

**DESERT HEALTHCARE DISTRICT  
FINANCE, ADMINISTRATION, REAL ESTATE AND LEGAL COMMITTEE  
MEETING MINUTES  
May 11, 2010**

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A Regular Meeting of the Finance, Administration, Real Estate and Legal Committee of the Desert Healthcare District was held in the Arthur H. "Red" Motley Boardroom, Palm Springs, CA

Attendance:

Members

Mark Matthews - Chair

Kay Hazen – Member

Staff

Lenny Pepper, Chief Executive Officer

Peter Young, Chief Operating Officer

Donna Craig, Chief Program Officer

Samantha Prior, Operations Support Manager

Tricia Wheeler, Program Manager

Steve Brown, Executive Administrative Assistant

Guests

Jan Pye, Councilmember, City of Desert Hot Springs

Rick Daniels, City Manager, City of Desert Hot Springs

Laura Green, Community Services Director, City of Desert Hot Springs

Bruce Hebets, CEO, Borrego Community Health Foundation

Dan Martinez, Managing Director, Riverside County Economic Development Agency

**CALL TO ORDER**

The meeting was called to order at 4:00pm by Chairman Matthews.

**APPROVAL OF AGENDA**

Chairman Matthews asked for a motion to approve the agenda.

**It was moved and seconded (Vice President Hazen, Chairman Matthews) to approve the agenda. Motion passed unanimously.**

**PUBLIC COMMENTS**

None

**APPROVAL OF MINUTES**

Submitted for approval:

1. Minutes – April 13, 2010

**It was moved and seconded (Vice President Hazen, Chairman Matthews) to approve the April 13, 2010. Motion passed unanimously.**

#### **CHIEF OPERATING OFFICER'S REPORT**

The report was reviewed by Mr. Young in conjunction with the Las Palmas Medical Plaza report.

#### **FINANCE REPORTS**

- 1. Financial Statements** - The District's and LPMP financial statements for April 2010 were reviewed by Mr. Young.
- 2. Deposits - District**– the District's April 2010 deposit detail was reviewed by Mr. Young.
- 3. Property Tax Receipts** – The April 2010 property tax receipts were reviewed by Mr. Young.
- 4. Deposits - LPMP** – The LPMP's April 2010 deposit detail was reviewed by Mr. Young.
- 5. Warrants** – The April 2010 warrant register for the District was reviewed by Mr. Young.
- 6. Credit Card** – The April 2010 credit card expenditures were reviewed by Mr. Young.
- 7. Warrant - LPMP** – The April 2010 warrant register for the LPMP was reviewed by Mr. Young.
- 8. Retirement Protection Plan Update** – Mr. Young reviewed the retirement protection plan.

**It was moved and seconded (Chairman Matthews, Vice President Hazen) to approve the District Finance Reports. Motion passed unanimously.**

#### **OTHER MATTERS**

- 1. Grants Payments Schedule** – The grants payments schedule was reviewed by Mr. Young.
- 2. Program Department Report** – The Program Department Report was reviewed by Ms. Craig.
- 3. Status of Desert Hot Springs Medical Clinic** –

Bruce Hebets, CEO for Borrego Community Health Foundation (BCHF), provided a status update. A ten year lease with (2) five year options has been signed at a new location, a former urgent care center on Palm Drive, due to the first location being in foreclosure. The leased site is 3300 sq ft. expandable to 8500 sq ft. Initially, there will be exam rooms sufficient for 3 – 4 doctors. The additional space is currently being utilized by a dentist and glass company, however, BCHF has the first option should the space become available. Additionally, BCHF has the right of first refusal to purchase the property, if listed for sale. Additional space may be available soon; the dentist would like to reduce their space by half. Current parking is adequate and per city code. The property owner may have 2 additional lots for parking. Due to the need for more extensive tenant improvements than the first choice site, the opening for the clinic will be delayed until approximately August 1, 2010. The tenant improvement plans will be completed by May 15<sup>th</sup> at which time an updated cost estimate for the improvements will be available. If the current grant amount for tenant improvements is not sufficient for this location, Vice President Hazen directed staff to bring an amendment for additional funding, if needed, back to the Program Committee for a recommendation to the Board.

