



**DESERT HEALTHCARE DISTRICT**  
**FINANCE, ADMINISTRATION, REAL ESTATE, LEGAL, AND COMMITTEE**  
**MEETING MINUTES**  
**June 08, 2021**

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

<b>AGENDA ITEMS</b>	<b>DISCUSSION</b>	<b>ACTION</b>
<b>I. Call to Order</b>	Chair Shorr called the meeting to order at 3:32 p.m.	
<b>II. Approval of Agenda</b>	Chair Shorr asked for a motion to approve the agenda.	<b>Moved and seconded by Director Zendle and President De Lara to approve the agenda. Motion passed unanimously.</b>
<b>III. Public Comment</b>	There was no public comment.	
<b>IV. Approval of Minutes</b> <b>1. F&amp;A Minutes – Meeting May 11, 2021</b>	Chair Shorr motioned to approve the May 11, 2021, minutes.	<b>Moved and seconded by President De Lara and Director Zendle to approve the May 11, 2021, meeting minutes. Motion passed unanimously.</b>
<b>V. CEO Report</b>	There was no CEO Report.	
<b>VI. Chief Administration Officer's Report</b>	Chris Christensen, CAO, explained that the annual preliminary audit is complete, and staff is preparing for the year-end work after June 30, the end of the fiscal year.  Completion of the automatic fire system is in progress with a bidder's conference scheduled for June 17 and public bid opening June 29. There are two publications in the Desert Sun and a listing on the District website.  Mr. Ric Supple, a long-term Board member, and his wife were grandfathered into the insurance premium benefits for	



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	<p>retired directors. As a result of Mr. Supple’s passing, the insurance coverage for him and his wife has been terminated. As the remaining retired Board member receiving the benefits, the District will no longer be required to maintain an OPEB liability on the books. As a result, there will be a net \$35k reduction in liabilities and an increase in net income for FY21. Additionally, all future actuarial valuations will cease.</p> <p>Lease activity is moving forward with a lease agreement for approval and interest from parties in all three of the vacant suites, which would bring the building to full occupancy with a discounted rate for Dr. Kim, Desert Regional Medical Center (DRMC) behavioral health services at \$1.45 per square foot.</p> <p>Director Zendle explained that Tenet and Eisenhower receive ample funding for their behavioral health programs, such as for GME, including a stipend, and supplemental income by having a graduate program based on the number of residences in the program.</p> <p>Mr. Christensen described the tenant improvement estimates underway by Dr. Kim that is currently \$20 per square foot and offering to cover the tenant improvement work that requires upgrading, which</p>	
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	<p>would be presented to the committee once the lease negotiations commence.</p> <p>President De Lara prefers increasing the costs of the tenant improvements than reducing the square footage rate if DRMC receives reimbursements.</p>	
<p><b>VII. Financial Reports</b></p> <p><b>1. District and LPMP Financial Statements</b></p> <p><b>2. Accounts Receivable Aging Summary</b></p> <p><b>3. District – Deposits</b></p> <p><b>4. District – Property Tax Receipts</b></p> <p><b>5. LPMP Deposits</b></p> <p><b>6. District – Check Register</b></p> <p><b>7. Credit Card – Detail of Expenditures</b></p> <p><b>8. LPMP – Check Register</b></p> <p><b>9. Retirement Protection Plan Update</b></p> <p><b>10. Grant Payment Schedule</b></p>	<p>Chair Shorr and Chris Christensen, CAO, thoroughly reviewed the financials, answering questions of the committee related to the interest income, the Retirement Protection Plan, which has not changed significantly, and explaining that the remaining unallocated funds for grants will be recommended to the Board for carry-forward into FY 2022.</p> <p>Donna Craig, Chief Program Officer, described the \$1M discussion at the upcoming Program Committee meeting to reserve for the Lift to Rise Housing Catalyst grant request over 2 years that if not approved by the Board would roll over to FY 2022.</p>	<p><b>Moved and seconded by President De Lara and Director Zendle to approve the May 2021 District Financial Reports - Items 1-10 and to forward to the Board for approval. Motion passed unanimously.</b></p>
<p><b>VIII. Other Matters</b></p> <p><b>1. District Office at RAP – Conference Room Buildout – Bid Results &amp; Contract for Construction – \$24,980</b></p>	<p>President De Lara recused herself from the discussion as the CEO of the Regional Access Project Foundation (RAP); however, since the funding does not affect RAP, Mrs. De Lara requested that staff inquire with legal to determine</p>	<p><b>Moved and seconded by Director Zendle and Director Shorr to approve the District Office at RAP – Conference Room Buildout – Bid Results &amp; Contract for Construction – \$24,980 and forward to the Board for approval. Motion passed unanimously.</b></p>



