

**DESERT HEALTHCARE DISTRICT
BOARD OF DIRECTORS
MEETING MINUTES
October 27, 2009**

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
Donna Craig, Chief Program Officer
Samantha Prior, Operations Support Manager
"Bo" Nanna, Grant Program Assistant
Tricia Wheeler, Executive Administrative Assistant

Legal Counsel

Jeffrey Scott, Esq

Guests

Bob Adams, Highmark Capital
Bruce Hebets, Borrego Community Health Foundation
Sharon Simon and Betty Fernandez, Bridges of Hope
Peggy Bilous, Desert Cancer Foundation
Rachel Gubman, Consultant to College of the Desert
Ernie Rios, Terry Green and Chris Thompson, Pathways to Success
Judee Cox, RAP Foundation
Stephen Geist, Alzheimer's Association

CALL TO ORDER

The meeting was called to order at 2:03pm by President Grayman.

APPROVAL OF AGENDA

President Grayman asked for a motion to approve the agenda.

#09-90 MOTION WAS MADE by Director Rubenstein and seconded by Director Solomon to approve the agenda. Motion passed unanimously.

PUBLIC COMMENT

None

CONSENT AGENDA

Submitted for approval:

1. Board Minutes
 - a. Regular meeting-September 22, 2009
2. District September 2009 financial statements.

#09-91 MOTION WAS MADE by Director Solomon and seconded by Director Rubenstein to approve the Consent Agenda. Motion passed unanimously.

QUARTERLY INVESTMENT REPORT

Bob Adams of Highmark Capital reviewed the quarterly Cash and Investment Summary for the District.

NEW BUSINESS

Bruce Hebets of Borrego Community Health Foundation (BCHF) presented to the Board an overview of a potential District Prescription Drug program the Foundation has been discussing with District representatives. BCHF has requested from the Office of Pharmaceutical Affairs (a division of HHS) a one-year waiver to allow non-Borrego Clinic patients access to pharmaceuticals through the Borrego Clinic. Should this waiver be granted, Mr. Hebets would like to explore a partnership with the District where specific, income qualifying District Residents would be able to utilize this service at no cost (for specific formulary medications) and BCHF would absorb the delivery cost; the District (or Foundation) would absorb the actual fee for the pharmaceuticals.

PRESIDENT'S REPORT

President Grayman reported on the various activities and functions he attended during the past month, including conversations with District constituents and health organizations. President Grayman then expressed his appreciation to his fellow Board Members for their willingness to accommodate his request in changing the date for the December 2009 Board of Directors Meeting.

#09-92 MOTION WAS MADE by Director Solomon and seconded by Director Rubenstein to approve rescheduling the December District Board of Directors Meeting from December 22, 2009 to December 15, 2009. Motion passed unanimously.

DIRECTORS' REPORTS AND COMMENTS

Director Rubenstein reported on various activities and meetings he attended during the past month, including conversations with District constituents and health organizations.

Director Hazen reported on her attendance at the "Grant Seeking: The Fundamentals for Special District" workshop during the California Special Districts Association 40th Annual Conference. As required by policy, Director Hazen supplied a written report summarizing this meeting, as well as the workbook for Director/Staff information.

DRMC GOVERNING BOARD DIRECTORS' COMMENTS

Director Rubenstein reported DRMC continues to respond to and be proactive in compliance issues. Reflecting the economy, services are slightly down for the month but over budget overall for the year. The remodeling of 2East to provide a surgical unit has been delayed for funding. The Administration Office seismic retrofit will be completed in December. The Comprehensive Cancer Center will complete the addition of the 3TMRI by mid-November.

COMMITTEE REPORTS

1. Finance Committee – Director Matthews

Director Matthews stated the agenda and meeting minutes of October 13, 2009 were enclosed for review.

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

Director Matthews presented for Board Acceptance the FY End 06/30/09 Audit Report.

#09-93 MOTION WAS MADE by Director Hazen and seconded by Director Matthews to accept the FY End 06/30/09 Audit Report. Motion passed unanimously.

Mr. Pepper noted that while presenting the Audit Report to the Finance Committee, Mr. Dack expressed his appreciation for the high quality of work produced by Mr. Young and Ms. Prior, and that they are to be commended for a job well done. President Grayman then expressed that Ms. Prior is also to be commended for her work in Mr. Young's absence.

2. Program Committee – Director Rubenstein

Director Rubenstein stated the agenda and meeting minutes of October 13, 2009, and the active grant requests with grant balances schedule were enclosed for review.

Director Rubenstein presented a recommendation from himself, Director Solomon and Staff to appoint retired Judge Robert Taylor to the Program Committee.

#09-94 MOTION WAS MADE by Director Rubenstein and seconded by Director Solomon to appoint retired Judge Robert Taylor to the Program Committee. Motion passed unanimously.

