline. Service Agreement for Pacific Health Consulting Group.

Staff recommendation:

1. Consideration to approve the proposed Desert Healthcare District's Strategic Planning Process – Vision, Workplan, & Timeline.
2. Consideration to approve the Service Agreement for Pacific Health Consulting Group.

Background:

- A great deal of planning has gone into defining a proposed strategic planning process, timeline and vision.
- Several meetings have occurred with a strategic planning consultant, Pacific Health Consulting Group (PHCG) and with the District's Strategic Planning Ad Hoc Committee and Staff.
- Many community leaders and organizations were consulted. Continued input from the public will be sought and ensured throughout the planning process.
- The Staff Team has developed a proposed vision for the new direction and transformation of the Desert Healthcare District & Foundation. The proposed vision is as follows:

“Connecting Coachella Valley residents to health and wellness services and programs through philanthropy, health facilities, information and community education, and public policy.”

- Additionally, Staff and PHCG have prepared a Workplan and Timeline. It was reviewed and changes were made by the Strategic Planning Ad Hoc Committee. The revised Workplan & Timeline are included for your review.
- A service agreement for Pacific Health Consulting Group is included for your review and approval.
- The Strategic Planning Ad Hoc Committee, Program Committee, and Finance & Administration Committee have endorsed the proposed Vision.

Fiscal Impact:

NTE \$49,880 plus estimated expenses of \$5,300.



Desert Healthcare District & Foundation Proposed Vision

“Connecting Coachella Valley residents to health and wellness services and programs through philanthropy, health facilities, information and community education, and public policy.”

**Desert Healthcare District and Foundation
Strategic Planning Workplan*
February 24, 2017**

Activity	Lead	Timeline
Secure dates and locations for March Board planning session, one March community forum, and two April community forums	DHCD staff	February 1 - 15
Proposed strategic planning process, timeline and vision presented to Program and Finance & Administration Committees for discussion.	CEO	February 14
Board considers adoption of proposed strategic planning process, timeline and vision.	PHCG, DHCD Staff	February 28 Regular Board Meeting
Coordinate with relevant consultants to prepare final presentations of key findings from data collection activities: market analysis, needs assessment, voter survey, community focus groups and summary of prior strategic plan accomplishments	DHCD Staff w/ PHCG support	February 1 – March 1
Conduct 15 information gathering interviews with community leaders and partners.	PHCG	February 15 – March 15
Conduct outreach and prepare logistics for 3 community forums	DHCD Staff	February 15 – March 15
Distribute agenda and advanced materials for Special Meeting of the Board of Directors	PHCG, DHCD Staff	By March 18
Facilitate a Special Meeting of the Board of Directors (2-day session) to review data collection activities (Market Analysis Report, Focus Group/Polling Results, HARC Triennial Report) and develop strategic plan priorities	PHCG, Board	March 23 and 24 Special Meeting of BOD
Prepare DRAFT Strategic Plan	PHCG	By April 1
Facilitate 2 community forums (East Coachella Valley and West Coachella Valley)	PHCG	April 1 – April 15
Facilitate a second strategic planning discussion to review feedback and revise strategic plan at Regular Board Meeting	PHCG, DHCD Board	April 25 Regular Board Meeting
Develop implementation workplan, timeline and budget proposal	DHCD Staff/PHCG	April 25 – May 23
Present FINAL Strategic Plan for Approval, present implementation workplan, timeline and budget proposal	DHCD Staff	May 23 Regular Board Meeting

*In addition to the above proposed Workplan, Timeline, and Vision, on-going activities by the CEO and Staff are continuing across the Coachella Valley to educate the community about the Strategic Planning Process and to gain broad community input.



February 24, 2017

Pacific Health Consulting Group
72 Oak Knoll Avenue
San Anselmo, California 94960

Re: Letter of Agreement for Pacific Health Consulting Group

Dear Bobbie Wunsch:

This letter shall be our Agreement regarding the Strategic Planning Process described below (“Services”) to be provided by Pacific Health Consulting Group (“Contractor”) as an independent contractor to the Desert Healthcare District.

The Services to be provided are more particularly described in the Scope of Services attached hereto as Exhibit “A” and incorporated herein by reference.***]

Consultant shall perform all Services under this Letter of Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California, and consistent with all applicable laws. Consultant represents that it, its employees and subcontractors have all licenses, permits, qualifications, and approvals of whatever nature that are legally required to perform the Services, including any required business licenses, and that such licenses and approvals shall be maintained throughout the term of this Agreement. Unless expressly agreed in writing in advance by the District, the cost to the District for the Services shall not exceed \$49,880 plus expenses estimated at \$5,300.

Invoices shall be submitted to the District monthly as performance of the Services progresses. District shall review and pay the approved charges on such invoices in a timely manner. Services on the Project shall begin immediately and be completed by May 31, 2017 unless extended by the District in writing. The District may terminate this Letter of Agreement at any time with or without cause. If the District finds it necessary to terminate this Letter of Agreement without cause before Project completion, Consultant shall be entitled to be paid in full for those Services adequately completed prior to the notification of termination. Consultant may terminate this Letter of Agreement for cause only.

Consultant shall defend, indemnify and hold the District, its officials, officers, employees, agents, and volunteers free and harmless from any and all claims, demands, causes of action, expenses, liabilities, losses, damages, and injuries to property or persons, including wrongful death, in any manner arising out of or incident to any alleged negligent acts, omissions or willful misconduct of Consultant, its officials, officers, employees, agents, consultants, and contractors arising out of or in connection with the performance of the Services or this Agreement, including, without limitation, the payment of all consequential damages, attorneys fees and other related costs and expenses.

If you agree with the terms of this Letter of Agreement, please indicate by signing and dating where indicated below. An original, executed copy of this Letter of Agreement is enclosed for your records.

DESERT HEALTHCARE DISTRICT:

Approved by:

Herb K. Schultz
Chief Executive Officer

CONSULTANT:

Reviewed and Accepted by Contractor:

Signature

Bobbie Wunsch

Name

Founder & Partner

Title

Date



EXHIBIT A

**DESERT HEALTHCARE DISTRICT
STRATEGIC PLANNING SCOPE OF SERVICES AND COST ESTIMATE**

Below is a pricing proposal for facilitation of the Desert Healthcare District (DHCD) strategic planning process by Pacific Health Consulting Group (PHCG). The proposed project timeline will be from January 25 – May 31, 2017.

Major Activity	Consultant	Timeline	Estimated Hours
1. Preparation, travel and facilitation of kick-off Meeting with senior staff and Board representatives**	Bobbie Wunsch and Rafael Gomez	January 30	25.0
2. Schedule and conduct 12-15 telephone interviews with community leaders and partners. Prepare a written summary	Bobbie Wunsch and Rafael Gomez	February 20 – March 15	25.0
3. Travel and participate in regular Board meeting to review project process*	Rafael Gomez	February 28 Regular Board Meeting	12.0
4. Prepare, travel and facilitate 1.5 day Special Meeting of the Board of Directors, which will serve as a strategic planning session**	Bobbie Wunsch and Rafael Gomez	March 23 and 24 Special Meeting of the Board of Directors	50.0
5. Develop DRAFT #1 of strategic plan document	Bobbie Wunsch and Rafael Gomez	By April 1	15.0
6. Prepare, travel and facilitate 2 community forums to solicit feedback on draft strategic plan document (one trip / 2 meetings)*	Bobbie Wunsch OR Rafael Gomez	April 1 – April 15	30.0
7. Prepare, travel and participate in Regular Board Meeting to review feedback and revise strategic plan document*	Bobbie Wunsch OR Rafael Gomez	April 25 Regular Board Meeting	15.0
8. Finalize strategic plan document	Bobbie Wunsch and Rafael Gomez	By May 1	10.0
9. Provide guidance to DHCD staff as needed in the development of implementation plan, timeline and budget proposal	Bobbie Wunsch and Rafael Gomez	May 1 – May 20	10.0
10. Check-in calls and coordination with CEO and staff as needed	Bobbie Wunsch and Rafael Gomez	Ongoing	40.0

*includes travel time for 1 consultant

**includes travel time for 2 consultants



232.0 Hours @ \$215.00/hour

\$ 49,880.00

DIRECT EXPENSES (to be billed in addition):

Flight for 6 individual trips to Palm Springs

\$ 3,300.00

Rental car, airport parking for trips to Palm Springs

\$ 1,000.00

Food and Lodging for 4 stays

\$ 1,000.00

Estimated Direct Expenses

\$ 5,300.00

Please Note:

- Any change in the work plan may result in a change in the cost estimate.
- Once approved, consultant may move hours from one item or expense area to another without the advance approval of the client.
- Invoices will be submitted at the end of the completed project; payment is due upon receipt of invoice.
- Client will only be billed for actual hours worked; receipts will be provided for all direct expenses except mileage.



Date: February 28, 2017

To: Board of Directors

Subject: Desert Healthcare District's Conflict of Interest Policy. Service Agreement for Archer Norris.

Staff recommendation:

- Consideration to approve the Service Agreement for Archer Norris.

Background:

- It continues to be a major priority for District Board Members to ensure full compliance with all conflict of interest laws, regulations, and policies.
- Given the complexity of the laws, regulations, and policies, and the need to remain highly educated and compliant, Staff was directed at the Board's January Meeting to retain legal counsel expert in these matters.
- Staff interviewed several firms and is proposing the selection of the law firm Archer Norris to undertake the following scope of work:
 - Review of Conflict of Interest Code/Policy to assure it is up to date and adequate in scope.
 - Provide Guidance / Orientation to Board and Management on laws and regulations applicable to healthcare districts, in particular FPPC conflicts guidance for public officials and Government Code Section 1090 conflicts rules applicable to District Contracts.
 - Assist the Board and Management with development of a policy and process for initiating conflict of interest reviews as appropriate with District Board members and District Officers.
- If approved, Mr. Colin Coffey, representing Archer Norris, will present at the Board's March Meeting.

Fiscal Impact:

NTE \$5,000

LEGAL SERVICES ENGAGEMENT AGREEMENT

NOTICE

This is a written fee agreement (“Agreement”) required in many attorney engagements by *California Business and Professions Code* § 6148. This Agreement protects both Client and Attorneys and seeks to prevent misunderstanding. **PLEASE READ IT CAREFULLY.** If you, as Client, do not understand any term, or if this Agreement does not contain all of the terms you expected, do not sign it. Attorneys advise Client that Client has the right to have an independent lawyer review this entire Agreement at any time.

Date of this Agreement: February 10, 2017

Name(s) of Client(s): Desert Healthcare District

1140 N. Indian Canyon Drive

Palm Springs, CA 92262

(individually and collectively, the “Client”)

This Agreement is entered into as of the date set forth above by and between Client and Archer Norris, a Professional Law Corporation (“Attorneys”). Unless otherwise specifically identified above, Attorneys do not represent spouses, children, or relatives of any individuals identified above as Client or the officers, directors, managing agents, representatives, shareholders, members, managers, or individual partners of corporations, limited liability companies, partnerships, or other business entities identified above as Client.

1. **Scope of Retention.** Client retains Attorneys to provide general legal and organizational matters (the “Services”) and Attorneys agree to provide the Services reasonably required to represent Client. Even if Attorneys are retained to perform transactional work, this Agreement shall cover litigation/adversarial services arising out of such work, if so directed by the client including court, arbitration, administrative hearings or government agency hearings. If a court action is filed, Attorneys will represent Client through trial and post-trial motions. At the time of this retention Attorneys have been given only the following three tasks:

1. Review of Conflict of Interest Code/Policy to assure it is up to date and adequate in scope.
2. Provide Guidance / Orientation to Board and Management on laws and regulations applicable to healthcare districts, in particular FPPC conflicts guidance for public officials and Government Code Section 1090 conflicts rules applicable to District Contracts.
3. Assist the Board and Management with development of a policy and process for initiating conflict of interest reviews as appropriate with District Board members and District Officers.

2. **Assignment of Work.** As of the date of this Agreement, Attorneys expect the following attorneys to perform a substantial amount of the work on Client’s behalf and/or to serve as the responsible attorney on the work described in **Paragraph 1**, above:

Name:	Telephone:	E-mail:
Colin Coffey	(925) 930-6600	ccoffey@archernorris.com
Noel Caughman	(925) 930-6600	ncaughman@archernorris.com
Mike B. Peterson	(925) 930-6600	mpeterson@archernorris.com
Patrice N. Harper	(925) 930-6600	pharper@archernorris.com

Client understands and acknowledges that Attorneys may assign all or part of this work to another attorney within the firm, if considered desirable. Attorneys will take reasonable steps to keep Client informed of progress and to respond to Client’s inquiries. It is the policy of Attorneys to return telephone calls or e-mails of Client within one (1) business day or sooner when feasible, and when Client’s situation is urgent. Attorneys’ goal is to respond as quickly as reasonably possible given other time commitments and constraints and to provide timely service.

Attorneys strongly advise that Client only communicate with Attorneys in a manner that preserves the attorney-client privilege and the confidentiality of the communications. For example, if the scope of the legal services identified in **Paragraph 1**, above, does not involve or pertain to Attorneys’ representation of Client’s business or employer, use of the Client’s work e-mail address, computers, smart phones or other equipment may be subject to disclosure and discovery as the employer or business may have the right to access such equipment or communications and thus these modes of communication may not be sufficient or adequate to protect the privilege and confidentiality of Client’s communications with Attorneys. Attorneys will assume that any physical or electronic addresses that Client gives for Attorneys to use in communicating with Client or that they actually use in communicating with Attorneys provide confidentiality with no third-party rights of review or access.

3. **Settlements.** No binding settlement, release or compromise of any nature affecting Client’s interest in the subject matter will be made without Client’s approval.

4. **No Guarantee.** Client acknowledges that no representations or promises have been made concerning the outcome of this matter. Nothing in this Agreement shall be construed as such a promise or guarantee.

5. **Duties of Client.**

A. Client agrees to be truthful with Attorneys, to cooperate, to keep Attorneys informed of any information or developments which may come to Client’s attention, to abide by this Agreement, to pay Attorneys’ bills on time, and to keep Attorneys advised of Client’s address, telephone number, and whereabouts. Client will assist Attorneys in providing

necessary information and documents for the representation in the described matter and will appear when necessary at legal proceedings.

B. Each signatory to this Agreement warrants and represents that he/she is competent and authorized to enter into this Agreement on behalf of that respective party for whom he/she purports to sign, and that no other signatory is required to bind that party to this Agreement. The parties further agree that they have read and understood the terms in this Agreement and agree to them as of the date Attorneys first provided services.

C. Client authorizes Attorneys to turn over any and all information to such persons as in Attorneys' discretion seems appropriate. Client gives Attorneys the power and authority to execute any and all court papers, claims, communications to public officials on Client's behalf, drafts, checks, compromises, dismissals, deposits, orders and other such papers which Client could properly execute, and to receive on Client's behalf any documents, moneys, or other things of value to which Client may be entitled concerning this matter.

6. Time and Expense Billing. All legal services rendered on Client's behalf will be billed on a "time and expenses" basis. Legal services may include office consultations, attending meetings, appearances at hearings and other proceedings, telephone conferences, drafting and reviewing correspondence, research, document preparation and review, and paralegal, law clerk and/or technical support services.

A. Hourly Rates. Services rendered by Attorneys, paralegals, law clerks and technology specialists are billed based on the number of hours or fractions of hours devoted to the matter at the hourly rate of the employee at that time. Typical hourly rates which may be incurred on Client's behalf are set forth on the attached Fee Schedule which is incorporated herein as if set forth in full. Rates are subject to adjustment not more than once each calendar year; if Client declines to pay any increased rates, Attorneys will have the right to withdraw as attorney for Client.

B. Billable Time. It is the policy of the firm to bill in minimum units of one-tenth hours (*i.e.*, six-minute increments). This includes telephone calls and e-mail, even those which take only a few minutes.

When appropriate and consistent with Client's best interests, the attorneys assigned to Client's matter may consult with other attorneys in the firm, and each attorney involved will charge for time expended. Similarly, if more than one attorney attends a meeting, hearing or other proceeding, each will charge for his/her time. Our firm seeks to minimize conferences and meetings involving multiple attorneys. In the event some activity related to Client's matter must occur outside of our office (*e.g.*, meeting, hearing, field research), billable time also includes travel to and from our office.

C. Costs and Expenses. In addition to fees for services, Client will be billed for all out-of-pocket costs and expenses. Attorneys may elect, but are not obligated, to incur costs on behalf of Client and seek reimbursement, which Client agrees to promptly reimburse. In some circumstances, Client may be required to pre-pay such costs and certain bills for costs incurred may be forwarded directly to Client for payment, and if forwarded to the Client, Client shall pay

those costs and bills within ten (10) days. Typical costs incurred in-house are shown on the attached Cost Schedule which is incorporated by reference as if set forth in full. Types of costs and expenses commonly incurred in the performance of Attorneys' services include, but are not limited to, messenger and other delivery services, investigations, consultants, mileage, parking, outside vendor reproduction, clerical staff overtime, airfare and lodging for out-of-town travel and associated costs, filing fees and other charges assessed by courts and government agencies, third party filing services, process servers, court reporters, and witness fees.

D. Monthly Invoices. Attorneys' fees and costs for each calendar month will be included in an invoice sent at the beginning of the following month. Unless instructed otherwise, monthly invoices will be sent to Client at the address set forth below. Invoices will itemize the specific services provided and costs incurred. Unless Client contacts Attorneys within fifteen (15) days from the invoice date, the invoice will be considered accurate as presented. Therefore, if Client has any questions, please contact the attorney responsible for your account as soon as the invoice is received.

E. Payment for Services. Payments in full are due within thirty (30) days of the monthly invoice date. If an invoice remains unpaid after thirty (30) days, Client's account becomes delinquent. Late charges shall accrue on past due balances at a rate equal to the lesser of ten percent (10%) annually or the maximum allowed under applicable law. In addition, if Client's account becomes delinquent, Attorneys may withdraw from further representation or may require Client to pay a retainer/deposit pursuant to **Paragraph 6**, if not already provided, or may require an increase in Client's retainer/deposit. If Attorneys withdraw from further representing Client (see **Paragraph 10**, below), Attorneys shall apply Client's retainer/deposit, if any, in Attorneys' trust account towards unpaid fees and costs. Client will remain responsible for any fees and costs remaining unpaid after application of Client's retainer/deposit. By signing this Agreement Client consents to Attorneys using Client's retainer/deposit in this manner.

7. No Fixed Fee or Estimate. On occasion, estimates for the expected cost of services are quoted to clients. These are estimates only and do not constitute a fixed fee. It is Attorneys' policy not to perform work on a fixed fee basis unless agreed in advance and in writing. **NO FIXED FEE IS GIVEN FOR THIS RETENTION.** The retainer paid by Client, if any is required, does not constitute an estimate of fees for this assignment. The amount of fees and costs that may be required cannot be guaranteed. Attorneys' efforts and charges will reflect progress in resolving this matter, and may vary depending on unexpected developments, activities of third parties, or Client's new or modified instructions.

Client's Initials: _____

8. Termination of Services. Client at all times has the right to terminate Attorneys' services upon written notice. Client shall be responsible for all fees and costs incurred up to the date of the termination. Attorneys at all times have the right to terminate representation in the event that Client fails to cooperate in any way reasonably requested, or fails to timely pay invoices in full as submitted, or if Attorneys determine in our reasonable discretion that it would be unethical or

impractical to continue representing Client. If Attorneys are representing Client in a court proceeding, it may be necessary for Client, Attorneys and a successor attorney to execute and file a Substitution of Attorney in court before such termination becomes effective.

9. Partial Invalidity. If any term or provision of this Agreement or the application thereof to any person or circumstances shall, to any extent, be held to be legally invalid or unenforceable, the remainder of this Agreement or the application thereof to persons or circumstances other than those as to which it has been held to be invalid or unenforceable, shall not be affected thereby and each term or provision of this Agreement shall be valid and enforceable between the parties.

10. Dispute Resolution. Attorneys advise Client that Client has the right to have an independent attorney of Client's choice review these arbitration provisions prior to initialing this Paragraph.

A. Venue. Venue for any legal action or arbitration between Client and Attorneys arising from or concerning this Agreement shall only be the County of Contra Costa, State of California.

