



DESERT HEALTHCARE DISTRICT
SPECIAL FINANCE, ADMINISTRATION, REAL ESTATE, AND LEGAL COMMITTEE
MEETING MINUTES
November 16, 2022

Directors Present	District Staff Present	Absent
Chair/Treasurer Arthur Shorr President Karen Borja Director Les Zendle, MD	Conrado E. Bázquez, MD, Chief Executive Officer Chris Christensen, Chief Administration Officer Eric Taylor, Accounting Manager Donna Craig, Chief Program Officer Alejandro Espinoza, Chief of Community Engagement Andrea S. Hayles, Board Relations Officer	

AGENDA ITEMS	DISCUSSION	ACTION
I. Call to Order	Chair Shorr called the meeting to order at 1:00 p.m.	
II. Approval of Agenda	Chair Shorr asked for a motion to approve the agenda and move item 8.1., 8.4., and 8.6. after approval of the October meeting minutes.	Moved and seconded by Director Zendle and Director Shorr to approve the agenda and move items 8.1., 8.4., and 8.6 after approval of the October meeting minutes. Motion passed unanimously.
III. Public Comment	There was no public comment.	
IV. Approval of Minutes 1. F&A Minutes – Meeting October 11, 2022	Chair Shorr motioned to approve the October 11, 2022, meeting minutes.	Moved and seconded by Director Zendle and President Borja to approve the October 11, 2022, meeting minutes. Motion passed unanimously.
V. CEO Report	There was no CEO Report.	
VI. Chief Administration Officer's Report	Chris Christensen, CAO, described the audit reports for final approval as illustrated in the agenda. The Las Palmas Medical Plaza is 100% occupied; however, a lease is expiring in February 2023, and the tenant is not seeking renewal but requesting early termination in December 2022.	
VII. Financial Reports		



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<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 Shorr reviewed the October financials with the committee.</p>	<p>Moved and seconded by President Borja and Director Zendle to approve the October 2022 financials – items 1-10 and to forward to the Board for approval. Motion passed unanimously.</p>
<p>VIII. Other Matters</p> <ol style="list-style-type: none"> 1. Gary Dack & Andrea Oliveri – Coachella Valley Accounting & Auditing – FY 2022 Audit Reports – District & RPP <ol style="list-style-type: none"> a. Communication Letter & Internal Controls Report b. District Audit Report c. RPP Audit Report d. Desert Healthcare Foundation & A-133 Single Audit (Informational Purposes Only, Approval during the Foundation’s F&A Committee meeting) 	<p>Andrea Oliveri, Coachella Valley Accounting & Auditing, described the updated language of the disclosure and description to the Effect or Potential Effect and View of Responsible Officials and Planned Corrective Action of the A3-Single Audit discussed at the October committee meeting.</p> <p>Chris Christensen, CAO, provided an overview of the redlined revisions of the Grant Payable and Restricted Net Assets Significant Deficiencies from the original audit presented at October committee meeting, also describing the two accounting adjustment issues related to the significant deficiency with no internal impropriety or cash related integrity issues.</p>	<p>Moved and seconded by Director Zendle and President Borja to approve the FY 2022 Audit Reports – District and RPP and to forward to the Board for approval. Motion passed unanimously.</p>



