



**DESERT HEALTHCARE DISTRICT
FINANCE, ADMINISTRATION, REAL ESTATE, LEGAL, AND COMMITTEE
MEETING MINUTES
September 08, 2020**

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

AGENDA ITEMS	DISCUSSION	ACTION
I. Call to Order	Chair Matthews called the meeting to order at 3:45 p.m. except President Leticia De Lara who joined shortly after commencement of the meeting.	
II. Approval of Agenda	Chair Matthews asked for a motion to approve the agenda.	Moved and seconded Chair Matthews 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 June 09, 2020	Chair Matthews motioned to approve the July 14, 2020 minutes.	Moved and seconded Chair Matthews and Director Shorr to approve the July 14, 2020 meeting minutes. Motion passed unanimously.
V. CEO Report	There was CEO no report.	
VI. Chief Administration Officer's Report 1. LPMP Leasing Update	Chris Christensen, CAO, explained that the year-end audit is close to concluding, with Lund & Guttry providing an overview at the October meeting. The Las Palmas Medical Plaza invitation for bids for the landscape project has commenced with advertising in the Desert Sun, a pre-bid walk-thru of the area on 09/15, and bids received in early October for presenting to the committee at the October meeting.	



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	<p>The Medical Plaza does not have new tenants at this time other than the latest items recommended for approval at this meeting for lease options.</p> <p>The Retirement Protection Plan illustrates six less participants.</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 thoroughly reviewed and discussed the financials with the committee. Mr. Christensen explained a slight delay with the property tax receipts most likely due to COVID, and at Director Shorr’s request, a column is included in the Retirement Protection Plan illustrating the reduction from June to August – down 6 participants.</p>	<p>Moved and seconded by President De Lara and Chair Matthews and to approve the July and August 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. Service Agreement Addendum - Magdalena Martinez dba Personnel 411 HR Consulting - \$833.33 per month 2. LPMP Lease Agreement – LABCORP – 5 Year Lease 	<p>Chair Mathews described the service agreement addendum for Personnel 411 HR consulting.</p> <p>Chris Christensen, CAO, explained the minor modifications at the request of LabCorp with updated dates and other minimal requests that were brought forward earlier in the year and finalized.</p>	<p>Moved and seconded by Chair Matthews and Director Shorr and to approve the Service Agreement Addendum - Magdalena Martinez dba Personnel 411 HR Consulting - \$833.33 per month and forward to the Board for approval.</p> <p>Motion passed unanimously.</p> <p>Moved and seconded by Chair Matthews and President De Lara to approve the LPMP Lease Agreement – LABCORP – 5 Year Lease</p>



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<p>3. LPMP – Early Lease Termination Agreement – Dennis Spurgin</p>	<p>Chris Christensen, CAO, explained the terms of the long-term tenant Dennis Spurgin, DC, the challenges with COVID-19, and his request for early termination of the lease agreement.</p>	<p>and forward to the Board for approval. Motion passed unanimously.</p> <p>Moved and seconded by Chair Matthews and Director Shorr to approve the LPMP – Early Lease Termination Agreement – Dennis Spurgin and forward to the Board for approval.</p>
<p>4. LPMP - Temporary Lease Agreement – Arrowhead Evaluation Services, Inc.</p>	<p>Chris Christensen, CAO, described the suite that Dennis Spurgin is vacating and a temporary two-month lease agreement with Arrowhead Evaluation.</p>	<p>Motion passed unanimously.</p> <p>Moved and seconded by Chair Matthews and President De Lara to approve LPMP - Temporary Lease Agreement – Arrowhead Evaluation Services, Inc. and forward to the Board for approval.</p>
<p>5. Consulting Services Agreement – Strategies 360 – Voter Education Project - NTE \$30,000</p>	<p>Conrado Bargaza, MD, CEO, explained the request of the Board for Zone 3 with three candidates to increase awareness of the District and engage voters with the District, presenting Strategies 360’s background and consulting services agreement not to exceed \$30k.</p> <p>President De Lara suggested, and Director Shorr agrees with a Request for Proposal (RFP) process to engage more organizations in the Coachella Valley, with Dr. Bargaza explaining the need to use an outside agency for any conflicts with the candidates.</p> <p>Director Matthews explained that with less than two months to the election, Board approval in the 6 weeks up to the election, and the value in engaging voters in such a short</p>	<p>Motion passed unanimously.</p>



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<p>6. Retirement Protection Plan - Actuarial Valuation Report – June 30, 2020</p>	<p>period that he will not support the proposal.</p> <p>Director Shorr inquired if the District can achieve the goals after the election if the objective is to educate concerning the District due to timing and potential conflicts of interest.</p> <p>President De Lara moved to support the agreement provided that the CEO explain the timing to the Board for getting the information to the voters rapidly as absentee voters tend to move forward quickly with mail-in ballots, but she will also think about its effectiveness in terms of timing.</p> <p>Chair Matthews moved to decline the consulting services agreement, seconded by Director Shorr.</p> <p>Chris Christensen, CAO, described in detail the retirement protection plans actuarial valuation report noting at the bottom of the staff report the actuarial valuation is a present value calculation if every participant received a monthly annuity payment for life, which calculates the total pension liability. The investment account balance is \$4.7M, but the participant balances are \$4.2M. If all participants left their employment today, there</p>	<p>Moved and seconded by Chair Matthews and Director Shorr to deny the Consulting Services Agreement – Strategies 360 – Voter Education Project - NTE \$30,000 and forward to the Board for discussion. Motion passed 2-1.</p>
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	<p>would be \$597k excess funds for payout. For purposes of accounting principles and the GASB Standards, the pension liability must be reported, but there are sufficient funds to cover the payouts.</p> <p>Director Shorr suggested developing an interpretive footnote that concisely reflects the position for concerned members of the public.</p> <p>Mr. Christensen explained that the GASB Standards and prior audit firm did not allow for a modified footnote. He did inquire with the actuarial firm to determine the net pension calculations to consider the actual payout process for figuring into a more realistic form for future valuations. Mr. Christensen will inquire with the new audit firm, Lund & Guttry, if a modified footnote may be used to inform the public of the actual payout process.</p>	
<p>IV. Adjournment</p>	<p>Chair Matthews adjourned the meeting at 4:30 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