B. Arbitration Of All Disputes Including Claims Of Malpractice. Any dispute between the parties (Attorneys and Client) regarding the construction, application or performance of any services under this Agreement, and any claim arising out of or relating to this Agreement or its breach, including, without limitation, claims for breach of contract, professional negligence, breach of fiduciary duty, misrepresentation, fraud, and disputes regarding attorney fees and/or costs charged under this Agreement (except as provided in **Paragraph 10.C** below) shall be submitted to binding arbitration upon the written request of one party after the service of that request on the other party. The parties shall appoint one person from the Judicial Arbitration and Mediation Services ("JAMS") to hear and determine the dispute under the then-prevailing rules of JAMS. If the parties cannot agree on an arbitrator, then the Superior Court of Contra Costa County shall choose an impartial arbitrator whose decision shall be final and conclusive on all parties. Attorneys and Client shall each have the right of discovery in connection with any arbitration proceeding in accordance with *California Code of Civil Procedure* § 1283.05. The parties shall bear their own legal fees and costs for all claims.

By initialing below, Client and Attorneys confirm that they have read and understand **Paragraphs 10.A** and **10.B** above, and voluntarily agree to binding arbitration. In doing so, Client and Attorneys voluntarily give up important constitutional rights to trial by judge or jury, as well as rights to appeal. Client has the right to have an independent lawyer of Client's choice review these arbitration provisions, and this entire Agreement, prior to initialing this provision or signing this Agreement.

<p>Client and Attorneys have read this Paragraph 10, including Parts A and B, and understand and agree to the terms therein:</p> <p>Client's Initials: _____ Attorneys' Initials: <u>CSC</u></p>

C. Mandatory Fee Arbitration. Notwithstanding **Paragraph 11.B** above, in any dispute over attorney's fees, costs or both subject to the jurisdiction of the State of California over attorney's fees, charges, costs or expenses, Client has the right to elect arbitration pursuant to the fee arbitration procedures as set forth in *California Business and Professions Code* §§ 6200-6206, known as the Mandatory Fee Arbitration Act. Arbitration pursuant to the Mandatory Fee Arbitration Act is non-binding unless the parties agree in writing, after the dispute has arisen, to be bound by the arbitration award. Client and Attorneys agree that any dispute under the Mandatory Fee Arbitration Act shall proceed before the Contra Costa County Bar Association or, should that organization decline to arbitrate the dispute, then before the State Bar of California. The Mandatory Fee Arbitration procedures permit a court trial after arbitration, or a subsequent binding contractual arbitration if the parties have agreed to binding arbitration and either party rejects the award and requests a trial de novo within thirty (30) days after the award is mailed to the parties. If, after receiving a notice of Client's right to arbitrate, Client does not elect to proceed under the State Bar fee arbitration procedures, and file a request for fee arbitration within thirty (30) days, any dispute over fees, charges, costs or expenses, will be resolved by binding arbitration as provided in the previous **Paragraph 11.B**. If either party rejects a non-binding fee arbitration award by timely submission of a request for trial de novo, Attorneys and Client agree that in lieu of a trial de novo in court, the trial after arbitration shall be binding arbitration pursuant to the provisions of **Paragraph 11.B** above.

11. Governing Law. The laws of the State of California shall govern the interpretation and enforcement of the provisions of this Agreement.

12. Entire Agreement. This Agreement supersedes any and all other agreements, either oral or written, between Client and Attorneys with respect to employment in connection with the above-referenced matter, and this Agreement contains all agreements between Attorneys and Client with respect to this matter. Client, by executing this Agreement, acknowledges that this Agreement is the result of good faith negotiations by and between Client and Attorneys. This Agreement may be modified by subsequent agreement of the parties only by an instrument in writing signed by Client and Attorneys.

13. Counterparts. This Agreement may be executed in counterparts with the same effect as if all original signatures were placed on one document, all of which together shall be one and the same Agreement. For purposes of this Agreement, a facsimile or scanned (.pdf or .tif file or equivalent) signature shall be considered as the equivalent of a wet ink signature, shall be deemed good and valid acceptance of this Agreement, shall be reasonably relied upon by the Parties, and in counterparts that shall together constitute the Parties' Agreement as if it was one original instrument.

ATTORNEYS:

Dated: 2-24, 2017

ARCHER NORRIS,
a Professional Law Corporation

By: _____


Colin J. Coffey

CLIENT:

Client agrees to these terms and acknowledges receiving a copy of this Agreement. The undersigned warrants that he/she is authorized to execute this Agreement on behalf of Client, and Attorneys may rely upon said representation of authority. In the event this Agreement covers multiple parties or clients, each party or client agrees to be liable, jointly and severally, for all obligations of Client under this Agreement.

Dated: _____, 2017

Desert Healthcare District

Dated: _____, 2017

Desert Healthcare District

By: Herb K. Schultz, CEO, Chris Christensen, CFO, CCO
Address: 1140 N. Indian Canyon Drive
Palm Springs, CA 92262

Phone: (760) 323-6613
Fax: (760) 323-6825
E-mail: hschultz@dhcd.org; cchristensen@dhcd.org

ARCHER NORRIS
FEE SCHEDULE AS OF February 10, 2017

Partner/Special Counsel/Of Counsel	\$ <u>350-300</u> per hour
Senior Associate	\$ <u>270.00</u> per hour
Associate	\$ <u>230.00</u> per hour
Law Clerks	\$_____ per hour
Paralegals	\$_____ per hour
Technology Specialists	\$_____ per hour

Personnel Initially Assigned:

Colin Coffey	\$ <u>350.00</u> per hour
Noel Caughman	\$ <u>345.00</u> per hour
Mike Peterson	\$ <u>345.00</u> per hour
Patrice Harper	\$ <u>300.00</u> per hour
Miguel P. Prietto	\$ <u>270.00</u> per hour

These rates may be adjusted not more than once per calendar year.

ARCHER NORRIS
COST SCHEDULE AS OF February 10, 2017

Facsimile:	Inbound	\$ <u>0</u> /page
	Outbound	\$ <u>0</u> /page
Standard Computer Research		\$ <u>0</u> /hour
Postage & Delivery:	Standard U.S. Postal Service	\$ <u>0</u>
	Special Handling	\$ <u>0</u>
Telephone		\$ <u>0</u>
Copying:	Incidental in-house	\$ <u>0</u> /page
	Large volume in-house	\$.25/page
	Outside service	At Cost
Travel (local)		At IRS Rate
Travel (out of area)		At Cost
All other costs incurred:		At Cost

These rates may be adjusted not more than once per calendar year.

TXCJC/4837-2527-5970-1



Date: February 28, 2017

To: Board of Directors

Subject: Complaints Regarding Desert Regional Medical Center (Policy #OP-7).
Revise the District's Complaints and Lease Compliance Policy and
Process for Desert Regional Medical Center. DRMC Governance and
Facilities Committee.

Staff recommendation:

- Consideration to approve an updating and streamlining of the policy and process for lease compliance and complaints regarding Desert Regional Medical Center.
- Consideration to assign the District Board members who are also members of the DRMC Governing Board to serve on a new "DRMC Governance and Facilities Committee".

Background:

- It continues to be a major priority for District Board Members to ensure full compliance of the terms of the lease between the Board and Tenet.
- Currently, Policy #OP-7 outlines a process for handling complaints coming from the public to Board Members and Staff regarding Desert Regional Medical Center.
- Additionally, in the normal course of business, Staff and Board Members undertake oversight responsibilities to ensure compliance with the terms of the current lease of Desert Regional Medical Center
- Staff believes that a revision of this policy will lead to a better system of oversight, lease compliance, and addressing issues raised by District residents.
- Staff recommends the District Board members who are also members of the DRMC Governing Board serve on a new "DRMC Governance and Facilities Committee".



Lease Compliance Roles and Responsibilities

***Desert Healthcare District – Lessor/Lease Compliance
Tenet – Lessee/Operations***



Lease Compliance Summary

- 1. Restrictions on Use of the Leased Assets (3.1)***
- 2. Compliance with Laws, Covenants, Conditions and Restrictions (3.2)***
- 3. Maintenance of Leased Premises (3.4)***
- 4. Insurance (Art. IV)***
- 5. Non-Discrimination in Operations (14.1)***
- 6. Termination of Core Services (14.2)***
- 7. Assignments and Subleases (14.3)***
- 8. Licensing, Accreditation and Payors (14.6, 14.7 and 14.8)***
- 9. Other Obligations (14.12, 14.13, 14.14 and 14.15)***



DESERT HEALTHCARE DISTRICT

**DESERT HOSPITAL
MAY 1997 LEASE
TRANSACTION SUMMARY**

Pre-Lease Agreement

- Parties and Term. Desert Healthcare District (District), Desert Hospital Corporation (DHC), and Tenet Healthsystem Desert Inc. (Tenet). The term of the Lease is 30 years from May 30, 1997, until May 29, 2027.
- Transfer of Assets and Liabilities to Tenet. The leased assets include the real property, equipment and other tangible personal property used at the Hospital and related businesses. Tenet agreed to assume all hospital contracts and employee obligations for paid time off, sick pay and payroll taxes.

Pre-Lease Agreement (continued)

- Assets and Liabilities retained by District. Assets which were retained by the District included the accounts receivable, the assets of the Foundation and the Las Palmas Medical Plaza Partnership.
- Consideration. Tenet paid the District the following amounts for Prepaid Rent: An amount necessary (\$95 million) to defease DHC's outstanding indebtedness under the 1990, 1992 and 1993 Bonds, \$15.5 million cash, and \$8 million for inventory and prepaid expenses. The Transfer Agreement also included the assumption of all liabilities including \$9.6 million and \$35 million in the 1985 and 1987 Series A Revenue Bonds.

Pre-Lease Agreement (continued)

- Representations, Warranties and Additional Covenants. The District and DHC provided over 45 representations and warranties regarding their authority to enter the transaction and additional covenants which address the operation of the Hospital, third party and government approvals, and the various actions that needed to be taken to close the transaction. Tenet also agreed to hire all Hospital employees to perform comparable services for the same compensation.

Pre-Lease Agreement (continued)

- Indemnification. The District was responsible for indemnifying Tenet for claims related to the Hospital operations prior to closing. Tenet is obligated to indemnify the District for any breach of its representations and for any claims or liabilities arising after closing related to Tenet's operation of the Hospital.
- District Taxes. Tenet has no right to seek indemnification against District tax revenues for any type of claim under the Pre-Lease.

The Tenet Lease

- Parties and Term. District and Tenet. The Lease has a term of 30 years and expires May 29, 2027.
- Rent. Rent was prepaid as describe in the Pre-Lease.
- Taxes and Assessments. Tenet is required to pay all real and personal property taxes and pay all city, county, state, federal income or franchise taxes chargeable against Tenet.
- Limitations on use of Leased Assets. **Tenet must continuously operate the Hospital and Desert Businesses for the Benefit of the District residents and maintain and operate the premises as an acute care community hospital and ancillary service.**

The Tenet Lease (continued)

- Compliance with Laws, Covenants, and Restrictions. **Tenet is required to comply with all applicable laws during the term of the Lease including all laws relating to the operations and building codes.**
- Seismic Compliance Upgrades. In the event Tenet is required to upgrade the buildings at the Hospital to comply with seismic requirements (AB 1953) and the cost of those upgrades exceed \$12.5 million, then Tenet has the right to terminate the Lease and the District is responsible for the remaining prepaid rent.

The Tenet Lease (continued)

- Maintenance of Hospital. **Tenet is required, at its sole cost and expense, to maintain the Leased Premises in the same condition and repair as it was at commencement of the Lease.**
- Alterations, Additions, and Improvements. Tenet must obtain prior consent from District for any improvements that have a net book value in excess of \$1 million (plus CPI index) at the normal expiration of the Lease (2027) or it may not be included in the Termination Assets.

The Tenet Lease (continued)

- Compliance with Insurance. Tenet is required to maintain “all risk” insurance in an amount equal to “full replacement value” which shall be renewed at least every 5 years to cover new improvements. Tenet is also required to maintain comprehensive general liability, professional liability, malpractice, and employer’s compensation insurance. Tenet is obligated to carry earthquake insurance coverage comparable to other hospitals in Southern California, provided such coverage is available and reasonable. The District may require proof of compliance with these insurance requirements.

The Tenet Lease (continued)

- Operating Covenants. There are a series of operating covenants that address how Tenet is required to operate the Hospital:
 1. **Non-Discrimination in Operations:** All major decisions for the Hospital must be made without discrimination against District residents. No Core Services at the Hospital may be relocated to JFK in order close or materially reduce the services at Desert Hospital.

The Tenet Lease

Operating Covenants (continued)

- 2. Termination of Core Services:** Tenet may not **terminate** or materially reduce a “Core Service” prior to May 2000. Any decision after will not be made without providing the District, the Medical Staff and the local governing board notice and an opportunity to be heard. Notice must include a financial analysis of the affected Core Service and its availability in the community. The District may hold public hearings on the proposed action at which Tenet must participate.
- 3. Assignment and Subleases:** Tenet may not sublease Hospital without the District’s consent.

The Tenet Lease

Operating Covenants (continued)

- 4. Licensing and Accreditation:** Tenet must use best efforts to maintain Hospital licensure and accreditation, and commercially reasonable efforts to participate in Medicare, Medi-Cal and other third-party programs. However, this is qualified if new laws substantially modify disproportionate share payments.
- 5. Capital Projects:** Tenet was required to use reasonable efforts to complete certain capital projects that existed at the Hospital in 1997.

THE TENET LEASE

Operating Covenants (continued)

- 6. Governance of the Hospital:** Tenet was required to establish a local governing board to provide community participation. The board has 13 members, two of whom can be elected District board members. Notwithstanding the local governing board, Tenet's corporate board of directors retains ultimate decision-making power.

THE TENET LEASE

Operating Covenants (continued)

- 7. Other Obligations:** Tenet is obligated to:
- (i) provide the District with an annual report on the operation of the Hospital;
 - (ii) maintain donor identification on the various buildings;
 - (iii) obtain District consent before changing the Hospital's charity care policy;
 - (iv) provide space for the District and Foundation in the Stergios Building;
 - and (v) the District has the right to inspect the Leased Premises during the term of the Lease.

The Tenet Lease (continued)

- Events of Default. Events of default by Tenet include:
 - i. the failure to pay or perform any material covenant or condition of the agreement.
 - ii. the subjection of any right or interest of the District to attachment or levy.
 - iii. appointment of a receiver to take possession of the property
 - iv. an assignment for the benefit of creditors, or filing of a bankruptcy,
 - v. a reorganization or dissolution to avoid bankruptcy.

The Tenet Lease (continued)

- Remedies. In the event of an uncured default by Tenet, the District has the right to seek injunctive relief or specific performance or terminate the Lease and is not obligated to reimburse Tenet for Prepaid Rent.
- Non-Competition Clause. Neither the District nor any of its affiliates (including the Foundation) may directly compete with Tenet in providing health care services within the boundaries of the District. This includes directly providing financial support to a competing hospital.

The Tenet Lease (continued)

- Termination. In general, the District will be required to purchase from Tenet all of the improvements to the Hospital at the lesser of their FMV or then book value. The District will also be required to purchase the inventory at book value and prepaid expenses.
- Misc. Provisions. At the end of the Lease are a series of miscellaneous provisions that include a requirement that disputes comply with a meet confer process and then binding arbitration.



POLICY TITLE: LEASE COMPLIANCE POLICY

POLICY NUMBER: OP-07 REVISED 02/24/17

BOARD APPROVAL DATE: _____

POLICY: COMPLIANCE WITH THE MAY 30, 1997 LEASE

Policy #OP-07:

During the course of business the Desert Healthcare District (District), its Chief Executive Officer (CEO), employees or Board of Directors may occasionally receive complaints regarding the Desert Regional Medical Center (Medical Center) and its operations. When such complaints are received, it is the policy of the District Board of Directors to forward the complaint to the Chief Executive Officer and Compliance Officer of the Medical Center through the District CEO, with a request to address the complaint in writing and provide a copy of the response to the District Board of Directors.

Should the District receive complaints specific to the Lease between the District and leaseholder of the Medical Center, the District CEO will address the complaint in writing and provide any recommendations to the District Board of Directors.

Facilities Operations Compliance:

The Governance and Facilities Committee shall conduct a quarterly walk-through inspection of portions of Desert Regional Medical Center. The walk-through shall be coordinated with Hospital Management and the Committee may utilize the services of a consultant who has experience in hospital facilities. After each inspection the Committee shall provide an inspection report (including noting any deficiencies) to the District Board, and the Desert Regional Medical Center CEO and Local Governing Board.

1. During the fiscal year, the Governance and Facilities Committee shall review the following information provided by Management at the Desert Regional Medical Center:
 - A list of current Hospital licenses and their expiration dates.



- A list of current accreditations and their expiration dates.
 - Copies of all insurance policies including property (including earthquake insurance), general liability, professional liability and employer's compensation insurance.
 - Confirmation of the Hospital's participation in Medicare and Medi-Cal
2. The Committee shall periodically provide updates to the full Board on Lease compliance.
 3. On an annual basis, Management at Desert Regional shall be requested to provide a comprehensive report on the activities and operations at the Hospital. The report shall include and address the following:
 - Overall operations of the Hospital.
 - Maintenance budget and ongoing maintenance programs.
 - Charity care policy and estimated dollar amount provided for indigent care.
 - Substantiation of benefits of the Hospital to the Community.
 - Confirmation that Core Services are being maintained at the Hospital.
 - List and status of any Subleases and or Assignments.
 - List of donor identifications and documentation of efforts to support District and Foundation efforts to generate additional donor support.
 4. The Management of Desert Regional shall be invited to attend monthly District Board meetings and provide a report on activities at the Hospital.

Resolution of Disputes:

In the event of any dispute or disagreement over enforcement or interpretation of Lease compliance, and in accordance with Section 16.12 of the May 30 1997 Lease, the following Dispute Resolution process shall apply:

- Meet and Confer: The District Board through the CEO shall provide written notice to Management at Desert Regional Medical Center setting forth the nature of the Dispute and the parties shall meet and confer in good faith to discuss the Dispute within 30 days in an attempt to resolve the dispute.



- Arbitration: Any Dispute which cannot be resolved by the meet and confer process may be submitted to binding arbitration. The Arbitration shall be conducted in Riverside County and a single disinterested third party shall be selected by mutual agreement or if the parties cannot agree on the selection of an arbitrator within 15 days, either party may elect to have the Dispute arbitrated through JAMS/Endispute. The decision of the arbitrator shall be final and binding and as part of the award the arbitrator may award reasonable and necessary costs incurred by the prevailing party as determined by the arbitrator.
- Mediation: In lieu of Arbitration, the parties may, by mutual agreement of have the dispute resolved through non-binding mediation.

DRAFT



Date: February 28, 2017

To: Board of Directors

Subject: Potential Expansion of the Desert Healthcare District. East Coachella Valley Opinion Survey

Staff recommendation:

- Consideration to approve the development of a Service Agreement with Probolsky Research for an East Valley Opinion Survey.

Background:

- The Desert Healthcare District Board is in strong support of the expansion of the East Coachella Valley.
- The District Board submitted an application to Riverside County LAFCO on January 5, 2017, per the deadline required in the enactment of AB 2414.
- The Board has begun a comprehensive three-year strategic planning process and its planning assumes District expansion into the East Valley.
- In light of this, it is important to understand the awareness level of the District and how East Valley residents perceive healthcare in the community.
- An opinion survey, once the questions are finalized, will take about a week to be completed.

Fiscal Impact:

NTE \$26,500



Date: February 28, 2017

To: Board of Directors

Subject: Premier Inc. Service Agreement to update the Market Analysis Report with 2015 and seasonality data.

Staff recommendation:

- Consideration to approve the service agreement for Premier Inc. to update the Market Analysis Report.

Background:

- The Desert Healthcare District engaged Premier Inc. to produce a Market Analysis Report in June 2016.
- 2015 data was not available for the Market Analysis Report.
- The District has requested the Report be updated with 2015 data and to include seasonal adjustments for peak times of the year.