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

1. Grant request in the amount of \$150,000 from the Desert Cancer Foundation for the Comprehensive Patient Assistant Program.

#09-95 MOTION WAS MADE by Director Rubenstein and seconded by Director Solomon to approve the grant request in the amount of \$150,000 from the Desert Cancer Foundation for the Comprehensive Patient Assistance Project. Motion passed unanimously.

2. Grant request in the amount of \$39,000 from Bridges of Hope for the purchase of a walk-in cooler/freezer to support Operation Food Bag, a community food program.

#09-96 MOTION WAS MADE by Director Rubenstein and seconded by Director Solomon to approve the grant request in the amount of \$39,000 from Bridges of Hope for the purchase of a walk-in cooler/freezer to support Operation Food Bag. Motion passed unanimously.

3. Grant request in the amount of \$79,050 from the Desert Community College District in support of National Association for the Education of Young Children Accreditation Facilitation Project for the McCarthy Early Childhood Education Center at College of the Desert.

#09-97 MOTION WAS MADE by Director Rubenstein and seconded by Director Solomon to approve the grant request in the amount of \$79,050 from the Desert Community College District in support of National Association for the Education of Young Children Accreditation Facilitation Project for the McCarthy Early Childhood Education Center at College of the Desert. Motion passed unanimously.

4. Grant request in the amount of \$71,000 from the Alzheimer's Association in support of the Latino Healthcare Project.

#09-98 MOTION WAS MADE by Director Rubenstein and seconded by Director Solomon to approve the grant request in the amount of \$71,000 from the Alzheimer's Association in support of the Latino Healthcare Project. Motion passed unanimously.

6. Grant request in the amount of \$105,000 from Pathways to Success for two-year support of Mentors Advising Students in Healthcare Related Majors.

#09-99 MOTION WAS MADE by Director Rubenstein and seconded by Director Solomon to approve the grant request in the amount of \$105,000 from Pathways to Success for two-year support of Mentors Advising Students in Healthcare Related Majors. Motion passed 4-0, with Director Hazen abstaining from the discussion and vote.

Director Rubenstein commended the Program Department Staff on their high quality of work. He stated that it is because of their due diligence that the Program Committee has had all relevant information on each grant request available for decision when presented.

LEGAL COUNSEL

The state will collect 8% in property tax dollars from cities, counties, and special districts beginning December 1, 2009. The state created a securitization mechanism intended to help local governments avoid actual reductions in revenues this year. Under the mechanism, a joint powers authority will issue notes backed by the state's repayment obligation and use the proceeds to replace the diverted property taxes of local agencies that choose to participate in the securitization.

The board discussed legal and policy related issues stemming from the loss of tax dollars, including potential participation in the California Communities securitization program.

Mr. Scott proposed consideration of Resolution 09-06, Approving the Form and Authorizing the Execution of the Purchase and Sale Agreement of Proposition 1A Receivables.

#09-100 MOTION WAS MADE by Director Rubenstein and seconded by Director Solomon to approve Resolution 09-06, Approving the Form and Authorizing the Execution of the Purchase and Sale Agreement of Proposition 1A Receivables. Motion passed unanimously.

Mr. Scott then reviewed the statute regarding Board Member participation at meetings via teleconferencing (audio or video).

Mr. Scott and Mr. Pepper were directed to create a policy regarding Board Member participation at meetings via teleconferencing, utilizing the California Statute as a reference.

CHIEF EXECUTIVE OFFICER'S REPORT

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

ADJOURNMENT OF OPEN SESSION

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

RECONVENE TO CLOSED SESSION

The meeting was reconvened to closed session. Topics were:

1. Pursuant to Government Code Section 32106 concerning a Report Involving Trade Secrets. Discussion will concern possible new services.
2. Pursuant to Government Code Section 54956.8 - Conference with Real Property Negotiators Property: 1100 North Indian Canyon Avenue Palm Springs, California. Under Negotiations: Price and Terms.
3. Pursuant to Government Code Section 54957 - Public Employee Performance Evaluation (CEO).

ADJOURNMENT OF CLOSED SESSION

The meeting was adjourned at 5:35p.m.

RECONVENE TO OPEN SESSION

The meeting was reconvened to open session at 5:35p.m.

REPORT AFTER CLOSED SESSION

The Board in closed session directed staff and counsel to take appropriate action concerning the Trade Secret and Real Property matters. In addition, the Board conducted the annual evaluation of the Chief Executive Officer.

In open session, after discussion:

#09-101 MOTION WAS MADE by Director Rubenstein and seconded by Director Matthews to increase the CEO's salary by 10%, effective September 1, 2009. Motion passed unanimously.

ADJOURNMENT

The meeting was adjourned at 5:40p.m.

ATTEST: _____

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

Minutes respectfully submitted by Tricia Wheeler, Executive Administrative Assistant

DRAFT