Dan Martinez, Riverside County EDA, provided an update on the County's plan for a permanent health facility. Supervisor Ashley has directed staff to move forward with the plans and specifications. This will be presented to the Board of Supervisors at their next meeting on May 18<sup>th</sup>, when authorization to go out to bid will also be on the agenda. Currently there is 4.5 million dollars available. The engineers estimate is 9.5 million dollars. Going to bid now will get an

accurate cost to build so the County can determine the dollar amount of the gap. All costs and information should be answered by July. Source of additional funds will be Recovery Zone Bonds, which need to be issued by December 2010. There must be a hearing by August 15<sup>th</sup>. When the construction contract is awarded, the operating contract will be awarded at the same time.

Chairman Matthews stated that the Board has authorized Mr. Pepper to sign the amendment to the County of Riverside Housing Authority Agreement extending the date to fund the \$1 million dollars for property acquisition to June 30, 2012, based on the County of Riverside moving forward with the project, such as awarding the construction contract. Vice President Hazen commented on the fulfillment of the Board's intent for both a short term and long term option, and thanked the County of Riverside, Borrego Community Health Foundation and the City of Desert Hot Springs for all their efforts.

\*\*Note – All guests from the City of Desert Hot Springs, Borrego Community Health Foundation and the County of Riverside left the meeting at the conclusion of this agenda item.

**4. Health Care Retail Locations** – Informational. A newspaper article was included in the packet. Committee members commented that with the Health Care Reform Bill the number of retail health care locations will expand significantly.

**5. Family Leave Act Policy** – Committee members agreed that this was a good policy to have in place. Staff was directed by the Committee to forward the draft policy to legal counsel for review before bringing forward to the Board.

**6. Co-Gen project at DRMC** - The Committee directed Mr. Pepper to begin discussions about the potential for another capital improvement project with Karolee Sowle. A discussion about the possibility for a possible Co-Gen project should include exactly what Desert Regional is proposing and what they envision. An update on the status of the new parking lot was provided by Mr. Pepper. The bid package is currently being prepared. The target date for an award of the contract will be the July 2010 Board Meeting.

#### **7. FY 2010-2011 Preliminary Budget Review**

Mr. Young provided the Committee a revised Statement of Income and Expenses FY 2010-2011 which included an additional column with projections for the last two months of this current fiscal year. In response to Chairman's Matthews question on the timeline for the approval of the budget, Mr. Young plans to bring the budget for approval to the Board at the next meeting, May 25<sup>th</sup>.

Mr. Young reviewed the schedules for the preliminary budget as presented in the packet. Chairman Matthews commended Mr. Young for presenting the budget clearly in a manner that anyone could pickup and understand. Specific responses to questions by Chairman Matthews and Vice President Hazen included:

- Salary increase projections for FY 2010-11 are estimated as a pool at 8%
- Capital investments for Las Palmas Medical Plaza include a \$900,000 estimate for the new roof and \$150,00 budget for possible tenant improvements
- \$20,000 is budgeted for the revised educational reimbursement policy
- \$4,000,000 is budgeted for grants and programs. The Program Department based the amount on the Strategic Plan, Goals & Objectives. Individual line items under the goals will come as more plans are developed. Vice President Hazen discussed the fact that not all the

implementations for the strategies will be grants. Grants are one tool. Some are grants, RFPs, forums, speakers, program work or capital expenses.

**It was moved and seconded (Vice President Hazen, Chairman Matthews) to forward the FY 2010-11 Preliminary Budget to the Board of Directors at their next meeting. Motion passed unanimously.**

**ADJOURNMENT OF OPEN SESSION**

The meeting was recessed at 5:00p.m.

**RECONVENE TO CLOSED SESSION**

The meeting was reconvened to closed session at 5:05pm.

Topic:

1. Personnel matter pursuant to government code section 54957

**ADJOURNMENT OF CLOSED SESSION**

The meeting was adjourned at 5:15p.m.

**RECONVENE TO OPEN SESSION**

The meeting was reconvened to open session at 5:15p.m.

**REPORT AFTER CLOSED SESSION**

No reportable action was taken in closed session.

**ADJOURNMENT**

The meeting was adjourned at 5:15p.m.

ATTEST: \_\_\_\_\_

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

*Minutes respectfully submitted by Steve Brown, Executive Administrative Assistant*