Fiscal Impact:

\$8,000 inclusive of expenses.

**PREMIER HEALTHCARE SOLUTIONS, INC.
SERVICES AGREEMENT - COVER SHEET**

1. The "Parties" to this Services Agreement are:
Premier Healthcare Solutions, Inc.
 13034 Ballantyne Corporate Place
 Charlotte, NC 28277
 Attention: Kelly Rakowski

Desert Healthcare District
 (Client)
1140 N. Indian Canyon Drive
Palm Springs, CA 92262
 Attention: Contact
 _____ (phone) _____ (fax)
 Email: _____

2. Effective Date: February 13, 2017
 3. Expiration Date: March 31, 2017
 4. Term of Agreement (weeks): Approximately six (6) weeks
 5. Project: Market Share Update

This Services Agreement (the "Agreement") is comprised of the following documents and is entered into by the Parties as of the effective Date set forth above:

- i. This Cover Sheet;
- ii. The attached Premier Healthcare Solutions, Inc. Standard Terms and Conditions; and
- iii. The attached Statement of Work (Exhibit A).

Premier Healthcare Solutions, Inc.
 ("Premier")

CLIENT: Desert Healthcare District
 ("Client")

By: _____
 Printed Name: Kelly Rakowski
 Title: SVP, Premier Performance Partners
 Date: _____

By: _____
 Printed Name: _____
 Title: _____
 Date: _____

COMPLETION OF ALL INFORMATION BELOW IS REQUIRED FOR CONTRACT EXECUTION

Invoice to be sent to the attention of:	
Address to send all invoices:	Desert Healthcare District 1140 N. Indian Canyon Drive Palm Springs, CA 92262
Will Client be using a Purchase Order Number?	<input type="checkbox"/> Yes <input type="checkbox"/> No
If yes, Purchase Order Number:	
Email Address for Invoices to be sent:	
Travel Receipts Required?	<input type="checkbox"/> Yes <input type="checkbox"/> No

** Please sign cover sheet, complete billing/invoice and P.O. information, and sign the Business Associate Agreement to execute the Agreement. Return a signed copy of the Agreement to Premier Healthcare Solutions, Inc., attention Greg Gardner at 13034 Ballantyne Corporate Place, Charlotte, NC 28277. The signed copy may also be sent via email or facsimile to Greg Gardner (greg_gardner@premierinc.com) or 704-816-5161 to expedite the engagement initiation.*

1.0 DEFINITIONS

1.1 "Confidential Information" means all information furnished by either party in oral, written or machine-readable form, which (a) has value because it is not generally known, and (b) the owner uses reasonable efforts to protect and identifies in writing as confidential. Confidential Information also includes information that has been disclosed by a third party that is required to be treated as confidential. Confidential Information does not include any information that is (1) available to the general public; (2) in the receiving party's possession prior to disclosure of the information; (3) disclosed to the receiving party by a third party who is under no obligation to the disclosing party to hold that information in confidence; or (4) required to be disclosed by the receiving party by applicable law or legal process.

1.2 "Services" means collectively the Deliverables, Services (assistance provided by Premier or its subcontractor(s)) and any Training Services (training assistance provided by Premier or its subcontractor(s) in the use of Deliverables or software) and described in the scope of work.

1.3 "Statement of Work" means the attached Exhibit A to this Agreement, executed by Client and Premier, describing any software that Client will be permitted to access and any Services to be performed for Client.

1.4 "Deliverables" means Premier's data and analysis described in the Statement of Work.

1.5 "Derivative Works" means any work based on or incorporating all or any portion of a Deliverable, including mechanical or electronic reproduction, translation, adaptation, change of media or other form, which would represent a violation of Premier's copyright in the Deliverable if done without Premier's consent. Reports created by Client for internal use are not Derivative Works.

2.0 SCOPE OF SERVICES

2.1 Services. Premier will provide agreed upon Services to Client as specified in the Statement of Work attached hereto as Exhibit A.

2.2 Information. Client will, to the best of its ability, provide complete and accurate information regarding its business and needs to Premier in connection with the Services. Client shall promptly review and verify the completeness and accuracy of all output of any computer software provided by Premier to Client in connection with Premier's performance of the Services.

3.0 FEES

3.1 Generally. Client will pay Premier the fees as set forth in the Statement of Work.

3.2 Charges. In addition to the foregoing fees, Client will pay all reasonable and actual out-of-pocket expenses incurred in connection with the provision of the Services, if any, including without limitation travel expenses.

3.3 Payment Terms. Premier will issue invoices for any remaining fees and expenses in accordance with the Statement of Work. Payments of all invoices are due within

thirty (30) days following the receipt of invoice. Client will make all payments without right of set-off or chargeback.

3.4 Equitable Adjustments. Fees for Consulting Services set forth in the Statement of Work are based on good faith estimates of the time and resources required to complete the activities identified in the Statement of Work. Should Premier be able to complete the work outlined in the Statement of Work at less cost and/or with fewer resources, Client will be billed only for the actual time and resources expended. Conversely, if Premier finds that these estimates have been understated, Client agrees to negotiate in good faith for an adjustment of the fees.

3.5 Taxes. Fees do not include any applicable present or future sales, use, value added, excise, or similar taxes. Premier will separately itemize any applicable taxes on each invoice, or in lieu thereof, Client shall furnish Premier a properly executed tax exemption certificate. Client shall be responsible for paying any applicable taxes later assessed by any government agency, other than taxes based on Premier's net income.

3.6 Interest. If Client does not pay the invoices when due, Premier may charge interest of one and one-half percent (1-1/2%) per month, or any lower maximum rate allowable by law, on the unpaid amounts.

4.0 ACCESS AND PROPRIETARY RIGHTS

4.1 Deliverables and Derivative Works. Premier grants Client the perpetual, limited right and license to use the Deliverables and Derivative Works. Client shall credit Premier and/or its subcontractor(s), as appropriate, as the source of any Deliverables or Derivative Works for all purposes.

4.2 Ownership. Premier (or its subcontractor, as applicable) retains all rights, title, and interest in and to the Deliverables, the Derivative Works and Premier Confidential Information. Such rights include, but are not limited to, patent, copyright, moral, trademark, trade secret, and all other intellectual property rights.

5.0 WARRANTIES

5.1 Premier Warranties. Premier warrants that it will perform the Services in accordance with the generally accepted industry standards for such Services. If Premier breaches this warranty, Client's sole and exclusive remedy shall be for Premier to correct such breach by reperforming the non-conforming Services. Premier warrants that it either owns or has the right to provide the Services and any deliverables described herein to Client.

5.2 Client Warranty. Client warrants that it owns or has the right to provide to Premier the Confidential Information disclosed by Client.

5.3 Disclaimers. EXCEPT AS SET FORTH IN SECTION 5.1, PREMIER EXPRESSLY DISCLAIMS ANY AND ALL REPRESENTATIONS, WARRANTIES, GUARANTEES, CONDITIONS, AND UNDERTAKINGS WITH RESPECT TO SERVICES AND THEIR RESULTS AND PERFORMANCE, INCLUDING, WITHOUT LIMITATION, ALL IMPLIED WARRANTIES OF

PREMIER HEALTHCARE SOLUTIONS, INC.
STANDARD TERMS AND CONDITIONS

SERVICES AGREEMENT

MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. infringement where the claim arises from any information, data, or materials provided by the indemnified party.

6.0 DAMAGES LIMITATION. Under no circumstances shall either party be liable for any incidental, special, punitive, or consequential damages arising out of or in connection with this Agreement or otherwise, including but not limited to, liability for lost profits, business interruption, or loss of business. EXCEPT FOR LIABILITIES ARISING AS A RESULT OF PREMIER'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT IN PERFORMING THE SERVICES AND PREMIER'S LIABILITIES ARISING UNDER SECTIONS 7.2 AND 8.1(I), PREMIER'S TOTAL LIABILITY TO CLIENT HEREUNDER SHALL NOT EXCEED THREE (3) TIMES THE TOTAL AMOUNT OF FEES PAID BY CLIENT DURING THE TERM OF THE APPLICABLE STATEMENT OF WORK.

7.0 CONFIDENTIALITY

7.1 Confidential Information. All Confidential Information disclosed to either party is and will remain the sole and exclusive property of the disclosing party or its licensors.

7.2 Disclosures. Disclosures of Confidential Information by either party may be made only to employees, agents or independent contractors of the receiving party who are directly involved in performing the Services and have a specific need to know such information.

7.3 Mutual Cooperation. Each party will notify and cooperate with the other party in enforcing the disclosing party's rights if it becomes aware of a threatened or actual violation of the disclosing party's confidentiality requirements by a third party.

7.4 Residuals. Premier is free to use and incorporate into its products and future Services any data, information, ideas, know-how, and or techniques that are inherently disclosed to Premier by Client, Premier's provision of the Services, or that are developed in the performance of the Services. Nothing in this Agreement shall, or is intended to, limit Premier's ability to develop or enhance its products and future Services in any manner whatsoever, including use of residual knowledge gained as a result of the disclosure, inputting or uploading by Client of Confidential Information in connection with the Agreement, provided Premier does not disclose Client Confidential Information to unauthorized third parties.

8.0 INDEMNITIES.

8.1 Indemnification. Each party will, at its expense, defend, indemnify and hold the other party harmless from and against any actual or threatened action or proceeding by a third party (a "Claim") (i) that Deliverables, materials or information provided to the other party infringe a patent, copyright or other proprietary right of any third party under the laws of the United States, or (ii) arising out of or in connection with this Agreement or the Services to provided hereunder, and will pay all losses, liabilities, damages and claims either awarded by a court or agreed to in an out-of-court settlement and all related costs and expenses (including reasonable attorneys' fees, litigation costs, settlement, judgment, interest and penalties) resulting from such Claims [and approved in advance by the indemnifying party]. The indemnifying party will not be liable for any claim of

8.2 Indemnification Procedures. If either party becomes aware of a Claim which may require indemnification, the indemnified party will promptly notify the other party in writing of the Claim and will allow the other party to assume sole and full control of the defense and settlement of the Claim; provided, that the indemnifying party shall not confess any judgment or enter into any settlement without the prior written consent of the indemnified party, which shall not be unreasonably withheld. The indemnified party will provide the other party with reasonable assistance and information necessary to defend and settle the Claim. The indemnified party's counsel shall have the right to participate in the defense and settlement of the Claim, at such party's own expense.

9.0 TERM AND TERMINATION

9.1 Term. The term of this Agreement shall commence on the Effective Date and shall continue until the later of (i) the completion of the Services described in the Statement of Work, or (ii) the end of the last annual period for which the Annual Support Fees described in the Statement of Work have been paid by Client. Additional Statements of Work may be executed as needed for any Services not covered by the initial Statement of Work.

9.2 Termination for Breach. Either party may terminate this Agreement, in whole or in part, by giving written notice to the other, if the other party fails to remedy any breach of this Agreement within thirty days after its receipt of written notice of breach and intent to terminate.

9.3 Effect of Termination. On expiration or earlier termination of this Agreement, in whole or in part, the following shall occur:

(a) Client shall pay all amounts due and payable under this Agreement with respect to the affected Services which have been rendered.

(b) All rights and obligations granted under Sections 4, 5, 6, 7, 8, 10.1 and 10.9 shall survive. The confidentiality and other obligations of Section 7 shall survive termination of this Agreement for one year after the termination date; provided, however, that to the extent that either party has disclosed information to the other that constitutes a trade secret under law, each party agrees to protect such trade secret(s) for so long as the information qualifies as a trade secret under applicable law.

(c) Neither party will be liable to the other for damages, losses, costs or expenses of any kind or character whatsoever on account of the termination of this Agreement arising from or in connection with the loss of prospective sales, or expenses incurred or investments made in connection with the establishment, development or maintenance of either party's business.

(d) Except as set forth in Sections 6 and 9.3(c), termination will not affect any claim, demand, liability or right of Client or Premier arising prior to the termination.

9.4 Termination Without Cause. Either party may terminate this Agreement at any time without cause upon thirty (30) days written notice to the other party, subject to

**PREMIER HEALTHCARE SOLUTIONS, INC.
STANDARD TERMS AND CONDITIONS**

SERVICES AGREEMENT

Client's payment in full for any Services performed by Premier prior to the date of the notice. Client shall also be responsible for promptly paying Premier all fees and costs incurred through the date of termination. For any Statement of Work in which Premier has made an investment in equipment or hired employees or consultants specifically to fulfill a Statement of Work for Client, and/or permitted Client to defer payment for services already rendered by Premier (hereafter "Implementation Costs"), Client shall pay Premier in full for Implementation Costs, within thirty (30) days of receipt of a reasonably detailed invoice.

10.0 GENERAL

10.1 No Hiring. Both parties agree not to hire, or directly or indirectly solicit or employ, any employee of the other who is involved in the development, use, or provision of Services to Client for a period of six months after the employee's termination of employment, without the prior written consent of the other party.

10.2 Assignment. Neither party may assign this Agreement without the prior written consent of the other; however, Premier reserves the right to assign the benefits, but not the responsibilities, of this Agreement to any third party.

10.3 Independent Parties. Neither Client nor Premier is a legal representative or agent of the other, or is legally a partner of the other. Premier staff performing the Services shall at all times remain under the direction and control of Premier. Premier shall be responsible for all payroll taxes, unemployment insurance payments and other obligations of employers with respect to Premier employees performing the Services.

10.4 Subcontractors. Premier may subcontract any portion of the Services to be performed under this Agreement.

10.5 Force Majeure. If either party's performance of any part of this Agreement, except for the payment of money owed when due, is prevented or delayed by a Force Majeure Event, that party will be excused from such performance to the extent it is necessarily prevented or delayed thereby. "Force Majeure Event" means an event beyond a party's reasonable control, including without limitation, fire, flood, war or riot, acts of civil or military authority (including governmental priorities), severe weather, strikes or labor disputes or labor shortages.

10.6 Entirety. This Agreement and the attached Exhibits represent the entire agreement of the parties, superseding all other agreements and discussions. In the event that there is a conflict between a Statement of Work and any of the terms and conditions contained in Article 1.0 up to and including Article 10.1 of the Agreement (the "Agreement Terms"), the Agreement Terms shall control. Purchase orders are accepted for administrative convenience only, and conflicting terms are rejected. This Agreement may not be amended except in writing signed by both parties. No waiver of rights by either party may be implied from any actions or failures to enforce rights under this Agreement.

10.7 Severability. In case one or more of the provisions of this Agreement should be held invalid, illegal or unenforceable in any respect for any reason, the same will not affect any other provision in this Agreement, which will be

construed as if such invalid or illegal or unenforceable provision had never been contained therein.

10.8 Books and Records. Premier agrees to make available upon request of the Secretary of Health and Human Services or the Comptroller General of the United States or any of their duly authorized representatives, the contracts, books, documents and records that are necessary to certify the nature and extent of costs associated with this Agreement for a period of four (4) years from completion of all services under this Agreement.

10.9 Governing Law and Dispute Resolution. This Agreement shall be construed and governed in accordance with the laws of the State of California excluding its conflict of laws provisions. The parties acknowledge that mediation or other alternative methods of dispute resolution may be mutually advantageous and appropriate prior to pursuing their rights at law or equity, and they agree to consider in good faith the possibility of employing such methods in a particular situation.

10.10 Notice. All notices required under this Agreement must be in writing and are effective on the date received (unless the notice specifies a later date). Notice shall be sent to the applicable party at the address set forth on the Cover Sheet.

10.11 Attorneys' Fees. Should any party engage an attorney for the purpose of enforcing this Agreement or any judgment based hereon in any court, including bankruptcy court, courts of appeal or arbitration proceedings, the prevailing party shall be entitled to receive its reasonable attorneys' fees and costs in addition to any other relief granted.

10.12 HIPAA Compliance The U.S. Department of Health and Human Services implemented regulations on "Standards for Privacy of Individually Identifiable Health Information," which comprise 45 C.F.R. Parts 160 and 164 (the "Privacy Rule"), and "Security Standards," which comprise 45 C.F.R. Parts 160, 162, and 164 (the "Security Rule"), promulgated pursuant to the Health Insurance Portability and Accountability Act of 1996. The parties shall comply with the Privacy Rule, the Security Rule and the Privacy provisions (Subtitle D) of the "HITECH Act," pursuant to the manner set forth in the Business Associate Addendum attached hereto as Exhibit B.

10.13 Insurance. Premier, at its own expense, shall procure and maintain during the term of this Agreement policies of insurance to include the following coverage:

- (a) Commercial General Liability - Occurrence form
 - Coverage for bodily injury, personal injury, property damage and contractual liability must be included.
 - Not less than \$1,000,000 limit per occurrence/\$2,000,000 limit in the aggregate.
 - Not less than \$1,000,000 personal injury and advertising liability limit.
- (b) Commercial Automobile Liability
 - Covering all owned, hired, leased and non-owned vehicles.

**PREMIER HEALTHCARE SOLUTIONS, INC.
STANDARD TERMS AND CONDITIONS**

SERVICES AGREEMENT

- Not less than \$1,000,000 per person / \$1,000,000 combined single limit per accident.
- (c) Workers' Compensation: In compliance with all applicable laws, statutes, rules and regulations.

- End of Standard Terms and Conditions -

EXHIBIT A
STATEMENT OF WORK

I. TERM

The term of this Statement of Work by and between Premier and Client will commence on the Effective Date set forth in Item 2 of the Cover Sheet and will remain in effect for the period of time set forth in Item 4 of the Cover Sheet.

II. SCOPE

During the term of this Statement of Work, Client will engage Premier to provide the following services identified in Section A below ("Premier Services") for the facilities identified in Section B below.

A. PREMIER SERVICES

i. Scope/Objectives

Update market share with OSHPD 2015 data, specific to discharges, market share, payer mix and service line information.

B. CLIENT FACILITIES INVOLVED

Unless otherwise agreed by the Parties, the Premier Services shall be directed toward the following facilities (the "Direct Sites"):

Desert Healthcare District, Palm Springs, CA

III. PROFESSIONAL FEES.

A. FEES AND EXPENSES.

The services will be invoiced on a fixed professional basis. The fixed fee for the engagement is \$8,000, inclusive of expenses.

B. INVOICES

Premier will invoice Client on a monthly basis. Invoices are generated on the last day of the month. Payments of all invoices are due within thirty (30) days following the receipt of the invoice.

**DESERT HEALTHCARE DISTRICT
PROGRAM COMMITTEE
MEETING MINUTES
February 14, 2017**

Attendance:

Members

Vice-President Kay Hazen–Chairman
Director Jennifer Wortham

Staff

Herb Schultz, Chief Executive Officer
Chris Christensen, CFO/COO
Donna Craig, Chief Grants Officer
Mary Pannoni, Accounting/Admin Support
Alejandro Espinoza, Director Programs/Projects

Committee Members

Allen Howe, Community Member
Linda Levinson, Community Leader
Lilia Escobedo, Riverside County 4th District
Bev Greer, CEO, Neuro Vitality Center
Linda Shestock, Community Member

Absent Committee Members

Ronald Willison, Community Member
Milt Levinson, Community Member
Kim McNulty, CVEP

Guests

CALL TO ORDER

The meeting was called to order at 12:09 pm by Chairman Hazen.

APPROVAL OF AGENDA

No committee members had any additions or corrections.

PUBLIC COMMENT

None

APPROVAL OF MINUTES

A Motion was made by Community Member Greer and seconded by Community Member Shestock to approve the minutes of December 13, 2016. Motion passed unanimously.

GRANTS

a. Outstanding Grants & Grant Payment Schedule
Information Only

b. Proposals Under Development – Remaining Budget Impact
Discussion Only

Committee members agreed that they liked the “pipeline” format better than the previous table of proposals under development.

