



**DESERT HEALTHCARE DISTRICT
FINANCE, ADMINISTRATION, REAL ESTATE, LEGAL, AND COMMITTEE
MEETING MINUTES
May 12, 2020**

Directors Present	District Staff Present	Absent
Chair/Treasurer Mark Matthews President Leticia De Lara, MPH Director Arthur Shorr	Conrado E. Bázquez, MD, Chief Executive Officer Chris Christensen, Chief Administration Officer Eric Taylor, Accounting Manager Donna Craig, Chief Program Officer Andrea S. Hayles, Clerk to the Board	

AGENDA ITEMS	DISCUSSION	ACTION
I. Call to Order	Chair Matthews called the meeting to order at 3:34 p.m.	
II. Approval of Agenda	Chair Matthews asked for a motion to approve the agenda.	Moved and seconded by President De Lara and Director Shorr to approve the agenda. Motion passed unanimously.
III. Public Comment	There was no public comment.	
IV. Approval of Minutes 1. F&A Minutes – Meeting March 10, 2019	Chair Matthews motioned to approve the March 10, 2020 minutes.	Moved and seconded by Director Shorr and President De Lara to approve the minutes.
V. CEO Report	Conrado E. Bázquez, MD, CEO, explained that the budget being presented also represents the impact of COVID-19 and the tax revenue for the District, while also diligent to the needs in the community related to the Strategic Plan in the upcoming year. The District wants to ensure that the community is receiving available funds to keep the community healthy and help address the economic disaster.	
VI. Chief Financial Officer's Report 1. LPMP Leasing Update	Chris Christensen, CAO, explained that the Las Palmas Medical Plaza is 98% occupied, income annually is \$1.2M with	



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	<p>some tenants requesting rent relief, some tenants with 2 months of deferral, others for 4 months, and by the end of the lease term, all rent is paid over the remaining life of the lease.</p>	
<p>VII. Financial Reports</p> <ol style="list-style-type: none"> 1. District and LPMP Financial Statements 2. Accounts Receivable Aging Summary 3. District – Deposits 4. District – Property Tax Receipts 5. LPMP Deposits 6. District – Check Register 7. Credit Card – Detail of Expenditures 8. LPMP – Check Register 9. Retirement Protection Plan Update 10. Grant Payment Schedule 	<p>Chair Matthews reviewed the financials and answered questions of the committee members</p> <p>President De Lara requested the addition of the organization entertaining the event, in addition to the amount and name of the organization related to the events.</p>	<p>Moved and seconded by Director Shorr and President De Lara and to approve the March and April 2020 District Financial Reports - Items 1-10 and to forward to the Board for approval.</p> <p>Motion passed unanimously.</p>
<p>VIII. Other Matters</p> <ol style="list-style-type: none"> 1. Investment Portfolios – March 31, 2020 – Keith Stribling, HighMark Capital Management 2. Las Palmas Medical Plaza – Interior Fire Sprinkler Installation – Drawings, Plan Check, and Permits – Estimated \$23,000 	<p>Keith Stribling, Vice President, Senior Portfolio Manager, HighMark Capital Management, described the performance report for the Desert Hospital Retirement Plan, also answering questions of the committee.</p> <p>Chris Christensen, CAO, provided background on the interior fire sprinkler system. The initial costs of approximately \$23k includes plans, survey work, and permits, with a formal bidding process to follow.</p>	<p>Moved and seconded by Director Shorr and President De Lara to approve the Las Palmas Medical Plaza Interior Fire Sprinkler Installation – Drawings, Plan Check, and Permits – Estimated \$23,000 – and to forward to the Board for approval.</p> <p>Motion passed unanimously.</p>



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<p>IX. FY 2020-2021 Annual Budget Review</p>	<p>Chris Christensen, CAO, explained a potential 4% reduction in property tax value from COVID-19, factoring the 2009 recession when there was a 13% reduction. The budget is a conservative approach that includes an 8% reduction from the current property tax revenue anticipated for this year. A 5% reduction in rent and Common Area Maintenance (CAM) revenue from the Las Palmas Medical Plaza commercial property is also projected.</p> <p>Chair Matthews inquired with the committee on setting aside rent relief to assist patients that are unable to pay their copays and would not seek treatment due to the costs, such as \$100k - \$150k. Additionally, placing a hold on grants and announcing that commitments are subject to review.</p> <p>Dr. Bárzaga explained that staff is working with community partners to contribute to a community pool to assist with economic stability.</p> <p>President De Lara recommended and the committee agreed to a discretion for the CEO up to \$25k to work in the absence of the Board if there is a gap in funding for an organization in need, with the understanding</p>	
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	<p>that Dr. Bárzaga provides accountability for how the funding was used. Mr. Christensen explained that the \$25k is including in the budget.</p> <p>After a lengthy discussion concerning the East Valley budgeted line item, the committee agreed to recommend to the Board modifying the designation to the East Valley as District-wide funding amounting to \$600k.</p> <p>During the review of the budgeted staff positions, the committee agreed to move forward with the new hires as illustrated in the budget.</p> <p>Director Shorr recommended illustrating in the notes that the Director's stipends will not change in the new fiscal year.</p>	<p>Moved and seconded by Director Shorr and President De Lara to approve the FY 2020-2021 Annual Budget Review Modifying the East Valley Funding Designation to District-wide, freezing all new hires, and to forward to the Board for approval.</p> <p>Director Matthews abstained from voting on the budget.</p> <p>Motion passed.</p>
<p>IV. Adjournment</p>	<p>Chair Matthews adjourned the meeting at 4:40 p.m.</p>	<p><i>Audio recording available on the website at http://dhcd.org/Agendas-and-Documents</i></p>

ATTEST: 
 Mark Matthews, Chair/Treasurer Finance & Administration Committee
 Desert Healthcare District Board of Directors

Minutes respectfully submitted by Andrea S. Hayles, Clerk of the Board