

**DESERT HEALTHCARE DISTRICT
BOARD OF DIRECTORS
MEETING MINUTES
May 25, 2010**

A Regular 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

Glen Grayman, MD – President
Kay Hazen – Vice-President/Secretary
Mark Matthews - Treasurer
Sidney Rubenstein, DDS - Director
Michael Solomon, MD - Director

Staff

Lenny Pepper, Chief Executive Officer
Peter Young, Chief Operating Officer
Donna Craig, Chief Program Officer
Tricia Wheeler, Program Manager
Samantha Prior, Operations Support Manager
Steve Brown, Executive Administrative Assistant

Legal Counsel

Jeffrey Scott, Esq

Guests

Linda Barrack, Director, Jewish Family Services of San Diego
John Brown, Executive Director, Family Services of the Desert

CALL TO ORDER

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

APPROVAL OF AGENDA

President Grayman asked for a motion to approve the agenda. President Grayman requested a modification to the agenda, moving the Desert Healthcare Foundation Board Meeting before the DHCD closed session.

#10-42 MOTION WAS MADE by Director Rubenstein and seconded by Director Matthews to approve the agenda with the modification. Motion passed unanimously.

PUBLIC COMMENTS

None

CONSENT AGENDA

Submitted for approval:

1. Board Minutes
 - a. Regular meeting – April 27, 2010
 - b. District April 2010 financial statements.

#10-43 MOTION WAS MADE by Director Rubenstein and seconded by Director Solomon to approve the Consent Agenda. Motion passed unanimously.

NEW BUSINESS

- 1, General District Election – Registrar of Voters Notice
Consideration to Adopt Regulation Regarding Payment of the Cost of the Candidate's Statement

In the past, the payment for the cost of the Candidate's Statement has been the responsibility of the candidate.

#10-44 MOTION WAS MADE by Vice-President Hazen and seconded by Director Matthews for the candidate to pay the cost of the Candidate's Statement. Motion passed unanimously

DIRECTORS' REPORTS AND COMMENTS

Director Rubenstein reported that he and Staff attended the Grand Opening at Roy's Resource Center on May 13th. He had conversations with elected and city managers from various cities, all which were very supportive of the center.

President Grayman reported that he was the guest speaker at the Palm Springs Rotary and that many attendees were not familiar with the DHCD programs and accomplishments. He suggested forming a Speakers Bureau, comprised of Board Members and Staff who could be available to speak at various service organizations and highlight the District's grantees and their services. President Grayman asked Staff to prepare a power-point presentation/bullet points so the message is consistent and begin scheduling speaker engagements.

DRMC GOVERNING BOARD DIRECTORS' COMMENTS

Director Rubenstein reported the Board of Governors for Desert Regional Medical Center met on May 20, 2010. Director Rubenstein informed the Board that DRMC continues to monitor quality; participate in community activities; and is moving forward with various construction projects within the facility.

COMMITTEE REPORTS

1. Finance Committee – Director Matthews

Director Matthews stated the agenda and meeting minutes of May 11, 2010 were enclosed for review.

The COO, Las Palmas Medical Plaza, and RPP reports were reviewed as provided in the Board Packet.

Director Matthews presented for Board Consideration:

1. Family Leave Act Policy – consideration to approve the Family & Medical Leave Policy to be included in the Employee Handbook. The policy has been reviewed by legal counsel.

#10-45 MOTION WAS MADE by Director Matthews and seconded by Vice-President Hazen to approve the Family & Medical Leave Policy as presented. Motion passed unanimously.

2. Fiscal Year 2010-2011 Budget – consideration to approve the FY 2010-2011 budget for the Desert Healthcare District

Director Matthews commented that this has been a very smooth process and congratulated Mr. Young for a job well done. Mr. Young reviewed each schedule of the budget. President Grayman asked for a clarification on the estimated \$145 million contingent liability. If Tenet ever defaulted on their lease, this liability amount is not just for operations, but also includes a required return of any prepaid rent to Tenet, as well as the purchase of Tenet owned capital assets equal to the fair market value or net book value (cost less accumulated depreciation), whichever is less.

Mr. Young reviewed the budgeted major expenditures for FY 2010-2011 including \$4 million for new grants/programs, \$1.5 million FY 2009-2010 grant carryover, \$1.6 million for operating expenses, \$100,000 contingent liability, \$ 3.4 million for the new parking structure, \$900,000 for a new roof at the Las Palmas Medical Plaza and \$1 million for the Riverside County Medical Facility land site in the City of Desert Hot Springs. Vice-President Hazen noted that the DHCD planned investment in the local community for FY 2010-2011 would be \$10 million dollars in one year for new grants, programs, and improvements/facilities. This is a great success story for the DHCD thanks to the successful stewardship over the prior years. President Grayman indicated that there are two other strong messages: (1) The DHCD receives approximately \$25/resident each year and the residents receive a great return for this. (2) The money stays locally. Vice-President Hazen also noted that approximately 9% of the total revenue is for personnel expenses, which is a very low percentage as compared to other public organizations. The DHCD is keeping overhead expenses in check.

Director Matthews suggested with the estimated contingent liability, if Tenet Corporation defaulted on their lease, an explanation should appear farther down in the budget schedule. The explanation should be broken down into cost for operations, return of prepaid rent and the value of capital assets.

Mr. Young reviewed the expenditure schedules, with the major items as the parking structure and the grants/programs. The \$4 million dollars for grants/programs was driven by the DHCD's strategy and goals. The LPMP budget was reviewed. LPMP is currently 98% occupied.