Vice-President Hazen welcomed Director Wortham to the Program Committee.

c. Progress Reports

1. Grant #870 Mizell Senior Center – 3rd report
Information Only – Members were pleased to see their suggestion of more outreach to the Latino community was being addressed.
2. Grant #891 Jewish Family Service – 2nd report
Information Only – no comments
3. Grant #908 Angel View – 1st report
Information Only – no comments
4. Grant #907 Volunteers in Medicine – 1st report
Information Only – no comments

NEW BUSINESS

Proposed Strategic Planning Process, Timeline, and Vision
Information Only

Staff provided an overview of draft mission, vision, and strategies along with the proposed planning process timeline. Several meetings have occurred with a strategic planning consultant and with the District’s Strategic Planning Ad Hoc Committee and Staff. Many community leaders and organizations have already been consulted, with more to come. Continued input from the public will be sought and ensured throughout the planning process. A Strategic Planning work plan has been developed for consideration of approval at the February Board of Directors meeting. The committee discussed aspects of health and healthcare as a part of the vision. When reviewing the stakeholder interview questions, the committee agreed that a facilitated conversation would be preferable to individual questionnaires for next month’s meeting. Director Wortham suggested another randomized mail survey of 2500 residences be

considered, in order to represent more diversified opinions as the HARC report may not have covered a wide enough range.

COMMITTEE MEMBERS COMMENTS

None

STAFF COMMENTS

None

ADJOURNMENT

The meeting was adjourned at 1:39 pm.

DRAFT

**DESERT HEALTHCARE DISTRICT
AND DESERT HEALTHCARE FOUNDATION
Community Leaders and Partners Interview Questions**

1. What has been the biggest contribution of the Healthcare District and Foundation to the community?
2. What do you see as the current role of the Healthcare District and the Foundation? How could that role change or evolve to better meet the needs of the community?
3. From your vantage point, what are the perceptions of the Healthcare District/Foundation among other health care service providers and community leaders?
 - a. What do you see as the core strengths?
 - b. What can the District do better?
4. What do you see as the most pressing community health needs in the Coachella Valley?
5. Looking forward, are there major demographic, population growth, industry or other changes coming to the Valley that the Healthcare District/Foundation should be thinking about?
6. What role, if any, do you see the Healthcare District/Foundation playing in meeting these needs?
7. Looking out over the next 3 years, what do you think are the biggest strategic issues, priorities and opportunities facing the Healthcare District/Foundation?
8. What are the advantages and disadvantages of plans to the potential expansion into eastern Coachella Valley?
9. What advice or guidance would you give to the Healthcare District/Foundation as they begin their strategic planning process?

DESERT HEALTHCARE DISTRICT						
OUTSTANDING GRANTS AND GRANT PAYMENT SCHEDULE						
As of 01/31/17						
TWELVE MONTHS ENDED JUNE 30, 2017						
Grant ID Nos.	Name	Approved Grants - Prior Yrs	Current Yr 2015-2016	6/30/2016 Bal Fwd/New	Total Paid July-June	Open BALANCE
2013-759-BOD 02/26/13	Desert Hot Springs Wellness FDN - Oversampling - HARC -3yr	\$ 30,000		\$ 15,000	\$ -	\$ 15,000
2013-765-BOD 5/28/13	HARC - Health Evaluation Component of the @LIKE program	\$ 11,425		\$ 1,143	\$ 589	\$ 554
	Unexpended funds - Grant 765 - November 2016					\$ (554)
2013-782-BOD 6/25/13	CVEP - CV/iHub Accelerator Campus 3 years	\$ 500,000		\$ 25,000	\$ -	\$ 25,000
2014-MOU-BOD-11/21/13	Memo of Understanding CVAG CV Link Support	\$ 10,000,000		\$ 10,000,000	\$ -	\$ 10,000,000
2014-821-BOD-4/22/14	HealthCorps-24 mos support Coordinator proj - High Schools	\$ 555,968		\$ 55,597	\$ 55,597	\$ -
2014-852-BOD-11-19-14	Desert AIDS Project - Get Tested Coachella Valley - 3 yr	\$ 498,625		\$ 274,244	\$ 74,794	\$ 199,450
2015-862-BOD-3-24-15	Visiting Nurses Association of California - Point-of-Care McKesson Technology Upgrade	\$ 125,000		\$ 12,500	\$ -	\$ 12,500
2015-866-BOD-4-28-15	The LGBT Center of PS - Desert Low-Cost Counseling Clinic - 3 yr	\$ 140,000		\$ 104,000	\$ 18,000	\$ 86,000
2015-870-BOD-5-26-15	Mizell Senior Center - CV Senior Fall Prevention Program - 2 Yr	\$ 403,300		\$ 221,815	\$ 181,485	\$ 40,330
2015-874-BOD-6-23-15	United Cerebral Palsy - Skill-builders Community Integration - 2 Yr	\$ 178,894		\$ 98,392	\$ 40,251	\$ 58,141
2015-875-BOD-6-23-15	Desert AIDS Project - Sexually Transmitted Infection Clinic - 3 Yr	\$ 800,000		\$ 450,000	\$ 137,500	\$ 312,500
2015-876-BOD-6-23-15	Arrowhead Neuroscience Frndtn-NeuroInterventional & NeuroCritical Care Fellowship 2 Yr	\$ 373,540		\$ 289,494	\$ -	\$ 289,494
2016-885-BOD-9-22-15	Hidden Harvest - Senior Markets & Healthy Fairs - 1 Yr	\$ 102,800		\$ 10,280	\$ 10,280	\$ -
2016-886-BOD-9-22-15	B&G Club of Cathedral City - Main Club House Capital Improvements - 1 Yr	\$ 150,000		\$ 116,250	\$ 67,500	\$ 48,750
2016-887-BOD-9-22-15	CVEP - Mental Health College & Career Pathways Development Initiative - 2 Yr	\$ 737,900		\$ 405,845	\$ 166,028	\$ 239,818
2016-889-BOD-10-27-15	HARC - 2016 Community Health Monitor - 3 Yr	\$ 499,955		\$ 349,969	\$ 74,993	\$ 274,975
2016-891-BOD-11-17-15	Jewish Family Services of the Desert - Mental Health Outpatient Treatment - 3 Yr	\$ 570,000		\$ 450,000	\$ 228,102	\$ 221,899
2016-893-BOD-12-15-15	The Ranch Recovery Center - Purchase Electronic Records Management	\$ 21,500		\$ 2,150	\$ 2,150	\$ -
2016-894-BOD-12-15-15	Act for MS - Enhanced health Training, Flexibility and Circulation Therapy - 2 Yr	\$ 368,228		\$ 285,377	\$ 82,851	\$ 202,525
2016-899-BOD-02-23-16	Pegasus Therapeutic Riding - Hippo Therapy Helping to Heal Program - 1 Yr	\$ 102,544		\$ 56,399	\$ 46,145	\$ 10,254
2016-907-BOD-05-24-16	CV Volunteers in Medicine - Access to Healthcare Post Implementation of the ACA 1 Yr	\$ 120,798		\$ 66,439	\$ 54,359	\$ 12,080
2016-908-BOD-06-28-16	Angel View Support for the Outreach Stabilization Program - 2 Yr	\$ 144,600		\$ 144,600	\$ 65,070	\$ 79,530
2016-909-BOD-06-28-16	Desert Cancer Foundation Support for the Patient Assistance Care - 1 Yr	\$ 187,000		\$ 187,000	\$ 84,150	\$ 102,850
2016-910-BOD-06-28-16	FIND Food Bank Support for the Hunger to Health Program - 1 Yr	\$ 390,151		\$ 390,151	\$ 175,568	\$ 214,583
2016-911-BOD-07-26-16	Well in the Desert - Support Assistance With Projects and Saving Lives - 1 Yr		\$ 44,800	\$ 44,800	\$ 20,160	\$ 24,640
2016-913-BOD-07-26-16	Neuro-Vitality Center - Core Program Operations - 1 Yr		\$ 261,340	\$ 261,340	\$ 117,603	\$ 143,737
2016-916-BOD-09-27-16	UCRSOM - Street Medicine Clinic - 1 Yr		\$ 70,899	\$ 70,899	\$ 63,809	\$ 7,090
2016-918-BOD-09-27-16	Desert Healthcare Foundation-NTE Desert Highland Gateway Community Health & Wellness		\$ 110,000	\$ 110,000	\$ 110,000	\$ -
2016-920-BOD-10-25-16	LifeStream Blood Bank - Support Protate Cancer Treatment Program		\$ 60,000	\$ 60,000	\$ 54,000	\$ 6,000
2016-926-BOD-12-20-16	Ranch Recovery Center - Purchase and Installation of Emergency Generator		\$ 27,969	\$ 27,969	\$ 25,172	\$ 2,797
2016-927-BOD-12-20-16	SafeHouse of the Desert - "What's Up" Crisis Texting Application - 3 Yr		\$ 679,357	\$ 679,357	\$ -	\$ 679,357
TOTAL GRANTS		\$ 17,012,228	\$ 1,254,365	\$ 15,266,008	\$ 1,956,155	\$ 13,309,299
Amts available/remaining for Grant/Programs - FY 2016-17:						
Amount budgeted 2016-2017			\$ 4,500,000		G/L Balance:	1/31/2017
Amount granted through January 31, 2017:			\$ (1,254,365)		2131	\$ 1,991,276
Mini Grants: 912,914,917,919,922,923,924,928			\$ (27,202)		2281	\$ 11,318,023
Net adj - Grants not used: 896, 765			\$ 758		Total	\$ 13,309,298
Balance available for Grants/Programs INCLDG \$1,000,000 for pulmonary.			\$ 3,219,191		Difference - Rdg	\$ 0

PROPOSALS UNDER DEVELOPMENT – REMAINING BUDGET IMPACT

As of 01/31/2017 Balance Available for Grants/Programs:
(Total \$3,219,191 less \$1,000,000 Avery Trust) =\$2,219,191

CONCEPTS – PENDING AND CURRENT - UNDER DISCUSSION/MEETINGS/REVIEW TO DATE

- Arthritis Foundation – education workshops “Put Pain In Its Place” - \$24,000 – discussion pending after staff has requested more information
- Mini grant LOIs received from
 - CSUSB PD - \$5,000 toward a community garden initiative- discussion pending with request for budget
 - McCarthy Childcare Center at COD- \$5,000 towards expansion to the vegetable farm – waiting for budget
 - Boys & Girls Club of Palm Springs – to replace doors to swimming pool, locker rooms & health and wellness building. As B&G PS is a subcontractor with Ready Set Swim & Ready Set Swim Junior, researching RSS & RSS JR budgets to see if request can be covered through those budgets
 - Cathedral City Senior Center – to hire part time coordinator for homebound outreach program – researching possible duplication efforts of Jewish Family Services senior outreach program & Mizell Sr. Center with efforts to collaborate
- Desert AIDS Project – continuation of Get Tested & Dock as services under the new Community Health Dept.- pending \$104,554 – review with further discussions to be completed next week
- Borrego Health Foundation – LOI received for renovation of existing clinic space at Centro Medico Cathedral City for primary care residency program (est. total project budget \$840,000-\$1million) – under discussion – requested more concise details & MOUs from DRMC, UCR SOM, & EMC –
- Gilda’s Club – HeLP (Healthy Lifestyles Program) for cancer patients, survivors & their families \$142,000 two-year period – application sent
- El Sol Neighborhood Center – 2 concept papers: Vida Vibrante Comparison Study for Diabetes Prevention & Incorporating CHWs into the health care settings – further discussions ongoing
- Habitat for Humanity of CV – discussion & phone conversation pending for their Brush With Kindness program (providing no-to-low cost minor home repair & improvement services to low-income homeowners)
- CV Housing Coalition – a very preliminary meeting with new ED Julie Bornstein & team to discuss a land-use project development in Palm Springs – playground, park development, etc. near the intergenerational Coyote Run low-cost housing complex.
- Focal Therapy Foundation- LOI received requesting \$250,000 to treat 10 men (\$25,000/treatment) with focal therapy for prostate cancer (provide financial assistance for clinical trials). Staff has been having ongoing discussions with Desert Cancer Foundation & planning future discussions with reps at Comprehensive Cancer Center & Lucy Curci.

Progress Report

Mizell Senior Center, Grant#: 870

Coachella Valley Senior Fall Prevention Program

Ginny Foat

Tel: 760-323-5689 ext. 102

Fax: (760) 320-9373

ginnyf@mizell.org

Grant Amount: \$403,300

Paid to date: \$272,228

Balance: \$131,073

Report 3. 6/1/16 - 11/30/16

Due Date: 12/1/2016

The specific benefits or tangible effects to be achieved by the end of the grant period (5/30/2017):

Expanded Capacity: Currently, Mizell Senior Center offers the only community based senior fall prevention program that utilizes an evidence based program A Matter of Balance. The purpose of this program is to expand this program district-wide through a "Train the Trainer" model that will bring this award winning program to senior centers, senior living communities and community based senior programs. Through this program, we anticipate training at least 12 program coaches and certifying two additional Master Trainers in the program. Similar to the Fit After Fifty model, there will be on-going evidence based fall prevention courses throughout the Valley. Mizell Senior Center proposes becoming the resource for the training, continuing education, and quality control for the coaches in order to ensure that the program maintains the integrity of the A Matter of Balance Model. The goal is to create programs that become a part of the regular programming of the various sites with technical support, and evaluation conducted and coordinated by Mizell Senior Center. This expanded capacity will significantly expand the number of at-risk seniors and older adults who will learn about fall prevention and make the necessary life style changes to continue a regular exercise program.

Expanded Program: At the end of year one, we will have established the program in at least seven (7) sites. Ten Coaches will be trained and certified to begin conducting the A Matter of Balance program with supervision of the Master Trainers. There will be a total of ten (10) program sites district-wide by the end of year two with additional training of program coaches to have a total of at least 12 coaches available to conduct the A Matter of Balance Training by the end of year two.

By the end of year two, we will have graduated 400 seniors over age 60 from the A Matter of Balance Program with 75% of those seniors continuing in an exercise program at least three months following their graduation from the A Matter of Balance Program

By the end of year two, we will be conducting follow-up Get Balanced programs at all of the program sites utilizing trained volunteer instructors and coaches.

Fall Prevention Education: Falls are not an inevitable consequence of aging and are preventable. The use of an evidence based program such as A Matter of Balance can help reduce falls among older adults. A significant component of the proposal is to develop a comprehensive educational campaign to educate seniors, medical providers, and the general community about fall prevention, risk factors, and specific steps seniors and older adults can make to prevent falls. The educational component will be addressed to two constituencies: **Senior Service and Healthcare Providers:** Outreach to senior service and healthcare providers will be accomplished by small informational seminars to healthcare professionals and to geriatric physicians in the Coachella Valley who treat seniors within the District. By the end of program year one, we will have conducted at least one educational outreach to physicians at each of the two hospitals in the Valley. Our board of directors includes the Directors of Nursing of both Desert Regional Medical Center and Eisenhower Medical Center. In addition, we will have conducted at least one outreach and education presentation to major medical providers including Desert Oasis Medical Group, Inland Empire Health Plan, Eisenhower Medical Health Centers, Empire Physician Medical Group, and older adults and their caregivers through in home assisted care organizations. The Fall Prevention Education Campaign will consist of direct outreach to medical and senior service providers to educate them about the program and where they can refer patients or clients for the program.

Media Outreach and Education: This purpose of the media outreach through both broadcast and print media will be to increase the general knowledge in the community and begin to change the myth that falling is an inevitable part of growing older. In addition, education will be provided through seminars, public media such as newspaper, television, and social media to reach and educate older adults, their caregivers and families. The ultimate result of this campaign is to spread awareness of fall prevention programs and how it can change the lives of the seniors and older adults who participate. The following deliverables will be provided through the media campaign:

1. Print ads will be developed and published in local newspapers and publications with a high readership among the senior (over age 60) population. This includes The Desert Sun, The Beacon, and Desert Mobile Home News. Ads will be run weekly during the beginning three months of the program and then prior to scheduled programs.
2. Television advertising will be developed and run during programs with high viewing audiences of older adults which include news shows, daytime talk shows, and golf and sports shows to reach the male demographic. The initial campaign will be more frequent during the first three months of the program to provide education and knowledge about fall prevention. Subsequent advertising will be directed to upcoming programs and how individuals can register.

While the most recent HARC report does not specifically delineate the district population of seniors, it estimates that there are approximately 169,000 adults over age 55 in the Coachella Valley with an estimated 128,000 of that population being over age 65. Based upon media demographic reports and the anticipated scope of the advertising and educational program, we anticipate reaching at least 20% of this population with two or more fall prevention education

messages.

Home Inspection and Repair: All the participants of the program will be offered an in-home inspection of potential fall risks in their home. It is anticipated that 85% of the participants will participate in this inspection and make a commitment to at least one recommended safety improvement in their home. For lower income participants we will provide limited assistance with home repair and will provide such assistance to at least 150 participants during the two year program period.

Summary:

1. Total Program participants: Year One: 175 Year Two: 225 for a total of 400 participants
2. Program Sites: Year One: 7 sites established Year Two: A total 10 program sites
3. Master Trainers: Two additional Master Trainers will complete their training by the end of year one.
4. Trained Coaches: Year One: 10 coaches completed training program Year Two: A total of 12 coaches will be trained and able to conduct classes at various sites
5. Get Balanced Classes: By the end of year two, there will be on-going Get Balanced Classes established at all training sites.
6. Education: Year One: At least one educational program/seminar at Desert Regional Medical Center, Eisenhower Medical Center, Desert Oasis Healthcare, Inland Empire Health Plan, Eisenhower Medical Health Centers, Empire Physician Medical Group and UCR Family Health Clinic. Media Outreach and education will be conducted through print and media advertising throughout the program utilizing established media tools to measure reach of the program. An annual advertising program is estimated to reach 84,000 unduplicated individuals over age 65 and is estimated to reach 70,000 persons over age 65 three (3) or more times.
7. Each participant in the A Matter of Balance training will be offered an in-home inspection for potential fall risks and hazards. 85% of participants will participate in this inspection and make at least one recommended safety improvement in their home. Limited home repairs assistance will be provided to at least 150 low income participants during the two year program period.

Reduction of Isolation Among Older Adults: According to the HARC Community Health Monitor Report (2013) 29.8% of Coachella Valley seniors (49,249) age 55 and older have a fear or concern that they may fall. As our community ages, the fear of falling and resulting isolation increases. In an article Physical Activity and Mobility in Older Age (2005) the American Journal of Preventative Medicine found that limited mobility is a key factor affecting the quality of life of older Americans. The Centers for Disease Control finds many older adults, even if they have not fallen, become afraid of falling and limit their activity, which drastically decreases their quality of life. According to the HARC report, the proportion of seniors who fear falling are significantly higher in 2013 than in 2010 (29.8% vs. 20.5%) A fear of falling can significantly reduce activity, thereby leading to a higher risk of falls and limit mobility. For some seniors, this can mean they will no longer be able to live independently in their own home.

8. We will measure the reduction of isolation through the HARC assessment of program participants both at the end of the first year and at the end of year two. We will also assess any changes reported in subsequent HARC studies that measure the proportion of seniors who fear falling and measure that against previous years.

PROGRESS:

The measurements to be utilized throughout the grant period:

Implementation Timeline:

5/2015: Approval of funding request by Desert Healthcare District

6/2015: Secure necessary office space. Hire Fall Prevention Program Director. Begin recruiting and training course coaches. Visit potential program sites and develop MOU's with site. Begin working on establishing calendar for remainder of 2015 to include six sites by the end of 2015 calendar year. Hire Program Support and Outreach Coordinator. Develop media outreach plan. Work with HARC in developing supplemental evaluation materials.

6/2015: Recruit ancillary medical professionals to assist with pre-testing of related fall risks. Establish foundation to launch program at first satellite site. Master trainers assess classes. At conclusion of first site program assess and review possible areas of improvement and lessons learned. Begin training of CERT volunteers for home inspections. Evaluate home inspections and coordinate repairs. Implement media plan for valley-wide coverage and education about falls and their prevention.

7/2015: Continue recruitment and training of coaches. Complete MOU's with additional sites and confirm calendar for sites. Complete training for two additional Master Trainers based upon training class availability. Begin offering classes at two to three additional sites. Hire Senior Master Trainer. Master Trainers visit and evaluate coaches at least two times during courses at sites. Each site to conduct between four (4) to (6) A Matter of Balance Trainings throughout the year for a total of at least 175 participants in the first year and an additional 225 participants in the second year for a total of 400 participants. Each site will also offer regular exercise classes for class participant follow-up. Recruit medical professionals to form a community advisory committee to help assess the program that would meet quarterly.