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<p>2. Consulting Services Agreement for Park Imperial Land Lease Appraisal – Mr. Larry Simons – NTE \$6,500 –</p>	<p>Chris Christensen, CAO, described the 98-year Master Land Lease on the Park Imperial Condominium Association (PICA) property acquired from the Meiselman Trust and Land Lease in 1995. Paid by the homeowners, the lease is \$15k per year, assigned to Brad Yokum in 2022, with the District receiving \$9k of the \$15k per year. The PICA has conveyed an interest in purchasing the land from the District, resulting in the need for an appraisal. Staff is requesting the services of Larry L. Simon, MAI, for the appraisal not to exceed \$6,500.</p>	<p>Moved and seconded by Director Zendle and President Borja to approve the Consulting Services Agreement for Park Imperial Land Lease Appraisal – Mr. Larry Simons – NTE \$6,500 and to forward to the Board for approval. Motion passed unanimously.</p>
<p>3. Addendum #1 to Consulting Services Agreement for Hospital Inspections – Dale Barnhart – Time Extension from December 31, 2022 – December 31, 2024</p>	<p>Chris Christensen, CAO, described Dale Barnhart's retirement from Desert Regional Medical Center as the Administrative Director of Facilities Management. Mr. Barnhart has conducted the quarterly hospital inspections since 2019 for the District, requesting a 2 year extension of the consulting services agreement.</p>	<p>Moved and seconded by Director Zendle and President Borja to approve Addendum #1 to Consulting Services Agreement for Hospital Inspections – Dale Barnhart – Time Extension from December 31, 2022 – December 31, 2024 and to forward to the Board for approval.</p>
<p>4. Consulting Services Agreement for Coachella Valley Health Assessment – Huron Consulting Group – NTE 95,000</p>	<p>Conrado Bárzaga, MD, CEO, described the healthcare infrastructure needs in the Coachella Valley and HURON Consulting Group's role assisting with a predictive analytic model for data as described in strategic plan goal</p>	<p>Motion passed unanimously. Moved and seconded by President Borja and Director Zendle to approve the Consulting Services Agreement for Coachella Valley Health Assessment – Huron Consulting Group – NTE 95,000</p>



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<p>5. Consulting Services Engagement Letter – Steve Hollis – \$750/hr.</p> <p>6. Capital Projects at Desert Regional Medical Center</p>	<p>1.1. As the District enters the phase of the final years of the lease with Tenet Health, Dr. Bárzaga emphasized the needs and demands of the entire Coachella Valley.</p> <p>Martin Bloomenkranz, Senior Director, HURON Consulting Group, described the deliverables to determine the resources for the community needs, with 10-weeks estimated completion of the assessment. Mr. Bloomenkranz answering detailed, extensive questions of the committee to the demographic census tract blocks of population zip codes and capturing resident data emergency calls to the fire department rather than hospitals, and the overall purpose of the assessment.</p> <p>Dr. Bárzaga, CEO, described the brief engagement with Steve Hollis, retired senior managing director Kaufman Hall Associates, to assist the Board with the hospital lease discussions. During the consulting with Mr. Hollis, no fees will be incurred by Kaufman Hall.</p> <p>Michele Finney, CEO, Desert Care Network, Desert Regional Medical Center, described the provision of Section 3.5 of the hospital lease for written</p>	<p>and to forward to the Board for approval. Motion passed unanimously.</p> <p>Moved and seconded by Director Zendle and President Borja to approve Consulting Services Engagement Letter – Steve Hollis – \$750/hr. and to forward to the Board for approval. Motion passed unanimously.</p>
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	<p>consent of capital projects in excess of \$1M upon termination of the lease, subject to the Consumer Price Index, which in the past is forecasted at approx. \$2.4M. The District has the option to repurchase the assets upon expiration or termination of the lease. Mrs. Finney provided an overview and expedited request for approval of the capital projects, including replacing two Cardiac Cath Labs and the cooling tower in the El Mirador Medical Office Building.</p> <p>Dr. Bárzaga, CEO, described the need for discussion with the District's consultants, Kaufman Hall, and legal counsel, which impedes approval at the committee meeting.</p> <p>Chris Christensen, CAO, inquired about replacing the cooling and heating system in the Stergios Building. Mike Ditoro, COO, anticipates replacement in the next year.</p>	
<p>IX. Adjournment</p>	<p>Chair Shorr thanked President Borja for her service to the District and the F&A Committee meeting. adjourned the meeting at 2:10 p.m.</p>	<p>Audio recording available on the website at http://dhcd.org/Agendas-and-Documents</p>



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DocuSigned by:

Arthur Shorr

ATTEST: _____

Arthur Shorr, Chair, Treasurer Board of Directors
 Finance & Administration Committee Member
 Desert Healthcare District Board of Directors

Minutes respectfully submitted by Andrea S. Hayles, Board Relations Officer