#10-46 MOTION WAS MADE by Director Mathews and seconded by Director Solomon to approve the FY 2010 – 2011 Budget. The motion was amended at the request of Vice-President Hazen to approve the entire FY 2010 -2011 Budget minus the employee/board expenses. Motion passed unanimously.

The board/staff related expenses were voted on separately. Vice-President Hazen stated for the record that, once again, she would not be supporting the provision of health related benefits at no cost to board and staff, which essentially provides 100% coverage to employees and dependents including the payment of all co-payments and deductibles. Vice-President Hazen does not believe that the public should pay to provide 100% health coverage for board and staff and their dependents.

#10-47 MOTION WAS MADE by Director Matthews and seconded by Director Rubenstein to approve the line items for Board/Staff related expenses. Motion passed 4 to 1 with Vice-President Hazen opposed.

3. Status of Desert Hot Springs Medical Clinic

Mr. Pepper provided an updated on the Borrego Community Health Foundation Clinic in the City of Desert Hot Springs. The chosen location will require approximately \$300,000 in tenant improvements. They are currently determining how much of that will be a landlord expense. August 1st 2010 is still the target date for the opening.

2. Program Committee – Director Rubenstein

Director Rubenstein stated the agenda and meeting minutes of May 11, 2010, and the active grant requests with grant balances schedule were enclosed for review.

Director Rubenstein stated the Final Grant Report for Grant #266 (Jewish Family Services of the San Diego dba Desert SOS) was enclosed for review. They exceeded their goals and they attribute collaboration as the key to success.

Director Rubenstein presented grant requests recommended by the Program Committee for approval:

1. Grant request in the amount of \$40,198 to Jewish Family Services of San Diego (JFSOSD) dba Desert SOS to support Desert Horizon Transitional Housing Project.

Vice-President Hazen raised the question of recidivism and asked if this could be included as an expected outcome in the contract and tracked in the grantee's reporting. Ms. Barrack stated that they do track this and the percentage of clients remaining in housing is 90%, far higher

than the national HUD average of 55%. Mr. Barrack attributes this to their model using scattered housing.

#10-48 MOTION WAS MADE by Director Rubenstein and seconded by Director Solomon to approve the grant request in the amount of \$40, 198 from JFSOSD dba Desert SOS to support Desert Horizon Transitional Housing Project including a reporting measure for recidivism, to be determined by Staff and the Grantee. Motion passed unanimously.

2. Grant request in the amount of \$128,137 to Family Services of the Desert (FSOTD) to support gap funding for mental health services in the City of Desert Hot Springs.

Vice-President Hazen had two questions for FSOTD, the first regarding integrating mental health services with Borrego Community Health Foundation Clinic in the City of Desert Hot Springs. FSOTD will collaborate with BCHF and refer mostly chronic patients and those in need of medication to BCHF when they begin mental health services. Secondly, the grant funds are to be used for gap funding purposes, and Mr. John Brown assured the Board they will only be used for that purpose. President Grayman asked if FSOTD would consider a tie in with BCHF, when they begin mental health services. FSOTD does not typically see the chronically ill mental health patients on medication, and BCHF will fill that need. BCHF will have the MediCal funding, FSOTD will have the staff and Mr. John Brown again assured the Board that they would work together to avoid duplication of effort and services.

#10-49 MOTION WAS MADE by Director Rubenstein and seconded by Director Solomon to approve the grant request in the amount of \$128,137 from Family Services of the Desert to support gap funding for mental health services in the City of Desert Hot Springs. Motion passed 3 – 0, with Directors Matthews and Solomon absent for the vote.

3. Program Committee Policy for Membership – Need

Director Rubenstein asked for clarification regarding the newly adopted Program Committee Membership Policy. At the May 11th Program Committee, Community Members asked if the new term rules would begin with the adoption of the policy or when they were originally appointed by the Board. Staff was directed to create a table that shows when current terms expire in order to implement the best policy for term requirement and then make a recommendation to the Program Committee.

CHIEF EXECUTIVE OFFICER'S REPORT

Mr. Pepper reviewed his report as provided in the Board Packet.

For informational purposes, the Board received a brochure on a tour to China offered by the Palm Desert Chamber of Commerce.

Mr. Pepper was directed to refer four draft policy and issue papers to the appropriate committees for review prior to board consideration.

Staff recommended scheduling an industry update by consultant Steve Valentine for the board. The board directed staff to broaden the audience to include colleagues and the public to the Healthcare Industry Presentation on July 27th.

Vice-President Hazen suggested that staff develop an agenda for the Pathways to Success Scholarship Open House.

ADJOURNMENT OF OPEN SESSION

The meeting was adjourned at 3:50p.m.

RECONVENE TO CLOSED SESSION

The meeting was reconvened to closed session at 3:54pm Topics discussed:

1. Government Code Section 32106 – Report Involving Trade Secrets.
2. Government Code Section 54957 – Public Employee Performance Evaluation - CEO

ADJOURNMENT OF CLOSED SESSION

The meeting was adjourned at 5:45p.m.

RECONVENE TO OPEN SESSION

The meeting was reconvened to open session at 5:45p.m.

REPORT AFTER CLOSED SESSION

The Board in closed session directed Staff and Counsel to take appropriate action concerning the Trade Secret matter. In addition, the Board discussed the annual evaluation of the Chief Executive Officer. No action was taken.

ADJOURNMENT

The meeting was adjourned at 5:46p.m.

ATTEST: _____

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

Minutes respectfully submitted by Steve Brown, Executive Administrative Assistant