8-12/2015: Master Trainers implement Balance Training exercise classes at satellite sites to provide continuing balance training and exercise programs specifically designed for fall prevention. Additional sites are recruited for offering A Matter of Balance for a total of seven (7) sites with signed MOU's by the end of 2015 in the District. Additional coaches are recruited and trained as needed. Program coordinator visits all sites, offers suggestions, and assists where required. Master Trainers continue monitoring classes and offering updated training and information to coaches. Evaluate effectiveness of media plan and make any necessary adjustments to insure sufficient participation by clients. Begin developing plan for program continuation and development of additional funding sources for program sustainability beyond initial implementation.

3/2016: Begin to collect and analyze data from classes and follow-up with participants to determine continued exercise program and completion of any recommended home safety improvements. Review data with HARC for preparation of evaluation report for first year. Monitor classes and schedules to make sure classes are being offered. Assist with coaches and monitor media plan to determine effectiveness.

4 -- 8/2016: Ongoing: Review and make sure classes are continuing to be scheduled at all sites. Recruit at least three additional sites for a total of 10 sites in the District by the end of year two. Recruit and train additional coaches to have at least twelve (12) coaches trained and able to conduct A Matter of Balance classes by the end of year two. Continue with evaluation of coaches and coach training as needed. Follow-up and coordinate home inspections with each client and schedule any assistance for completing work in the home. Review and analyze data from all participants and begin preparation of evaluation report. Continue monitoring sites and classes offered. Provide assistance as needed to sites for coordinating coaches. Expand to additional sites as feasible.

9/2016: Work with HARC in developing paper for presentation at conferences detailing plan implementation, outcomes and evaluation.

Mizell Senior Center has solicited a proposal from HARC to assist with the evaluation of this program. It would include reviewing and collating the evaluations that are a part of the A Matter of Balance Program and include a statistical analysis of the results and measuring any behavior change among the participants. In addition, HARC would conduct site evaluations and assist in developing a survey or interview tool to measure host site experiences with the program. The tool will include measures such as number of Matter of Balance cohorts, total number of participants, perceptions about the program, ease of program implementation, ways to improve the administration of the program, increase in site traffic and public awareness of the program at the site.

These evaluations will be conducted following the first year of the program and again following the second year measuring participant's continued attendance at regular on-going exercise programs as well as informing any modifications to the program administration based on the program sites.

Finally, HARC would create and submit up to two conference papers to top tier conferences such as the Aging in America National Summit or the Healthy Aging Summit. It is anticipated that the successful submission of conference papers on the implementation of this district-wide program would also assist in securing additional funding and on-going sustainability of the program.

5-2017: Review program and papers presented for implementation of third year sustaining program.

Progress this period:

During this reporting period, outreach continued to secure new sites, coach trainings continued, and an additional 17 courses were offered at eight sites. Course offerings declined during the Summer months. Additionally, we received the first year report from HARC and presented a Year One Program Results event on September 22, 2016, National Falls Prevention Day. The focus of the event was the HARC presentation by Jenna LeComte-Hinley, Ph.D. and Casey Leier, Ph.D. Additional presenters included Suzanne Spencer, the Falls Prevention Program Director; Dr. William Grimm, Board President, Desert Healthcare District; Carolyn Caldwell, CEO of Desert Regional Medical Center; and Ann Mostofi, VP Patient Care and CNO of Eisenhower Medical Center and Dr. Margaret Beaman, RN of Eisenhower Medical Center. The day also included Improve My Balance Classes, A demonstration Confidence Course to assess balance and "real world" obstacles, and a medication review conducted by Jade Le, Pharm. D., of Desert Oasis Healthcare. A copy of the HARC report will be included with this Progress Report.

In addition to the coach trainings outlined in the previous report, additional coach trainings occurred resulting in a total of 87 trained coaches:

August 20, 2016 -- 12 Coaches

November 12, 2016 -- 7 Coaches

During this reporting period, we have offered 17 A Matter of Balance Courses for a total of 45 courses offered to date. The recap of courses offered during this reporting period include:

1. Cathedral Center -- 1 course
2. Desert Oasis Healthcare -- 6 courses
3. Eisenhower Annenberg -- 1 course
4. Joslyn Center -- 2 courses
5. Mizell Senior Center -- 4 courses
6. The Palm Springs LGBT Center -- 1 course
7. The Colony -- 1 course
8. Desert Cove Assisted Living -- 1 course

During this reporting period, we graduated 114 individuals for a total of 379 course graduates to date. Courses offered during this time with the number of graduates from each site include:

1. Cathedral Center -- 6
2. Desert Oasis Healthcare -- 44
3. Eisenhower Annenberg -- 15
4. Desert Cove Assisted Living -- 5
5. The Palm Springs LGBT Center -- 10
6. The Colony -- 6
7. Joslyn Center -- 3
8. Mizell Senior Center -- 25

Home Assessments: 51 In Home Assessments were completed during this reporting period

which continues the 40% of participants engaging in an In Home Assessment. As a part of the course, every participant is provided with a self-assessment form which is identical to the In Home Assessment tool. 62% of those participating in the in-home assessment completed making one or more changes. Examples include installing grab bars, raising toilet seats, removing throw rugs, placing non-skid mats in the shower or bath tub, improving lighting and changes in the kitchen to avoid using step stools.

From program implementation, there have been a total of 146 home assessments.

Included below are some graduate responses from the most recent three month surveys:

- "Since the AMOB class I no longer worry before all social situations, I used to be too concerned with falling."
- "I do the exercises from the class every day and can tell I have better balance."
- "I started AMOB unable to do all exercises. At the end I could do all the exercises without even holding the chair."
- "Thanks goodness for the Desert Healthcare District Grant. These grab bars will make me feel much safer in my home."
- "I faithfully do my AMOB exercises every day. I have sent copies of the exercises to many many friends all over the country."

HARC Reports: We have begun initial efforts with HARC in developing and submitting papers for presentation at conferences. HARC is reviewing and providing submission drafts for our review.

Tracking:

Is the project/program on track? **Yes**

On-Track Issues:

The program remains ahead of all metrics and we are confident that we will far exceed the goal for number of graduates by the end of the grant term. We continue to offer coach trainings to build the number of available coaches at each site. We have found that there is some "burnout" among the volunteer coaches if they do too many courses in sequence. We are providing additional support to the volunteer sites and training "floating" coaches to assist in areas where trained coaches need a break. In addition to the eight sessions, each session requires preparation by the coach in order to deliver the class subject matter properly. The Master Trainers are also visiting the classes and providing support and assistance to the coaches. As stated in previous reports, we are finding that the goal of 85% participation in the in-home assessment was probably too optimistic. However, each participant is given a self-assessment tool that is the same as the tool used for the in-home assessment. Every participant is encouraged to complete the assessment. Additionally, one of the course sessions is dedicated to the home safety assessment. Although we were pleased with the HARC one year assessment, we were surprised at the limited participation by the Hispanic and African American community. During the remainder of the term, we will focus on expanding the participation rate among the Hispanic and African American population.

Course correction if the project/program is not on track:

As previously stated, we have met or exceeded the deliverables for this contract and are confident that we will exceed the number of participants by the end of the grant term. However, in reviewing the HARC assessment, the one item that was disappointing was the low participation rate among members of the Hispanic and African American communities. We believe that a part of the lack of participation is the limitation of Health Care District funds to areas West of Cook Street and our challenges in establishing a site in Desert Hot Springs. We had assumed that courses at The Cathedral City Senior Center would capture a part of the Hispanic population, but that was not the case. Since receiving the HARC report, we have increased our outreach to Desert Hot Springs and have been working more closely with Desert Oasis Healthcare that has a large Hispanic population. We have secured course materials in Spanish and anticipate Spanish classes at DOHC. We are also prepared to offer Spanish language classes elsewhere with the Spanish language course materials. We are also redoubling efforts with the Desert Highland Unity Center in order to offer classes to the African American community in that neighborhood. We have made it a priority to increase participation among the Hispanic and African American communities and will be monitoring our efforts in this regard.

Achievement Building – Progress Report

Jewish Family Service of the Desert, Grant#: 891

Mental Health Outpatient Treatment Services for Low Income Coachella Valley Residents

Maureen Forman

Tel: (760) 325-4088 ext. 105

Fax: (760) 778-3781

mforman@jfsdesert.org

Grant Amount:	\$570,000
Paid to date:	\$240,000
Balance	\$330,000

12 month progress report: 1/1/16 -- 12/31/16

Due Date: 1/1/2017

PROGRESS:

The new capacity and/or improvement in capacity by the end of the grant period:

JFS provides counseling services to individuals, couples, and families on a sliding fee scale from our Palm Springs office. We provide school-based counseling at no charge to students or families at 10 PSUSD elementary schools. Credentials of 16 full and part time therapists include Licensed Clinical Social Workers (LCSW), Licensed Marriage and Family Therapists (LMFT), Marriage & Family Therapy Interns (MFTI), and pre-master's trainees in school-based practicums. Our current model utilizes part time contracted licensed clinicians and interns, which has allowed the program to grow and contract as needed annually and seasonally by only paying counselors for hours worked. In terms of "hard costs", this has been a cost effective model. However, the high turnover rate of our contracted clinicians diminishes overall program capacity and drains management resources due to the lengthy recruitment, interview, orientation and training process for each replaced clinician. New clinicians must be credentialed and trained on our Electronic Health Records database and other web-based platforms. Our clinical capacity has been significantly challenged by ACA-related industry changes. Most Medi-Cal clients are now assigned to two HMOs that require clients only be treated by licensed clinicians and not supervised interns as previously allowed. This increases hourly costs by 50% from \$24 to \$37 per hour. Insurance reimbursement revenues from one HMO has decreased by 25%. Medicare clients can only be treated by clinicians that are credentialed as Licensed Clinical Social Workers (LCSWs),

By transforming our business model, the project will enhance the capacity of JFS to meet an identified gap in the Valley's mental health outpatient treatment services. JFS will be able to increase our ability to provide mental health services to Medicare and Medi-Cal clients. Approximately 25-30 monthly referrals (25% of all referrals) are in this category and we can currently assign no more than nine for counseling while wait-listing the remainder. On-staff LCSWs will also allow us to see homebound Medicare clients, and focus utilization of our other licensed clinicians for servicing non-Medicare clients. Additional licensed clinicians will allow JFS to increase our base of mental health counseling interns as the State's Board of Behavioral Sciences requires that interns be supervised by licensed clinicians. Interns remain vital to our services, including providing school-based counseling, substance abuse counseling, and group counseling.

One LCSW would work solely in the Mental Health Department. The other will serve as our Senior Care Program Supervisor allowing a fusion of mental health and senior care management services. Integration of senior care and mental health will provide broader mental health assessment and treatment access to senior care management clients. This is essential given the considerable needs of seniors with undiagnosed mental health issues.

Progress this period:

The hiring process completion for the two positions took longer than expected due to the regional shortage of LCSWs and our competitive recruiting disadvantage with medical institutions offering more lucrative compensation packages. However both positions were filled by August. The number of office-based clients increased by 14% over the previous year. In 2016, clinicians served 224 unduplicated senior clients on Medicare/Medi-Cal, compared to 160 in 2015 (an increase of 40%); the number of sessions for these clients increased from 1,200 in 2015 to 1,686 in 2016 (41%); revenues increased from \$62,722 to \$93,896 (50%). In March 2017, one of our long-time case managers will be retiring. This will give us the opportunity to restructure the position by hiring a licensed clinician as one of our two geriatric case managers. This will provide a clinical presence in case management on a daily basis, enabling new intakes and existing clients to be screened more frequently for mental health issues that might have been missed, as well as to identify other needed services. In 2016, we began implementing Geriatric Depression Scale (GDS) screening to seniors in the psychotherapy program. By the end of the year, 56% of senior clients had received GDS screening.

The milestones to be utilized to indicate if the project/program is on-track:

By December 31, 2016, JFS will hire two full time LCSWs, one of which will be the Senior Care Program Supervisor. The Senior Care Program Supervisor will complete protocol to integrate senior care management services with the Mental Health Outpatient Treatment Program. Approximately 1,325 unduplicated clients will receive JFS mental health services and 100 unduplicated seniors will receive case management services; program participation will be approximately 1,425 unduplicated clients for the 2016 program year; 95% of mental health clients will have received a clinical mental health assessment and treatment plan, including a

minimum of one treatment goal; and 70% of clients attending an initial assessment will have participated in ongoing therapy of three or more sessions.

By December 31, 2017, approximately 1,484 unduplicated clients will receive JFS mental health services and 115 unduplicated seniors will receive case management services; program participation will be approximately 1,599 unduplicated clients for the 2017 program year; 95% of mental health clients will have received a clinical mental health assessment and treatment plan, including a minimum of one treatment goal; and 70% of clients attending an initial assessment will have participated in ongoing therapy of three or more sessions.

By December 31, 2018, approximately 1,544 unduplicated clients will receive JFS mental health services and 130 unduplicated seniors will receive case management services; program participation will be approximately 1,674 unduplicated clients for the 2018 program year; 95% of mental health clients will have received a clinical mental health assessment and treatment plan, including a minimum of one treatment goal; and 70% of clients attending an initial assessment will have participated in ongoing therapy of three or more sessions.

Progress this period:

From January 1 through December 31, 2016, 1,400 men, women and children received JFS mental health counseling services; 67% received office-based mental health outpatient treatment and 33% participated in the school-based "KidsFirst" program. This represents 106% of the target objective of 1,325 for the 12 month grant period. In addition, 106 seniors received integrated case management services (106% of objective). Program participation totaled 1,506 (106% of objective), with 51 seniors receiving both case management and psychotherapy. Of mental health clients, 100% received assessments and treatment plans with a minimum of one goal; 73% attended three or more sessions, averaging 6.6 sessions per client. Of clients who attended three or more sessions, 68% achieved a minimum of one treatment goal; 57% of all clients achieved at least one treatment goal. JFS hired two full time LCSWs. Kelly Ellis, LCSW, Senior Case Management Supervisor, was hired in March and Christina Baisden, LCSW, in August. Development of protocols to integrate senior care and mental health programs is continuing. During the reporting period, 28% of clients receiving office-based treatment were older adults age 55 and over; 18 seniors received home visits.

Is the program on-track? **Yes**

On-track Issues:

The project is on track. No problems were encountered.

Course correction if the project/program is not on track:

No changes or adaptations are necessary.

Progress Report

Angel View, Inc., Grant#: 908

Angel View Outreach Family Stabilization Program

Patti Park

Tel: (760) 329-6471

Fax: (760) 329-9024

patti@angelview.org

Grant Amount: \$144,600

Paid to date: \$32,535

Balance: \$112,065

7/1/2016 - 12/31/2016

Due Date: 1/1/2017

The specific benefits or tangible effects to be achieved by the end of the grant period (6/30/2018):

Over a two-year period we are seeking to help stabilize the lives of 50 children with disabilities (all District residents) by ensuring their families receive all allowable safety net services, take advantage of available resources, and learn basic life skills such as calendaring appointments, scheduling transportation, planning for contingencies, budgeting, etc.

For more details on results we have already achieved with the program please see our uploaded file "client stories."

PROGRESS:

The measurements to be utilized throughout the grant period:

All participants in our family stabilization program will be assessed at the outset. Individual goals will be established. Monthly progress on the individual goals will be tracked and reported. Each time a client is linked to a resource, it will be a reportable outcome. Goals will be continuously assessed. We will provide the District with documented progress reports on the 25 clients assisted in Year 1 and the 25 clients assisted in Year 2. Names and other private information will be redacted.

Progress this period:

The program is operating as envisioned. In July-August, our team reviewed client files to see who might be eligible for and benefit from the family stabilization component of our Outreach Program. And as new clients are enrolled for Outreach services, they are also assessed for participation in the family stabilization effort. Since July 1, nine clients who live within the District's borders have been identified. All have individual goals which our team helps them

meet. Please see the emailed file of client stories (with names redacted) for details on how this grant is helping us assist and stabilize local families raising children with disabilities, along with the spreadsheet that shows the number of clients enrolled and the number of times each month our case managers have provided some form of assistance.

Tracking:

Is the project/program on track? **Yes**

On-Track Issues:

We were a little slow to start as we were finalizing our team and two new members needed to be brought up to speed/trained on the Outreach program in general and more specifically on the family stabilization component. We now have a three-member team comprised of Amanda Galindo, program manager; Rebeca Segovia, case manager; and Ana Montano, outreach specialist/administrative assistant. We anticipate working with close to 25 clients by the end of Year 1.

We anticipated a client refusal rate of 30%. We have enrolled nine clients so far; we've lost touch with one (see client stories file). The others are still active.

Re the budget - two explanatory notes. We have not yet purchased the new computer, printer and scanner because we were waiting on another grant for technology upgrades, which we were awarded. We will make all of those purchases at the same time. We also did not expend the entire \$4,500 on mileage reimbursement for staff in this six month period because part of total was covered by another grant. We will make up for that balance in upcoming reporting periods.

Course correction if the project/program is not on track:

One aspect of the program that didn't work out as planned had to do with Purple Binder. It had been our intention to create folders for each client and to keep track of all client referrals through Purple Binder. In working with Alejandro, we learned because of client confidentiality laws, Purple Binder doesn't really work for clinicians or create the type of reports we thought it would. But CVHiP is a great tool for client referrals and we do use that part of the resource.

Sample of Issues Experienced by Clients of Family Stabilization Program, 12.30.16

Family Stabilization Client

A single parent family from Cathedral City came to Angel View to renew TRIP. After conducting the initial intake and going over other services offered through Outreach, it was evident the family was in need of further assistance. This family has a child with muscular dystrophy and a teenage son who exhibits defiant behavior and skips or refuses to attend school. Being a single parent to a child with a disability can be challenging. Having to care for this child full-time, keep doctor appointments, etc. and also worry about the teen that refuses to attend school and exhibits defiant behavioral problems adds to that challenge.

Case management focus for the family is:

1. Help teen resolve underlying issues by
 - a. Participating in prevention and intervention programs
 - b. Attending individual psychotherapy sessions

2. Create a support system and reunify the family by
 - a. Attending family support groups
 - b. Participating in family activities

3. Budgeting
 - a. TRIP

The family has made progress. The teenage son was linked to the Riverside County Youth Accountability Team Program (YAT) and adolescent psychotherapy, which he is attending to biweekly. The family is also attending support groups offered through Coachella Valley Autism Society of America (CVASA) and the Palm Springs Unified School District (PSUSD). The family has also been able to participate in family activities, which further improves their interactions with one another.

Family Stabilization Client

A single parent family from Palm Desert came to Angel View seeking for help finding resources available to her and her son who has a diagnosis of autism, Prader-Willi Syndrome, and just recently, Type 1 Diabetes. After conducting the initial intake and reviewing other services offered by Angel View Outreach, it was evident the family of two had additional needs.

Case management focus for the family is:

1. Budgeting
 - a. Financial form (monthly expenses)
 - b. TRIP
2. Nutrition
 - a. Review and implement nutritional plan per PCP
3. Scheduling afterschool activities
 - a. After School program through Desert Recreation District
 - b. Study time (learning apps)
 - c. Handwriting exercises
 - d. Daily walks.

This family's end result was unsuccessful. Nutritional planning was something the parent struggled with since the child does not like to consume certain foods. With the doctor's help, a meal preparation plan was created as well as an after school schedule consisting of study time and daily walks. The exercise activities were something both mother and child could actively participate in however, the case manager has since lost contact with family. Our calls are unreturned.

Family Stabilization Client

A family from Palm Springs came to Angel View seeking assistance in applying for Medi-Cal and Cal-Fresh benefits after the head of the household lost his job. The family has a child with autism. After conducting the initial intake, it was determined the family was in need of family stabilization services.

Case management focus for the family is:

1. Assist in the application process
 - a. Medi-Cal
 - b. Cal-Fresh
 - c. English to Spanish translation
2. Budgeting
 - a. Financial form (monthly expenses)
 - b. Utility Assistance (CARE)

The family is making improvements. The case manager assisted the family in translating and completing applications and all requested documents for Medi-Cal and Cal-Fresh benefits. The case manager also helped the family in budgeting and adjusting to the recent job loss by reviewing their monthly expenses and referring them to local resources like FIND Food Bank.

