



DESERT HEALTHCARE DISTRICT
FINANCE, ADMINISTRATION, REAL ESTATE, AND LEGAL COMMITTEE
MEETING MINUTES
May 10, 2023

Directors Present	District Staff Present	Absent
Chair/Treasurer Arthur Shorr Vice-President Carmina Zavala, PsyD Director Leticia De Lara, MPA	Conrado E. Bárzaga, MD, Chief Executive Officer Chris Christensen, Chief Administration Officer Donna Craig, Chief Program Officer Alejandro Espinoza, Chief of Community Engagement Eric Taylor, Accounting Manager	Andrea S. Hayles, Board Relations Officer

AGENDA ITEMS	DISCUSSION	ACTION
I. Call to Order	Chair Shorr called the meeting to order at 5:05 p.m.	
II. Approval of Agenda	Chair Shorr asked for a motion to approve the agenda.	Moved and seconded by Director De Lara and Vice-President Zavala to approve the agenda. Motion passed unanimously.
III. Public Comment	There was no public comment.	
IV. Approval of Minutes 1. F&A Minutes – Meeting April 12, 2023	Chair Shorr motioned to approve the April 12, 2023, meeting minutes.	Moved and seconded by Director Shorr and Vice-President Zavala to approve the April 12, 2023, meeting minutes. Motion passed unanimously.
V. CEO Report	There was no CEO Report.	
VI. Chief Administration Officer's Report	Chris Christensen, CAO, described the FY 23-24 annual budget for presenting later in the meeting, the commencement of the annual audit interim field work the week of May 22, and the year-end field work the first week of August. Mr. Christensen described the three rent ready vacant suites at the Las Palmas Medical Plaza, and the letters of intent coinciding with each vacant suite, including 2W102 – Dr. Howard Aaron Aronow eligible to fill the vacancy. The draft	



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	<p>lease is not available in time for the committee's review but will be presented for approval at the May 23 Board meeting, further describing the lease terms.</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 Shorr reviewed the April financials with the committee inquiring about the variance analysis. The income YTD actual compared to the budget exceeds \$1.2M, with \$963k higher property tax revenues than projected. The higher interest income and market fluctuations on the investment account doesn't include a significant loss as planned, with \$261k above budget.</p> <p>Mr. Christensen, CAO, also described the accumulative impact of the profit and loss budget versus the actual carryover of \$2.6M in grants from last year's plus the \$4M budgeted in the current year awarding grants exceeding the carryover of \$2.6M and awarding \$640k YTD of the \$4M. \$1.2M in grants will be presented for Board approval from the Program Committee.</p>	<p>Moved and seconded by Director De Lara and Director Shorr to approve the April 2023 financials – items 1-10 and forward to the Board for approval. Motion passed unanimously.</p>
<p>VIII. Other Matters</p> <ol style="list-style-type: none"> 1. Las Palmas Medical Plaza Security Plan – Green Security Solutions Proposal NTE \$144,000 Annually 	<p>Chris Christensen, CAO, described the background on the security requirements and increased security on the weekends with a \$180k yearly</p>	<p>Moved and seconded by Director De Lara and Vice-President Zavala to approve Las Palmas Medical Plaza Security Plan – Green Security Solutions Proposal NTE</p>



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	<p>increase. Green Security Solutions proposal would provide on-site personnel during high-risk hours and off-site live cameras during low-risk hours for \$144k annually while collaborating with INPRO Maintenance personnel.</p>	<p>\$144,000 Annually and forward to the Board for approval. Motion passed unanimously.</p>
<p>2. Addendum #4 to Consulting Services Agreement – Magdalena Martinez – HR Consultant – 3% increase - \$955/month</p>	<p>Chris Christensen, CAO, described the HR consultant addendum #4 agreement for increasing the monthly fee from \$927 to \$955, plus fees for special projects extending the service agreement period to June 30, 2024.</p>	<p>Moved and seconded by Director De Lara and Director Shorr to approve Addendum #4 to Consulting Services Agreement – Magdalena Martinez – HR Consultant – 3% increase - \$955/month and forward to the Board for approval. Motion passed unanimously.</p>
<p>3. FY23-24 Annual Budget (Draft) Review</p>	<p>Chris Christensen, CAO, provided an overview of the FY23-24 annual budget highlighting the Federal Reserve interest rate hikes and a conservative investment budget, a high anticipated property tax increase of 4% over the current projections, the La Palmas Medical Plaza projections of 96-100% occupancy rate and CAM revenue of \$.80 per sq. ft., salary and wages cost of living and merit increases, professional services consisting of seismic and the Desert Regional Medical Center lease renewal, grant-making budget of \$4M, grants income and expenses, investment income, and the Coachella Valley Equity Collaborative (CVEC)</p>	<p>Moved and seconded by Director Shorr and Director De Lara to approve the FY23-24 Annual Budget with staff’s evaluation of the Coachella Valley Equity Collaborative (CVEC) program needs of the annual recognition event and promptly develop planning to coordinate the expenses with the budget surplus and forward to the Board for approval. Motion passed unanimously.</p>



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	<p>administrative and yearly event expenses.</p> <p>The committee discussed the \$130k for the annual CVEC recognition event directing staff to begin planning ahead to prevent any delays in the timeline, which provides the Board ample time to discuss and present any adjustments.</p> <p>Mr. Christensen highlighted the accounting change in last year's audit related to the grant expenses, describing the expenses previously recognized in later years, but are currently expensed when grants are awarded; thus, the grant expense will be higher at \$2.6M with no offset in revenue. As a result, the District's net income is \$757k and the Foundation's net loss \$1.1M.</p> <p>The committee inquired about the cost of living (COLA) adjustment, which, up until last year, was not budgeted in the past decade, with Mr. Christensen providing clarification on the differences between the percentages of the COLA and merit increases salary range adjustments.</p>	
IX. Adjournment	Chair Shorr adjourned the meeting at 6:19 p.m.	<p>Audio recording available on the website at http://dhcd.org/Agendas-and-Documents</p>



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DocuSigned by: **May 10, 2023**
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