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	<p>if recusal is necessary when the matter is presented to the Board.</p> <p>Director Zendle inquired about the considerable differences in the costs of the two bids.</p> <p>Mr. Christensen, CAO, detailed last month's approval of the 11-year lease consisting of 1-year at a time with the option to renew each year at the same rate. The bidding process that did not require a public bid and managed by the architect Chris Mills pursued estimates for work soliciting several contractors to obtain at least 2 to 3 bids. However, challenges followed given that the buildout is a small project, many contractors are busy with larger projects. DW Johnston, well known throughout the Valley, and having a good rapport with Chris Mills estimated the costs at a much higher completion rate without concern whether they would be awarded the job. INPRO-EMS, the maintenance service at Las Palmas Medical Plaza also provided an estimate detailing the largest component, the storefront for the glass and metal wall creating the divider for the room. All costs have been confirmed to prevent submitting change orders. The initial \$80k quote from DW Johnston included \$15-\$20k for the wall. The cost of the wall is</p>	
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<p><b>2. Consulting Services Agreement Addendum #2 - Magdalena Martinez dba Personnel 411 Consulting – Compensation Increase \$900/month</b></p>	<p>included in INPRO-EMS' estimated budget.</p> <p>Chris Christensen, CAO, explained that Maggie Martinez has been the HR consultant for 2 years by assisting and guiding the District. The Addendum increases the monthly fee from \$833.33 to \$900 per month, including fees for special projects and extends the agreement to June 30, 2022. It was also noted that Ms. Martinez will be performing an upcoming audit of the employee files.</p>	<p><b>Moved and seconded by Director Zendle and President De Lara to approve the Consulting Services Agreement Addendum #2 - Magdalena Martinez dba Personnel 411 Consulting – Compensation Increase \$900/month and forward to the Board for approval.</b> <b>Motion passed unanimously.</b></p>
<p><b>3. LPMP Lease Agreement – Suite 3W 101 – Global Premier Fertility – 5-Year Lease</b></p>	<p>Chris Christensen, CAO described the Letter of Intent (LOI) to rent the suite directly across the street from the hospital with easy access to providers for a fertility clinic with practice rights at Desert Regional Medical Center. Staff submitted a counteroffer to the LOI that has not been officially accepted. The lease terms would be \$1.80/sq. ft. base rent, \$.69/sq. ft. in CAM fees, and \$20/sq. ft. in tenant improvements totaling \$32k.</p> <p>The 5-year lease would commence July 1, 2021, with the first 6 months' rent waived to allow for completion of tenant improvements and an additional 5-year option to include the first-year increase of the greater of market rate or</p>	<p><b>Moved and seconded by Director Zendle and President De Lara to table the LPMP Lease Agreement – Suite 3W 101 – Global Premier Fertility – 5-Year Lease.</b> <b>Motion passed unanimously.</b></p>



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	<p>3% increase of rate at the end of the first term.</p> <p>The potential tenant has counteroffered with a 5-year lease to commence on January 1, 2022, with a 6-month waiver of the rent payments. The District could accept the tenant improvements, but shorten the period from July 1, 2021, to December 1, 2021.</p> <p>The committee requested that staff continue to negotiate the terms of the lease and table the matter until the July committee meeting.</p>	
<b>IV. Adjournment</b>	Director Shorr adjourned the meeting at 4:26 p.m.	<b>Audio recording available on the website at <a href="http://dhcd.org/Agendas-and-Documents">http://dhcd.org/Agendas-and-Documents</a></b>

DocuSigned by:  
  
 ATTEST: \_\_\_\_\_  
 Arthur Shorr, Director, Board of Directors  
 Finance & Administration Committee Member  
 Desert Healthcare District Board of Directors

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