The family was also enrolled in the California Alternative Rate for Energy program (CARE), which provides a monthly discount on utility bills for low to moderate income households.

Family Stabilization Client

A family from Cathedral City came to Angel View for assistance in obtaining a specialized walker for their child who has a diagnosis of cerebral palsy. The child had been enrolled in Angel View Outreach in the past and received a mini-grant however, due to the inability to renew, the case manager worked with the family to meet their needs with alternate solutions. The family was also in need of further assistance.

Case management focus for the family is:

1. Working with client's doctor and insurance to
 - a. Obtain needed services (occupational therapy)
 - b. Specialized walker
2. Budgeting
 - a. TRIP
3. Making a calendar
 - a. Help schedule doctor appointments
 - b. After school activity programs

This family's progress is ongoing. The case manager was able to grant the child with a walker through the mobility redistribution program and is actively working with the child's doctor and IEHP in the hope of being granted occupational therapy as well as a new walker since the child outgrew her old one. Language is a barrier. The case manager assists in translating from English to Spanish. This is still in process. The case manager is also working with the mother and helping her advocate for herself and her child. The case manager has assisted the mother in scheduling appointments and completing TRIP forms and has linked child through UCP's Skill Builder's after school program.

Family Stabilization Client

A single parent family from Palm Springs came to Angel View seeking mileage assistance after being referred by Inland Regional Center. The mother also needed assistance in budgeting due to decrease in work hours and completing SSI forms for her child who has a diagnosis of autism. After completing the initial intake, it was evident the family was in need of family stabilization services.

Case management focus for the family is:

1. Assist with application/appeal process
 - a. SSI reconsideration forms
2. Educating client on the importance of completing forms in timely matter
 - a. Helping client understand the application process
 - b. Advocating for self and child
3. Budgeting
 - a. Financial form (monthly expenses)
 - b. TRIP
 - c. Utility Assistance (CARE)
4. Employment
 - a. Helping mother build resume
 - b. Applying online through multiple search engines

The progress of this family is ongoing. SSI benefits are still pending. The mother is encouraged by submitting all request documents in a timely manner to avoid prolonging the process. Case manager assisted and successfully enrolled the family in the California Alternative Rate for Energy program (CARE) which provides a monthly discount on utility bills. Employment has not been obtained, but mother is going on interviews and is continuing to apply for local jobs.

Family Stabilization Client

A family from Desert Hot Springs came to Angel View seeking advocacy services for their child who has a diagnosis of Down Syndrome. This is the child's third year in school and was removed from a high functioning class to lower level. The parents needed assistance in the IEP process as well as other areas.

Case management focus for the family is:

1. Advocating for the client and helping the child succeed academically
 - a. Working with school district/IEP team
 - b. Translate from English to Spanish
 - c. Understand assessment process
2. Scheduling
 - a. Making a calendar to set and keep appointments

3. Budgeting
 - a. TRIP

The goals for this family have been met. Case manager assisted family through the IEP and assessment process which measured the child's functioning. Child was moved back from low level to higher level class. Case manager is actively working with parents in scheduling appointments for child because parents feel they are unable to due to their language barrier. Case manager is also helping family fill out TRIP forms on a monthly basis.

Progress Report

Coachella Valley Volunteers In Medicine, Grant#: 907

Providing continued access to healthcare post implementation of the Affordable Care Act.

Doug J. Morin
Tel: (760) 837-9066
Fax: (760) 837-9065

Grant Amount: \$120,798
Paid to date: \$54,359
Balance: \$66,439

June 1, 2016 through November 30, 2016

Due Date: 12/1/2016

The specific benefits or tangible effects to be achieved by the end of the grant period (5/31/2017):

At least 300 distinct District residents will have been provided with a reserved patient visit/appointment for medical or dental care, health education or health navigator assistance.

CVVIM will produce a white paper at close of grant outlining learnings from this second twelve month period of recalibration.

PROGRESS:

The measurements to be utilized throughout the grant period:

Scheduled patient appointments (medical and dental care service, health education classes, case management, health navigator) will be tracked on regular intervals (monthly, quarterly and annually) and multiplied by \$134.22. This cost of service for these reserved appointments for District residents will be drawn against the award during the grant period.

Progress this period:

During the six month period of June 1, 2016 through November 30, 2016, we had 419 scheduled medical and/or dental appointments to distinct residents. An additional 67 appointments were provided for health education, case management, health navigator and other services, bring the total number of appointments scheduled for District residents to 486. These appointments represent services to 248 unduplicated patients for this period.

June - 99 appointments for District residents

July - 64 appointments for District residents
August - 73 appointments for District residents
September - 75 appointments for District residents
October - 87 appointments for District residents
November - 87 appointments for District residents

As you see, we have nearly exceeded our 12-month goal of providing 300 appointments. We believe this is due to increased outreach to numerous social service organizations in the West Valley during this period of time, and also to increased general promotion of CVVIM services to the whole Coachella Valley.

Tracking:

Is the project/program on track? **Yes**

On-Track Issues:

Not applicable.

Course correction if the project/program is not on track:

Not applicable.

**DESERT HEALTHCARE DISTRICT
FINANCE, ADMINISTRATION, REAL ESTATE AND LEGAL COMMITTEE
MEETING MINUTES
February 14, 2017**

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

Director Les Zendle

Absent

Mark Matthews – Chairman/Treasurer

Staff

Herb Schultz, CEO

Chris Christensen, CFO/COO

Mary Pannoni, Accounting/Admin Support

Community Members

Joseph Wild, Community Member

Richard Cagen, Community Member

Sid Rubenstein, Community Member

Arthur Shorr, Community Member

CALL TO ORDER

The meeting was called to order at 3:02p.m. by Director Zendle.

Director Zendle gave an opportunity to have the committee members and staff make a short introduction.

APPROVAL OF AGENDA

Director Zendle asked for an approval of the agenda.

It was moved and seconded (Community Member Wild, Community Member Cagen) to approve the agenda. Motion passed unanimously.

PUBLIC COMMENT

None

APPROVAL OF MINUTES

Submitted for approval:

1. Minutes – October 11, 2016

It was moved and seconded (Member Shorr, Member Cagen) to approve the minutes of October 11, 2016. Motion passed unanimously.

CHIEF OPERATING OFFICER'S REPORT

The COO Report and the LPMP rental status were reviewed. In the COO report, AB 2414 was brought up and Member Wild inquired why district residents are not voting on the potential funding sources. In the LPMP leasing update, Member Wild suggested putting practices in place that will protect the District from losing revenues due to contracts falling through.

FINANCIAL REPORTS

1. Financial Statements. The District's and LPMP financial statements for January 2017 were reviewed.
2. Accounts Receivable Aging Summary – Accounts Receivable detail was reviewed.
3. Deposits – District – The District's January 2017 deposit detail was reviewed.
4. Property Tax Receipts – property tax receipts were reviewed.
5. Deposits – LPMP – The LPMP's January 2017 deposit detail was reviewed.
6. DHCD Check Register – The January 2017 check register for the District was reviewed.
7. Credit Card – The January 2017 credit card expenditures were reviewed.
8. LPMP Check Register – The January 2017 check register for the LPMP was reviewed.
9. RPP Update
10. Grant Payment Schedule

It was moved and seconded (Member Cagen, Member Rubenstein) to approve the January 2017 District Finance Reports Items 1-10. Motion passed.

OTHER MATTERS

1. CEO Report: Discussion & input on Proposed Strategic Planning Process, Timeline, and Vision

Staff provided an overview of draft mission, vision, and strategies along with the proposed planning process timeline. Several meetings have occurred with a strategic planning consultant and with the District's Strategic Planning Ad Hoc Committee and Staff. Many community leaders and organizations have already been consulted, with more to come. Continued input from the public will be sought and ensured throughout the planning process. A Strategic Planning work plan has been developed for consideration of approval at the February Board of Directors meeting.

2. Request to Amend Professional Services Policy

Member Cagen moved for approval with the language “subject to review and approval of the Finance and Administration Committee” be removed from the amended professional services policy, and to be continued as “Any such contracts shall be reported to the F&A Committee and Board of Directors at the next regular meeting under the CEO Report”; seconded by Member Wild. Director Zendle recommended to forward to the Board for approval of the amended professional services policy.

3. LPMP Lease Assignment – West Pacific Medical Laboratory

It was moved and seconded (Member Cagen, Member Wild), Director Zendle recommended to forward to the Board for approval of the West Pacific Medical Laboratory lease assignment.

4. LPMP Lease Extension – Quest Diagnostics

It was moved and seconded (Member Wild, Member Shorr), Director Zendle to forward to the Board for approval of the Quest Diagnostics lease extension.

5. LPMP Lease Extension, Assignment & Sublease – Milauskas Eye Institute

It was moved and seconded (Member Wild, Member Cagen), pending the Committee approves the Principal of the assignment. Director Zendle recommended to forward to the Board for approval of the lease extension, assignment and sublease.

6. Special Assistant to the CEO/Board Relations Officer Job Description & Salary Range

It was moved and seconded (Member Cagen, Member Shorr), Director Zendle recommended to forward to the Board for approval of the Special Assistant job description and salary range.

7. Tablets and Smart phones for Directors

Member Wild stated that both a tablet and smart phone are not necessary, only the smart phone. Committee agreed to table the discussion for approval to the March meeting.

ADJOURNMENT

The meeting was adjourned at 4:29 pm.

ATTEST: _____

Mark Matthews, Chairman Finance and Administration Committee/Treasurer
Desert Healthcare District Board of Directors

Chief Operating Officer's Report

February 14, 2017

Operations:

A great deal has occurred since our last F&A Committee meeting in October 2016. The Desert Healthcare District welcomes our new CEO, Herb Schultz, and new Directors, Jennifer Wortham and Les Zendle.

The LAFCO application, as set forth in the AB2414 legislation for the Eastern Coachella Valley Annexation, was submitted on January 5, 2017. Significant time and effort by Directors, Staff, legal counsel, and other consultants produce a quality application packet. In addition to LAFCO's evaluation process over the next 150 days, the next major hurdle is to define a funding source or sources to facility the good work of the District/Foundation into the East Valley should the Annexation be approved by the voters of the East Valley on the November 2018 election ballot. Extensive communications plans will be implemented to educate the residents of the Coachella Valley in the coming months.

The new CEO, Staff, Directors and a strategic planning consultant are in the early phases of developing a proposed Strategic Plan Process, Timeline, and Vision, which will be discussed further in today's meeting. Work Groups and Ad Hoc committees are in process of producing market studies and other information gathering efforts, which will be incorporated into the Strategic Planning Process.

Las Palmas Medical Plaza - Property Management:

Occupancy:

See attached unit rental status report.

90.9% currently occupied –

Total annual rent including CAM fees is **\$1,168,267**.

Leasing Activity:

New vacancies have developed with Dr. Cooper's retirement and the Bankruptcy filing of Biodata. Staff will be working to market the vacancies. There are new lease renewals, extensions, and potential lease assignments that will be discussed during today's meeting.

**Las Palmas Medical Plaza
Unit Rental Status
As of February 1, 2017**

Unit	Tenant Name	Deposit	Lease Dates		Term	Unit Sq Feet	Percent of Total	Monthly Rent	Annual Rent	Rent Per Sq Foot	Monthly CAM	Total Monthly Rent Inclg CAM	Total Annual Rent Inclg CAM
			From	To									
											\$ 0.60		
1E, 201-203	Vacant	10/10/2014				2,800	5.67%	UCR backed out of negotiations					
1W, 105	Vacant					1,080	2.15%	Dr. Cooper retired					
2W, 102	Vacant					840	1.30%	Biodata filed bankruptcy and moved out					
Total - Vacancies						4,500	9.12%						
Total Suites-33 - 32 Suites Occupied		\$67,341.30			\$ -	49,356	90.9%	70,564	846,773	\$ 1.57	26,791	97,356	1,168,267
Summary - All Units													
Occupied			44,856	90.9%									
Vacant			4,500	9.1%									
Total			49,356	100%									



Date: February 28, 2017

To: Board of Directors

Subject: Request to amend Policy #Op-11 Professional Services to include CEO execution authority for Finance & Administration Committee approved services not to exceed \$5,000.

Staff recommendation: Consideration to amend Policy #Op-11 Professional Services to include CEO execution for Finance & Administration Committee approved services not to exceed \$5,000.

Background:

- At the January 24th, 2017 Board of Director's meeting, staff was authorized to engage with outside legal counsel to review the current Board Conflict of Interest Policy.
- Staff was directed to bring a professional services agreement for the proposed legal counsel to the February 28th, 2017 Board of Director's meeting for review and approval prior to executing the agreement.
- The Board President requested Staff evaluate amending the current Professional Services policy to authorize the CEO to execute professional services agreements (not to exceed \$5,000) prior to the next Board of Director's meeting.
- Staff reviewed and confirmed with the District's legal counsel proposed language to include in the amended Professional Services policy.
- At the February 14, 2017 F&A Committee Meeting, the Committee recommended forwarding to the Board for approval of the amended policy with the following language.
- *"The CEO shall have authority to procure professional service contracts up to \$5,000. ~~subject to review and approval of the Finance and Administration Committee.~~ Any such contracts shall be reported to the F&A Committee and Board of Directors at the next Regular meeting under the CEO Report"*.
- See attached proposed draft Professional Services agreement.

Financial Impact:

Up to \$5,000 for each potential executed professional services agreement.



POLICY TITLE: PROCUREMENT OF PROFESSIONAL SERVICES
POLICY NUMBER: OP-11 **REVISED**
DRAFT DATE: 11/17/15 2/28/17
BOARD APPROVAL DATE: 12/15/2015

POLICY: PROCUREMENT OF PROFESSIONAL SERVICES

POLICY #OP-11 - Government Code section 4525 et seq. requires the District to select firms to provide certain professional services on the basis of demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the services required.

GUIDELINES:

I. REQUIREMENTS FOR PROCURING PROFESSIONAL SERVICES

Contracts for professional services (Gov. Code § 4525 et seq.), and per (Gov. Code § 53060 et seq.), as described in more detail below, shall be awarded by the Board of Directors or their designee through the purchasing procedures specified herein:

1. Professional Services

Contracts for professional services, as defined in Government Code section 4525, which specifically includes, professional architectural, landscape architectural, engineering, environmental, land surveying, construction management and any other services specified in Government Code section 4526, as it may be amended from time to time, shall be awarded by following the purchasing procedures specified in this Policy.

Additionally, other professional service contracts as set forth in Government Code section 53060, limited to special services and advice in financial, economic, accounting, legal or administrative professional services may be procured through this Policy.

In no event shall a contract for professional services be awarded based solely upon the lowest cost to the District. The policy requires that contracts for professional services exceeding a certain dollar value and some offering certain services as described below be bid.

The procurement of professional service exceeding \$50,000.00 will be bid per the guidance below:



The specific services, Legal, Audit and Investment Advice will be reviewed and potentially bid on the following schedule regardless of proposed contract amount. Legal services shall be reviewed and potentially bid every three (3) years; audit services will be reviewed and potentially bid every five (5) years, and investment advisor services will be reviewed and potentially bid every five (5) years.

2. Bid Procedures – Professional Services Contracts of \$50,000.00 or more.

A. Preparation of Request for Qualifications and Proposals(RFQ & RFP).

The key criteria for selecting a firm to provide professional services will be their ability provide the needed services at the highest and best value to the District. Before entering into any contract with a value of Fifty Thousand Dollars (\$50,000.00) or more pursuant to this Policy, the Board of Directors or their designee shall prepare or cause to be prepared a written request for qualifications and proposals (“RFQP”). Unless exempted by the Board of Directors or their designee pursuant to Section “II” (Flexibility and Waiver of Policy Requirements) below, the RFQP shall include at least the following information: (1) the specific nature or scope of the services being sought; (2) the type and scope of project contemplated; (3) the estimated term of the contract; (4) the specific experience expected of the firm; (5) the time, date and place for submission of the RFQP; (6) a contact person who can answer questions of the firms; (7) a contract form; and (8) the evaluation criteria to be utilized in the selection of the firm. 6) a contact person who can answer questions of the firm during the bidding process; (7) a contract form; and (8) the evaluation criteria to be utilized in the selection of the firm.

The Board of Directors or their designee shall endeavor to include all required information in the RFQP. To the extent that the Board of Directors or their designee determines, pursuant to Section “II” (Flexibility and Waiver of Policy Requirements) below, that any required information cannot be incorporated into the RFQP, its terms shall be negotiated with the successful consultant or supplier prior to the award of the contract.

B. Circulation of Request for Qualifications/Proposals.

The District shall attempt to obtain and consider completed RFQP's from at least three (3) qualified sources.

C. Procedures - Professional Services Contracts of less than \$50,000.00.

1. Request for Qualifications, Selection and Award



Before entering into any contract with a value of less than Fifty Thousand Dollars

(\$50,000.00), the Board or Directors or their designee shall transmit written or oral Request for Qualifications (RFQ) to qualified firms. The District shall attempt to transmit RFQ to at least three (3) qualified sources, and the District shall endeavor to obtain at least three (3) completed proposals. After the Board of Directors or their designee has selected the most qualified consultant or supplier, the actual fee for service and other agreement terms will be negotiated. If an agreement cannot be reached, negotiations shall begin with the next most qualified consultant or supplier. Contracts for budgeted professional services less than \$50,000 does not require further action by the Board of Directors.

When the Board of Directors or their designee awards any contract pursuant to this Policy, the contract award shall be based on the proposal, which is in the best interests of the District. In addition, unless exempted pursuant to Government Code section 4529, contracts for professional architectural, landscape architectural, engineering, environmental, land surveying, construction management and any other services specified in Government Code section 4526, as it may be amended from time to time, shall be awarded on the basis of demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the services required. In no event shall a contract for such professional services be awarded on the basis of cost alone. (Gov.Code § 4525 et seq.)

II. CHIEF EXECUTIVE OFFICER AUTHORITY

The CEO shall have authority to procure professional service contracts up to \$5,000, ~~subject to review and approval of the Finance and Administration Committee.~~ Any such contracts shall be reported to the F&A Committee and Board of Directors at the next Regular meeting under the CEO Report.

III. FLEXIBILITY AND WAIVER OF POLICY REQUIREMENTS

In recognition of the fact that the contracting and procurement needs of the District may from time to time render certain procedures or requirements herein impracticable, the Board of Directors or their designee is authorized to permit or waive deviations from this Policy, to the extent permitted by law, upon making a written finding that such deviations are in the District's best interests in consultation with District Legal Counsel as to legal issues involved.



Date: February 28, 2017
To: Board of Directors
Subject: Las Palmas Medical Plaza – Proposed Assignment of Lease for West Pacific Medical Laboratory.

Staff recommendation: Consideration to approve the assignment of lease for West Pacific Medical Laboratory to Physicians Automated Laboratory.

Background:

- West Pacific Medical Laboratory is a current tenant at the Las Palmas Medical Plaza and recently extended their lease an additional 3 years.
- The tenant has entered into a transaction under which the clinical laboratory assets and business have been acquired by Physician’s Automated Laboratory, Inc.
- The tenant now desires to assign the current lease to Physician’s Automated Laboratory, Inc. and will be subject to the terms and conditions of the lease dated September 1, 2016.
- The District’s legal counsel has reviewed the documents.
- The F&A Committee at the February 14, 2017 committee meeting recommended forwarding to the Board for approval.

Fiscal Impact:

There is no fiscal impact.



DRAFT

LANDLORD CONSENT AND ESTOPPEL CERTIFICATE

Reference is made to that certain written real property lease dated Sept 1, 2016, (the "Lease") by and between the undersigned, as landlord ("Landlord") and, West Pacific Medical Laboratory as lessee ("Lessee"), regarding the real estate located at 555 E. Tachevah Drive, Building 1 West, Suite 106, Palm Springs, CA 92262 (the "Property").

Landlord has been informed that Lessee has entered into a transaction (the "Transaction") under which the clinical laboratory assets and business of Lessee have been acquired by Physician's Automated Laboratory, Inc., a California corporation (the "Assignee") which is a member of the Sonic Healthcare federation of laboratories in United States. The primary clinical laboratory operations will continue to be based in Santa Fe Springs and the trade name West Pacific Medical Laboratory will continue to be used.

Landlord hereby certifies, represents, confirms and agrees in favor of Lessee and Assignee as follows:

1. Landlord hereby consents to the assignment by Lessee of all of its right, title and interest under the Lease to Assignee and agrees to accept Assignee as the tenant under the lease and to accept performance of Lessee's obligations under the Lease by Assignee. The assignment referenced in this Consent shall be effective as of January 12, 2017.

2. Landlord acknowledges that Lessee currently has on deposit with Landlord \$ 1,419.00 as a security deposit under the Lease.

3. Landlord further acknowledges that Lessee is current in its obligations under the terms of the Lease and there is no default outstanding at this time.

It is intended that this Landlord Consent and Estoppel Certificate take effect as an agreement under the laws of the State of California. This agreement shall be binding on the successors and assigns of the parties hereto.

Dated as of the _____ day of _____, 2017.

Desert Healthcare District, d.b.a. Las Palmas Medical Plaza
Landlord Name

Agreement to the assignment of the subject lease:
Physicians Automated Laboratory, Inc.

By: _____
By Name:

Staton C. Shed
By: Staton C. Shed, Interim President

Title: _____

2920 F Street, Suite E-14, Bakersfield, CA 93301
Phone: 661.325.0744 Fax: 661.861.7966

 **DRAFT**



**PHYSICIAN'S
AUTOMATED
LABORATORY, INC.**
A Sonic Healthcare Company

Property Information Form

Location: 555 E. Tachevah Drive, Building 1 West Suite 106 Palm Springs, CA 92262
Street Address Suite # City, State, Zip

Landlord/Sublandlord Name: Desert Healthcare District, d.b.a. Las Palmas Medical Plaza
(Name should match name on W-9 Form and lease document)

The above Location:

IS owned or leased by a publicly traded company. (If this box is checked complete the signature section below.)

IS NOT owned or leased by a physician or physician's family either directly or indirectly. Physician family includes spouse, parent, child, sibling, stepparent, stepsibling, stepchild, grandparent, grandchild, spouse of a grandparent, spouse of a grandchild, in-laws including father, mother, son, daughter, brother or sister. (If this box is checked complete the signature section below.)

IS owned **IS** leased by a physician or physician's family member, either directly or indirectly. Physician family includes spouse, parent, child, sibling, stepparent, stepsibling, stepchild, grandparent, grandchild, spouse of a grandparent, spouse of a grandchild, in-laws including father, mother, son, daughter, brother or sister. *Note: The location can be both owned and leased by a physician or his/her practice. (If this box is checked, complete the information requested below for such physicians; sign and date.)*

Identify all such physicians below (attach additional sheet if needed):

Name:	Practice Address	Specialty
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Signature _____

Printed Name & Date _____

Company _____

Company's Relationship to Landlord/Sublandlord _____



Date: February 28, 2017

To: Board of Directors

Subject: Las Palmas Medical Plaza (LPMP) – Proposed Lease Extension – Quest Diagnostics.

Staff recommendation: Consideration to approve a lease extension of Quest Diagnostics at Las Palmas Medical Plaza.

Background:

- Quest Diagnostics is a long standing tenant at LPMP.
- The tenant's lease will expire May 31, 2017. The tenant wishes to extend the lease for an additional 3 years, with 2 options for additional 3 year extensions.
- Tenant waives the TI Allowance, but requests a 4% broker commission of approximately \$4,000.
- The District's legal counsel has reviewed the documents.
- The F&A Committee at the February 14, 2017 committee meeting recommended forwarding to the Board for approval.

Fiscal Impact:

\$134,612 base rental income and CAM fees for the life of the 3 year lease. \$4,000 broker commission.

FIRST AMENDMENT TO COMMERCIAL LEASE

This First Amendment to Commercial Lease (this “**First Amendment**”) is made this _____ day of _____, 2017 (the “**Execution Date**”), by and between **Desert Healthcare District, d.b.a. Las Palmas Medical Plaza**, a _____ (“**Landlord**”), and **Unilab Corporation d.b.a. Quest Diagnostics** (“**Tenant**”).

BACKGROUND

A. Landlord, and Tenant are parties to a certain Commercial Lease dated as of June 1, 2012 (the “**Lease**”), pursuant to which Tenant leases from Landlord certain premises consisting of approximately 1,702 square feet as more particularly described in the Lease (“**Premises**”) in the building commonly known and designated as Las Palmas Medical Plaza, 555 E. Tachevah Drive, Building 1 West, Suite 102, Palm Springs, California 92262 (“**Building**”).

B. Landlord and Tenant have agreed to extend the original Term of the Lease and to otherwise amend the Lease upon the terms and conditions hereinafter set forth.

AGREEMENT

NOW THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

1. Definitions. Capitalized terms appearing in this First Amendment and not otherwise defined herein shall have the respective meanings given those terms in the Lease.

2. Amendment to Term; Extension Rights.

(a) The term of the Lease is hereby extended for an additional period of 3 years beyond the current Term and shall expire on May 31, 2020 (the “**Expiration Date**”). The Second Amendment To Lease is attached hereto as Exhibit “A” and sets forth the Minimum Rent Schedule and Triple Net Fees during the extended period. The term of the Lease shall expire on such Expiration Date absolutely and without the need for notice from either party unless the term of the Lease is extended in accordance with Section 2(b) below.

(b) From and after the Expiration Date, Tenant shall have two options (“**Extension Option**”) to extend the Term of the Lease for successive periods of 3 years each (each, an “**Extension Term**”). Each Extension Option shall be exercised only by written notice delivered to Landlord at least one hundred and eighty (180) days, but no earlier than 270 days before the expiration of the Term of the Lease respectively. If Tenant fails to deliver Landlord written notice of the exercise of the Extension Option with the prescribed time period, such Option and any succeeding Options shall lapse, and there shall be no further right to extend the Term of the Lease. Each Extension Option shall be exercisable by Tenant on the express conditions that (a) at the time of the exercise, and at all times prior to the commencement of such Extension Option, Tenant shall not be in default under any of the provisions of the lease and (b) Tenant has not been ten (10) or more days late in the payment of rent more than a total of three (3) times during the Lease Term.

(c) The Base Rent during any Extension Term shall increase by 3% per year over the Base Rent of the prior year. Tenant Improvements will be "As Is". A leasing commission will be due and payable to broker (CBRE). The commission will be four percent (4%) of the Total Base Lease Rent with one hundred percent (100%) payable upon Lease Amendment execution. The broker Representation Confirmation is attached hereto as Exhibit "B".

3. Entire Agreement. This First Amendment, together with the Lease, constitutes the entire agreement of Landlord and Tenant with respect to the subject matter hereof, and may not be contradicted by any prior or contemporaneous representation, statement or agreement of the parties relating to the subject matter hereof, and may not be modified except by a written instrument executed by the parties hereto. From and after the Execution Date, the term "Lease", as used in the Lease and this First Amendment, shall mean, except to the extent the context otherwise requires, the Lease, as amended by this First Amendment.

4. Binding Effect. Except as expressly modified hereby, the Lease shall remain in full force and effect in accordance with its terms. This First Amendment shall be binding on the parties' successors and assigns.

5. Governing Law. This First Amendment shall be governed by and construed in accordance with the laws of the State of California.

6. Counterparts. This First Amendment may be executed in any number of counterparts, each of which when taken together shall be deemed to be one and the same instrument. For purposes of the execution hereof by the parties, signatures transmitted by facsimile or email shall be deemed to constitute originals.

7. Effectiveness. This First Amendment shall become effective only when fully executed by Landlord and Tenant. Each party agrees that it will not raise or assert as a defense to any obligation under the Lease, as amended hereby, or make any claim that the Lease, as amended hereby, is invalid or unenforceable due to any failure of this document to comply with ministerial requirements, including requirements for corporate seals, attestations, witnesses, notarizations or other similar requirements, and each party hereby waives the right to assert any such defense or make any claim of invalidity or unenforceability due to any of the foregoing.

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HAVING READ AND INTENDING TO BE BOUND BY THE TERMS AND PROVISIONS
HEREOF, LANDLORD AND TENANT HAVE EXECUTED THIS FIRST AMENDMENT AS
OF THE EXECUTION DATE.

TENANT

LANDLORD

Unilab Corporation dba Quest Diagnostics

**Desert Healthcare District, d.b.a. Las Palmas
Medical Plaza**

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

DRAFT

SECOND AMENDMENT TO COMMERCIAL LEASE

This Second Amendment to Commercial Lease (this “**Second Amendment**”) is made this _____ day of _____, 2017 (the “**Execution Date**”), by and between **Desert Healthcare District, d.b.a. Las Palmas Medical Plaza**, a _____ (“**Landlord**”), and **Unilab Corporation dba Quest Diagnostics** (“**Tenant**”).

A. Landlord, and Tenant are parties to a certain Commercial Lease dated as of June 1, 2017 (the “**Lease**”), pursuant to which Tenant leases from Landlord certain premises consisting of approximately 1,702 square feet as more particularly described in the Lease (“**Premises**”) in the building commonly known and designated as Las Palmas Medical Plaza, 555 E. Tachevah Drive, Building 1 West, Suite 102, Palm Springs, California 92262 (“**Building**”).

B. Landlord and Tenant have agreed to extend the original Term of the Lease and to otherwise amend the Lease upon the terms and conditions set forth in the First Amendment to Commercial Lease.

C. Schedule of Minimum Rent and Triple Net Fees for the extended lease term.

Schedule of Minimum Rent

06/01/17 - 05/31/18 = \$ 2,638.10 plus NNN per month

06/01/18 – 05/31/19 = \$ 2,717.24 plus NNN per month

06/01/19 – 05/31/20 = \$ 2,798.76 plus NNN per month

Triple Net Fees (NNN): Tenant shall pay its monthly pro-rat share of Common Area Maintenance costs, Real Estate Tax and Insurance (Triple Net Fees), presently estimated at \$.60 per square foot per month, subject to annual adjustments and reconciliation thereto.

HAVING READ AND INTENDING TO BE BOUND BY THE TERMS AND PROVISIONS HEREOF, LANDLORD AND TENANT HAVE EXECUTED THIS SECOND AMENDMENT AS OF THE EXECUTION DATE.

TENANT

LANDLORD

Unilab Corporation dba Quest Diagnostics

Desert Healthcare District, d.b.a. Las Palmas Medical Plaza

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____



Date: February 28, 2017

To: Board of Directors

Subject: Las Palmas Medical Plaza (LPMP) – Proposed Lease Extension, Assignment of Lease, & Sublease – Milauskas Eye Institute.

Staff recommendation: Discussion regarding a Lease Extension, Lease Assignment, & Sublease for Milauskas Eye Institute at Las Palmas Medical Plaza.

Background:

- Milauskas Eye Institute (tenant) is a long standing tenant at LPMP.
- The tenant’s current lease will expire February 28, 2018. The tenant wishes to extend the lease for an additional 5 years, with 2 options for additional 5 year extensions.
- Tenant has entered into a purchase agreement with EyeCare Services Partners Management LLC and wishes to assign the lease to Eyecare Services Partners LLC.
- Subsequent to the lease assignment, EyeCare Services Partners LLC desires to execute a sublease agreement with Milauskas Eye Institute.
- The District’s legal counsel has reviewed the documents.
- At the February 14, 2017 F&A Committee Meeting, the Committee recommended the following.
 1. Since the assignment is with a Delaware LLC., the Committee recommends language incorporated that specifies any legal or arbitration issues to be governed by the State of California.
 2. With the assignment and sublease, Milauskas is no longer liable for the lease payment. The Committee recommends:
 - a. The District review the financial statements of Eyecare Services Partners Management and,
 - b. A principal of Milauskas provide a personal guarantee for payment should a default occur.
 3. Require a payment of \$800 to cover 4 hours of legal fees.

Fiscal Impact:

\$382,728 base rental income and CAM fees for the life of the 5 year lease. \$0 TI costs.

FIRST AMENDMENT TO COMMERCIAL LEASE

This First Amendment to Commercial Lease (this “**First Amendment**”) is made this ____ day of _____, 2016 (the “**Execution Date**”), by and between **Desert Healthcare District, d.b.a. Las Palmas Medical Plaza** (“**Landlord**”), and **Milauskas Eye Institute Medical Group II, Inc.**, a California professional corporation (“**Tenant**”).

BACKGROUND

A. Landlord, and Tenant are parties to a certain Commercial Lease dated as of March 1, 2013 (the “**Lease**”), pursuant to which Tenant leases from Landlord certain premises consisting of approximately 2,766 square feet as more particularly described in the Lease (“**Premises**”) in the building commonly known and designated as Las Palmas Medical Plaza, 555 E. Tachevah Drive, Building 1 East, Palm Springs, California 92262 (“**Building**”).

B. Landlord and Tenant have agreed to extend the original Term of the Lease and to otherwise amend the Lease upon the terms and conditions hereinafter set forth.

AGREEMENT

NOW THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

1. Definitions. Capitalized terms appearing in this First Amendment and not otherwise defined herein shall have the respective meanings given those terms in the Lease.

2. Amendment to Term; Extension Rights.

(a) The term of the Lease is hereby extended for an additional period of 5 years beyond the current Term and shall expire on February 28, 2023 (the “**Expiration Date**”). The Schedule to First Amendment to Commercial Lease is attached hereto as Exhibit “A” and sets forth the Minimum Rent Schedule and Triple Net Fees during the extended period. The term of the Lease shall expire on such Expiration Date absolutely and without the need for notice from either party unless the term of the Lease is extended in accordance with Section 2(b) below.

(b) From and after the Execution Date, Tenant shall have two options (“**Extension Option**”) to extend the Term of the Lease for successive periods of 5 years each (each, an “**Extension Term**”). Each Extension Option shall be exercised only by written notice delivered to Landlord at least one hundred and eighty (180) days, but no earlier than 270 days before the expiration of the Term of the Lease respectively. If Tenant fails to deliver Landlord written notice of the exercise of the Extension Option with the prescribed time period, such Option and any succeeding Options shall lapse, and there shall be no further right to extend the Term of the Lease. Each Extension Option shall be exercisable by Tenant on the express conditions that at the time of the exercise Tenant shall not be in default, after applicable notice and cure periods, under any of the provisions of the lease, (b) Tenant has not been ten (10) or more days late in the payment of rent for more than a total of three (3) times during the Lease Term.

(c) The Minimum Rent during any Extension Term shall increase by 3% per year over the Minimum Rent of the prior year. No tenant improvements will be performed and no leasing commission will be due to any broker in said renewal.

3. Consent to Assignment and Sublease. Landlord acknowledges that, through a series of transactions, Tenant's interest in the Lease will be ultimately assigned EyeCare Services Partners Management LLC, a Delaware limited liability company ("ESP") and, that, immediately following the transactions resulting in a transfer of Tenant's interest in the Lease to ESP, ESP intends to sublease the Premises to Tenant. Landlord hereby consents to (a) the ultimate transfer of Tenant's interest in the Lease to ESP and (b) to ESP's subleasing of the Premises to Tenant.

4. ~~Rent Default. Section 12.03(A) is hereby amended to extend the time period set forth therein from "three (3) days" to "seven (7) days" after written notice to Tenant by Landlord.~~

5. Assumption of Lease. Landlord is entering into this First Amendment in reliance on ESP assuming and agreeing in writing to pay, perform and comply with all terms, conditions, covenants and obligations (including without limitation, all rent covenants) to be paid, performed or complied with by Tenant under the Lease. A copy of the Assignment and Assumption Agreement between Tenant and ESP is attached hereto as Exhibit "B" and incorporated herein by reference.

6. Entire Agreement. This First Amendment, together with the Lease, constitutes the entire agreement of Landlord and Tenant with respect to the subject matter hereof, and may not be contradicted by any prior or contemporaneous representation, statement or agreement of the parties relating to the subject matter hereof, and may not be modified except by a written instrument executed by the parties hereto. From and after the Execution Date, the term "Lease", as used in the Lease and this First Amendment, shall mean, except to the extent the context otherwise requires, the Lease, as amended by this First Amendment.

7. Binding Effect. Except as expressly modified hereby, the Lease shall remain in full force and effect in accordance with its terms. This First Amendment shall be binding on the parties' successors and assigns.

8. Governing Law. This First Amendment shall be governed by and construed in accordance with the laws of the State of California.

9. Counterparts. This First Amendment may be executed in any number of counterparts, each of which when taken together shall be deemed to be one and the same instrument. For purposes of the execution hereof by the parties, signatures transmitted by facsimile or email shall be deemed to constitute originals.

10. Effectiveness. This First Amendment shall become effective only when fully executed by Landlord and Tenant. Each party agrees that it will not raise or assert as a defense to any obligation under the Lease, as amended hereby, or make any claim that the Lease, as amended hereby, is invalid or unenforceable due to any failure of this document to comply with ministerial requirements, including requirements for corporate seals, attestations, witnesses, notarizations or other similar requirements, and each party hereby waives the right to assert any such defense or make any claim of invalidity or unenforceability due to any of the foregoing.

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HAVING READ AND INTENDING TO BE BOUND BY THE TERMS AND PROVISIONS
HEREOF, LANDLORD AND TENANT HAVE EXECUTED THIS FIRST AMENDMENT AS
OF THE EXECUTION DATE.

TENANT

LANDLORD

**Milaskas Eye Institute Medical Group II,
Inc.**, a California professional corporation

**Desert Healthcare District, d.b.a. Las Palmas
Medical Plaza**

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Exhibit A

SCHEDULE TO FIRST AMENDMENT TO COMMERCIAL LEASE

Minimum Rent: The Minimum Rent for the extended lease term shall be:

03/01/18 - 02/28/19 = \$ 4,444.41 plus NNN per month

03/01/19 – 02/28/20 = \$ 4,577.74 plus NNN per month

03/01/20 – 02/28/21 = \$ 4,715.07 plus NNN per month

03/01/21 – 02/28/22 = \$ 4,856.53 plus NNN per month

03/01/22 – 02/28/23 = \$ 5,002.22 plus NNN per month

Triple Net Fees (NNN): Tenant shall pay its monthly pro-rata share of Common Area Maintenance costs, Real Estate Tax and Insurance (Triple Net Fees), presently estimated at \$.60 per square foot per month, subject to annual adjustments and reconciliation thereto.

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (this "Assignment") is made and effective as of this _____ day of October, 2016 (the "Effective Date"), between Milauskas Eye Institute Medical Group II, Inc., a California corporation ("Assignor"), and EyeCare Services Partners Management LLC, a Delaware limited liability company ("Assignee").

WITNESSETH

WHEREAS, Desert Healthcare District, d.b.a. Las Palmas Medical Plaza (the "Landlord"), is the landlord under the Lease (hereinafter described) for real property and improvements thereon known generally as 1555 E. Tachevah Drive, Building 1 East, Suite 101, Palm Springs, California 92262; and

WHEREAS, Assignor is the tenant under that certain Commercial Lease dated as of March 1, 2013 (the "Original Lease"), as amended by that certain First Addendum to Lease dated as of March 1, 2013 (the "First Addendum"), and as amended by that certain First Amendment to Commercial Lease dated _____, 2016 (the "First Amendment," together with the Original Lease and First Addendum, the "Lease"), annexed hereto as Exhibit A and made a part hereof; and

WHEREAS, pursuant to the terms and conditions of the Purchase Agreement dated as of _____, 2016 (the "Purchase Agreement"), by and among Assignor, Assignee and the other parties thereto, Assignor has agreed to assign to Assignee all of its right, title and interest in, to and under the Lease upon the terms and conditions hereof; and

WHEREAS, Assignee desires to assume all of Assignor's obligations under the Lease arising on and after the Effective Date upon the terms and conditions hereof;

NOW, THEREFORE, in consideration of the sum of One Dollar (\$1.00), the mutual covenants and agreements hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Assignor hereby assigns, transfers and sets over to Assignee all of its right, title and interest in, to and under the Lease upon the terms and conditions herein set forth, to have and to hold the same unto Assignee, its successors and assigns, forever, subject to all of the terms, covenants and conditions of the Lease.
2. Assignee hereby accepts the assignment of Assignor's right, title and interest in, to and under the Lease upon the terms and conditions herein set forth and hereby assumes and shall fully punctually pay and perform and observe all of the terms, covenants and conditions of the Lease arising from and after the Effective Date.
3. Assignor shall indemnify and hold harmless Assignee from and against any and all claims, liabilities, obligations, costs and expenses, including, without limitation,

reasonable attorneys' fees, which arise out of the Lease and relate to the period prior to the Effective Date. Assignee shall indemnify and hold harmless Assignor from and against any and all claims, liabilities, obligations, costs and expenses, including, without limitation, reasonable attorneys, fees, which arise out of the Lease with respect to the Assumed Land and relate to the period on or after the Effective Date.

~~4. This Assignment may be amended at any time by Assignor and Assignee but only by an instrument in writing signed by Assignor and Assignee.~~

5. This Assignment shall be binding upon and inure to the benefit of Assignor and Assignee and their respective successors and assigns.

6. This Assignment may be executed in two or more counterparts, all of which shall be considered one and the same Assignment.

7. This Assignment shall be governed and construed in accordance with the laws of the State of California, without regard to any applicable principles of conflicts of laws.

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[signature pages follow]

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be signed by their respective officers thereunto duly authorized as of the date first written above.

ASSIGNOR:

MILAUSKAS EYE INSTITUTE MEDICAL GROUP II, INC., a California corporation

By: _____
Name: _____
Title: _____

ASSIGNEE:

**EYECARE SERVICES PARTNERS MANAGEMENT,
LLC**, a Delaware limited liability company

By: _____
Name: _____
Title: _____

EXHIBIT A

[To Be Attached]

SUBLEASE AGREEMENT

THIS SUBLEASE AGREEMENT ("Sublease") is made on _____, 2016 (the "Effective Date"), by and between EyeCare Services Partners Management LLC, a Delaware limited liability company ("Sublandlord"), and Milauskas Eye Institute Medical Group II, Inc., a California professional corporation ("Subtenant").

BACKGROUND

A. Pursuant to Commercial Lease dated as of March 1, 2013 (the "Original Lease"), as amended by that certain First Addendum to Lease dated as of March 1, 2013 (the "First Addendum"), and as amended by that certain First Amendment to Commercial Lease dated _____, 2016 (the "First Amendment," together with the Original Lease and First Addendum, the "Prime Lease"), Sublandlord leases from Desert Healthcare District, d.b.a. Las Palmas Medical Plaza ("Prime Landlord"), approximately 2,766 square feet of space known as Suite 101 (the "Subleased Premises") located in the building having an address at 555 E. Tachevah Drive, Building 1 East, Palm Springs, California 92262 (the "Building"). All capitalized terms used but not defined herein shall have the meanings established for such terms in the Prime Lease.

B. Sublandlord and Subtenant are entering into a certain Management Services Agreement ("Management Agreement") on or about the Effective Date, pursuant to which Sublandlord has agreed to provide Subtenant with certain facilities and office space for the operation of Subtenant's business.

C. Subject to, and in accordance with, the terms and conditions hereinafter set forth, Sublandlord desires to sublease to Subtenant, and Subtenant desires to rent from Sublandlord, the Subleased Premises.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual agreements contained herein, the parties hereto, each intending to be legally bound and to bind its respective successors and assigns, agree as follows:

1. Sublease Grant. For the Term (as defined below) and upon the terms, covenants and conditions herein set forth, Sublandlord hereby subleases to Subtenant, and Subtenant hereby subleases from Sublandlord, the Subleased Premises, together with the non-exclusive right with Prime Landlord and any other occupants of the Building to use all of the common areas. During the Term, Subtenant shall have the right to receive and enjoy the benefit of the services required to be provided by Prime Landlord under the Prime Lease.

2. Subordinate to Prime Lease; Delivery Condition; Allocation of Liability.

a. This Sublease is and shall be subject and subordinate to the Prime Lease and to the matters to which the Prime Lease is or shall be subject and subordinate. A copy of the Prime Lease is attached hereto as Exhibit A. If for any reason the term of the Prime Lease shall terminate prior to the expiration date of this Sublease, this Sublease shall thereupon be

automatically and immediately terminated and Sublandlord shall not be liable to Subtenant by reason thereof.

b. Subtenant hereby acknowledges that Subtenant is accepting the Subleased Premises in its “as-is, where-is condition, with all faults”, without any representations and warranties by Sublandlord.

3. Incorporation of Prime Lease.

a. Except as expressly set forth below, (i) every provision of the Prime Lease shall be deemed incorporated into, and made a part of, this Sublease by reference notwithstanding that such provisions are not restated herein; (ii) each reference in the Prime Lease to “Lease” shall be deemed a reference to this Sublease; (iii) each reference in the Prime Lease to the “Premises” shall be deemed a reference to the Subleased Premises under this Sublease; (iv) each reference in the Prime Lease to “Landlord” and “Tenant” shall be deemed a reference to “Sublandlord” and “Subtenant”, respectively; (v) each reference in the Prime Lease to the “term” shall be deemed a reference to the Term under this Sublease; (vi) each reference in the Prime Lease to the phrase “Commencement Date” shall be deemed a reference to the “Effective Date” of this Sublease; and (vii) each reference to the “date of this lease” or other similar phrase in the Prime Lease shall be deemed to be a reference to the date of this Sublease. However, notwithstanding the foregoing, Sublandlord is not assuming, and shall not be responsible or liable for Prime Landlord’s obligation to perform any agreement or obligation or provide any service on the part of the “Landlord” under the Prime Lease, including, without limitation, any obligation to perform maintenance, repairs or replacement work or tenant improvement work or to rebuild following a casualty or condemnation affecting the Subleased Premises. In the event Prime Landlord fails to perform or observe any agreement or obligation on the part of Prime Landlord to be performed or observed pursuant to the Prime Lease, then, promptly following Subtenant’s request, Sublandlord shall take reasonable, appropriate action against Prime Landlord, as permitted by law or by the terms of the Prime Lease, to enforce such agreements and obligations of Prime Landlord.

b. For purposes of incorporation by reference into this Sublease, (i) Section 3.02(A) of the Prime Lease is hereby modified such that the “Commencement Date” shall refer to the Effective Date of this Sublease, (ii) Section 3.01 of the Prime Lease is hereby modified such that the expiration date of the Sublease shall refer to the date that is February 28, 2018, unless (A) earlier terminated pursuant to the terms of this Sublease, or (B) the Management Agreement is terminated in which case this Sublease shall immediately terminate and become null and void except for those obligations and liabilities of the parties that expressly survive the termination of this Sublease, and (iii) Section 3.01 of the Prime Lease is hereby modified such that the “term” shall refer to the period of time between the Commencement Date and Expiration Date under this Sublease.

c. Notwithstanding the foregoing, the following provisions of the Prime Lease are hereby excluded from this Sublease: the second grammatical paragraph of Section 4.01, Article 11, Sections 14.08 and 14.09, and Article 3 of the First Addendum to Lease.

d. The time limits contained in the Prime Lease for the giving of notices, making of demands or performing of any act, condition or covenant on the part of the tenant

thereunder, or for the exercise by the tenant thereunder of any right, remedy or option, are changed for the purposes of incorporation herein by reference by shortening the same in each instance by two (2) days, so that in each instance Subtenant shall have two (2) days less time to observe or perform hereunder than Sublandlord has as the tenant under the Prime Lease.

e. The rights of Prime Landlord under the Prime Lease may be enforced by, and are for the benefit of, both Sublandlord and Prime Landlord. Subtenant shall not do or permit to be done any act or thing which may constitute a breach or violation of any term, covenant or condition of the Prime Lease by the tenant thereunder, whether or not such act or thing is permitted under the provisions of this Sublease.

f. Notwithstanding anything to the contrary in this Sublease, with respect to any approval required to be obtained from the "Landlord" under the Prime Lease, such consent must be obtained from both the Prime Landlord and Sublandlord.

g. Any non-liability, indemnity or hold harmless provision in the Prime Lease for the benefit of Prime Landlord that is incorporated herein by reference, shall be deemed to inure to the benefit of Sublandlord, Prime Landlord and any other person intended to be benefited by said provision, for the purpose of incorporation by reference in this Sublease. Any right of Prime Landlord of access or inspection and any right of the landlord under the Prime Lease to do work in the Subleased Premises and any right of Prime Landlord in respect of rules and regulations shall be deemed to inure to the benefit of Sublandlord, Prime Landlord and any other person intended to be benefited by said provision, for the purpose of incorporation by reference in this Sublease. If any of the express provisions of this Sublease shall conflict with any of the provisions incorporated by reference, such conflict shall be resolved in every instance in favor of the express provisions of this Sublease, provided that such resolution does not result in or cause a breach of any provision of the Prime Lease.

h. Subtenant shall not in any event have any rights in respect of the Subleased Premises greater than Sublandlord's rights under the Prime Lease and, notwithstanding any provision to the contrary, as to obligations that pertain to the Subleased Premises and are contained in this Sublease by the incorporation by reference of the provisions of the Prime Lease, Sublandlord shall not be required to make any payment or perform any obligation and Sublandlord shall have no liability to Subtenant for any matter whatsoever, except for Sublandlord's obligation to pay the Minimum Rent due under the Prime Lease.

4. Subtenant's Performance. Subtenant shall timely pay and perform all covenants, agreements and obligations of the tenant under the Prime Lease, except as expressly provided in Section 3 above. Subtenant's failure to perform any such covenants, agreements and obligations shall be a breach of this Sublease.

5. Default. A default by Subtenant pursuant to the terms of the Management Agreement shall be deemed a default by Subtenant under this Sublease and Sublandlord shall have available to it all rights and remedies contained in this Sublease, as incorporated by reference from the Prime Lease, and available at law and in equity.

6. Casualty Damage; Partial Taking. Notwithstanding the incorporation herein of Sections 8.08 through 8.14 of the Prime Lease pertaining to damage to the Subleased Premises by fire or other casualty or of Article 9 of the Prime Lease pertaining to a partial taking, Sublandlord shall have no responsibility for the obligations of Prime Landlord thereunder, and Subtenant shall look solely to Prime Landlord in connection therewith; provided that Sublandlord, if and as requested by Subtenant, shall exercise its termination rights under such sections of the Prime Lease. To the extent that any portion of rent payable by the tenant under the Prime Lease is abated pursuant to such sections or otherwise, Subtenant shall be entitled to a corresponding abatement of rent hereunder, calculated as the rent otherwise payable by Subtenant multiplied by a fraction, the numerator of which is the number of rentable square feet within the Subleased Premises for which the abatement is being given and the denominator of which is total number of rentable square feet in the Subleased Premises.

7. Assignment and Subletting. Subtenant shall not, by operation of law or otherwise, assign, sell, mortgage, pledge or in any manner transfer this Sublease or any interest therein, or sublet the Subleased Premises or any part or parts thereof, or grant any concession or license or otherwise permit occupancy of all or any part of the Subleased Premises by any person, without the prior consent of Sublandlord and Prime Landlord.

8. Surrender. Subtenant shall remove any alterations made to the Subleased Premises by Subtenant both prior to the Effective Date and during the Term. Subtenant confirms that Subtenant will timely perform any and all surrender obligations contained in the Prime Lease.

9. Indemnity. Subtenant shall indemnify, protect, defend with counsel reasonably acceptable to Sublandlord and hold harmless Sublandlord from and against any and all claims, liabilities, judgments, causes of action, damages, costs and expenses (including, without being limited to, reasonable attorneys' and experts' fees and expenses), caused by or arising in connection with (a) a breach of Subtenant's covenants, representations and warranties under this Sublease, (b) the negligence or willful misconduct of Subtenant, or (c) the breach of any of the obligations of the tenant under the Prime Lease arising prior to the Effective Date.

10. Sublandlord's Limited Liability. In the event Sublandlord shall fail to perform any covenant, term or condition of this Sublease on Sublandlord's part required to be performed, or if Subtenant shall make any claim arising out of Subtenant's occupancy or use of the Subleased Premises based upon any action or omission of Sublandlord, Subtenant covenants and agrees to look solely to Sublandlord's interest in the Prime Lease for any recovery of a money judgment from Sublandlord from and after the date of this Sublease. In no event shall the stockholders, partners, directors, officers, agents or employees of Sublandlord (either individually or severally) be personally liable for any such judgment. Furthermore, in no event shall Subtenant be entitled to an award of incidental, consequential or punitive damages arising out of any breach by Sublandlord.

11. Notices. All notices contemplated under this Sublease by and between Sublandlord and Subtenant will be given in writing in accordance with the terms of the Management Agreement.

12. Brokers. Sublandlord and Subtenant represent to each other that neither party has dealt with any broker or other person who may be owed a commission in connection with the transactions contemplated by this Sublease. Each party agrees to hold the other party harmless from and against all claims for brokerage commissions, finder's fees, or other compensation made by any agent, broker, salesman or finder as a consequence of said party's actions or dealings with such agent, broker, salesman or finder.

13. Binding Effect; Amendments. The provisions of this Sublease shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors and assigns. This Sublease constitutes the entire agreement between the parties hereto and may not be modified except by an instrument in writing signed by the parties hereto.

14. Severability. Each covenant and agreement contained in this Sublease is a separate and independent covenant and agreement. If any covenant or agreement or the application thereof to any person or circumstance shall to any extent be invalid and unenforceable, the remainder of this Sublease, or the application of such covenant or agreement to persons or circumstances, other than those as to which it is invalid or unenforceable, shall not be affected thereby, and all other covenants and agreements of this Sublease shall be valid and enforceable to the fullest extent permitted by law.

15. Counterparts. This Sublease may be executed in counterparts, each of which, when taken together as a whole, shall constitute one and the same instrument.

16. Governing Law. This Sublease shall be governed by the laws of the state in which the Subleased Premises is located, without regard to such state's internal conflicts of laws principles.

17. Condition Precedent. This Sublease, and Sublandlord's and Subtenant's respective obligations hereunder, are expressly conditioned upon obtaining the written consent of the Prime Landlord in a form mutually acceptable to Sublandlord and Subtenant. If such consent has not been obtained within thirty (30) days after the Effective Date, either party may terminate this Sublease by written notice to the other, whereupon the parties shall have no further obligation thereafter arising under this Sublease.

[SIGNATURES CONTINUE ON NEXT PAGE]

IN WITNESS WHEREOF, the parties have caused this Sublease to be duly executed as of the date first above written.

SUBLANDLORD:

**EYECARE SERVICES PARTNERS
MANAGEMENT LLC**, a Delaware limited
liability company

By: _____

Name: _____

Title: _____

SUBTENANT:

**MILASKAS EYE INSTITUTE MEDICAL
GROUP II, INC.**, a California professional
corporation

By: _____

Name: _____

Title: _____

EXHIBIT A

Copy of all documents comprising the Prime Lease

(See Attached)



Date: February 28, 2017

To: Board of Directors

Subject: Job Description & Salary Range – Special Assistant to the CEO/Board Relations Officer.

Staff recommendation: Consideration to approve the Job Description & Salary Range for Special Assistant to the CEO/Board Relations Officer.

Background:

- Recently, the District's Clerk of the Board & Director of Community Relations retired.
- CEO, Herb K. Schultz, desires to create a new job description to be in line with the newly defined role of the replacement.
- The job description was reviewed by the Chair of the Finance & Administration Committee.
- The salary range is within the salary range of the former position and the FY 2017 salary budget.
- The F&A Committee at the February 14, 2017 committee meeting recommended forwarding to the Board for approval.

Fiscal Impact:

\$60,000-\$80,000, but is within the salary range of the former position and FY 2017 salary budget.

DESERT HEALTHCARE DISTRICT

POSITION DESCRIPTION

TITLE:

**Special Assistant to the CEO/
Board Relations Officer**

PRIMARY FUNCTIONS

Responsible for serving as:

✓ The Clerk of the Board, the primary liaison for both the District and the Foundation Boards of Directors, facilitating their ongoing work.

✓ The primary assistant to the CEO, working closely with the COO/CFO, and as the initial point of contact for the CEO external stakeholders (as necessary and appropriate).

ESSENTIAL DUTIES

BOARD SUPPORT AND LIAISON:

1. Serves as the primary liaison with the Boards of Directors for both the District and the Foundation to answer questions, resolve issues, facilitate the Boards' work, and plan for meetings; develops and maintains effective and supportive working relationships with the Board members.
2. Plans meetings, prepares and compiles Board of Directors' meeting agendas and packets (including working with staff and Board members on informational materials), attends Board meetings, including regular meetings, committee meetings, Board retreats, and strategic planning retreats.
3. Posts meeting notices in accordance with Brown Act and Public Meeting requirements. Record and transcribe meeting minutes. Maintain meeting minute books.
4. Acts as the historian for all meetings keeping the agenda on task, taking minutes and following up on assigned action steps.
5. Participates with the CEO, COO/CFO, and other staff to provide training to Board members and improve recruitment, retention and professionalize the Board structure and systems.
6. Provides administrative and informational support to the Boards as needed.
7. Maintains up-to-date contact information and personnel records, rosters and or charts for committee members, board of directors, ambassadors and emeritus.

8. Maintains an up-to-date board and committee related manuals and materials and periodically oversees re-publication and distribution.

CHIEF EXECUTIVE SUPPORT:

1. Completes a broad variety of administrative tasks for the CEO including: managing an active calendar of appointments; completing expense reports; composing and preparing confidential correspondence; arranging travel plans, itineraries, and agendas; and related tasks.
2. Assists other team members with non-Board meeting planning and administrative activities as able.
3. Plans and coordinates CEO's schedule.
4. Communicates directly, and on behalf of the CEO, with Board members and governmental and non-governmental officials and organizations.
5. Researches, prioritizes, and follows up on incoming issues and concerns addressed to the CEO, including those of a sensitive or confidential nature. Determines appropriate course of action, referral, or response.
6. Works closely and effectively with the CEO to keep him well informed of upcoming commitments and responsibilities, following up appropriately.
7. Successfully completes critical aspects of deliverables with a hands-on approach, including drafting acknowledgement letters, personal correspondence, and other tasks.
8. Prioritizes conflicting needs; handles matters expeditiously, proactively, and follows-through on projects to successful completion, often with deadline pressures.

OTHER DUTIES:

1. Maintains confidentiality regarding patients and Agency operations.
2. Exercises good judgment in the performance of duties and responsibilities.

POSITION REQUIREMENTS

These specifications are general guidelines based on the minimum experience normally considered essential to the satisfactory performance of this job. Individual abilities may result in some deviation from these guidelines.

To perform effectively in this position, the incumbent must have:

- Bachelor's degree preferred in disciplines including, but not limited to, political science, business, or communications.

- Experience working within or with governmental agencies. Knowledge of the California Brown Act and other public meeting laws would be helpful.
- Demonstrated organizational skills that reflect ability to perform and prioritize multiple tasks seamlessly with excellent attention to detail.
- Very strong interpersonal skills and the ability to build relationships with stakeholders, including staff, board members, external partners and donors.
- Expert level of skills in written and verbal communications.
- A working knowledge of Spanish is helpful but not required.
- Demonstrated ability to take a proactive approach to problem-solving with strong decision-making capability.
- Emotional maturity.
- Highly resourceful team player, with the ability to also be independently effective in accomplishing assignments.
- Proven ability to handle confidential information with discretion, be adaptable to various competing demands, and demonstrate the highest level of service and response.
- Demonstrated ability to achieve high performance goals and meet deadlines in a fast paced environment.
- Forward looking thinker, who actively seeks opportunities and proposes solutions.
- Effective computer skills including typing at a minimum 75 WPM. Microsoft Office, desktop publishing and project management software.
- Math skills sufficient to monitor budgets, prepare spreadsheets, calculate/balance invoices/expense reports, and similar.
- Project management skills preferred
- Sensitivity to the different cultures represented among the Board and communities in the Coachella Valley and beyond.
- Ability to establish and maintain confidential files, records, and official documents.
- Current California driver's license and a driving record acceptable to the Agency's insurance carrier.
- A keen appreciation and understanding of the District and Foundations missions and philosophy.

SALARY RANGE: \$60,000 - \$80,000