



Marin Healthcare District

100B Drakes Landing Road, Suite 250, Greenbrae, CA 94904

Telephone: 415-464-2090 Fax: 415-464-2094

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FINANCE AND AUDIT COMMITTEE

Regular Meeting

July 23, 2019, 5:30pm

MINUTES

- I. **Call to Order:** Chair Simmonds called the Regular Meeting of the District Finance & Audit Committee to order at 5:30pm.
 - A. Roll Call:
 - ✓ Committee Members Present: Harris Simmonds, MD (Chair); Jennifer Rienks (Member)
 - ✓ Committee Members Absent: Brian Su, MD
 - ✓ Staff Members Present: Jean Noonan (Controller), Beverly Wells (Assistant Controller), Michael Lighthawk (EA)
 - B. Approval of Agenda: **Agenda Approved.**
 - C. Approval of Minutes for March 26, 2018. **Minutes Approved.**
 - D. General Public Comment – **No public.**
- II. **2019-2020 District Operating Budget (Action)**

Jean Noonan opened discussion on the 2020 budget by pointing out the columns illustrating the FY2019 Budget, Budget and Actuals To-Date (5 months), Variance, and the proposed FY2020 Budget. Overall, in the first 5 months, we are running close to budget.

Receipts

Investment Earnings are not budgeted. Earlier in 2019, \$2M was approved to move into the MHD Corporate Investment Portfolio which is expected to yield growing returns going forward.

Tax Revenue is what the District receives from the County of Marin from the General Obligation Bonds which are subsequently used to payout our bond obligations. The County's assessment of property taxes is usually in August or September but we do not actually know the specific dollar amount we are obligated to pay until we work with the audit team. The \$12.7M amount should be very close to actual.

Lease Income is budgeted with a slight 2% increase for 2020 and is consistent with the CPI index. Interest Income is budgeted at a flat year to year of \$3K. Tax Revenue is budgeted at \$12.7M.

Disbursements

Auditor Expenses are budgeted flat year-to-year at \$27K. Legal Fees are budgeted at \$43K to compensate for a slight rise in legal costs in the prior year. Board Expenses remain the same.



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Community Education was increased to \$65K from \$50K in 2019, \$45K of which is for the Annual Reports that go out to the community and \$20K for the District's Community Seminar series.

Depreciation in 2020 will definitely go up with the activation of the new hospital.

Advertising was previously included with Community Education which was previously not broken out. Discussions ensued regarding costs of community education broken out into hard costs vs. staff costs which were agreed to be covered by the hospital in arrangements around the Behavioral Health program. Typical cost for each seminar series is about \$5K.

The committee agreed to move the budget forward to the board for approval. Jennifer Rienks will call out the items discussed in committee at the board meeting for resolution.

Motion – Chair Simmonds moved to recommend that the MHD Board of Directors accept the 2020 Operational Budget as presented to the MHD Finance & Audit Committee. Seconded by Member Rienks. Vote: All Ayes. **Motion passed.**

III. Finance

A. Financial Report – June 30, 2019

Balance Sheet

Jean Noonan pointed out the 3rd column indicates the changes in costs between June and May 2019. The largest areas of change will be Hospital Construction Costs and Accrued Expenses for those expected construction costs.

Income statement

Investment Earnings are getting a boost from the recent \$2M addition to the MHD Corporate Portfolio. Board Expenses are favorable for the year.

Jennifer Rienks raised the issue that Legal Expenses are over budget by \$11K which were mostly due to legal matters being addressed by Best, Best & Krieger (BBK) for the District. Board Members Simmonds and Rienks agreed that this issue needs to be discussed at the full board.

IV. Agenda Items for Next Meeting – Monthly Financials.

V. Adjournment – Chair Simmonds adjourned the meeting at 5:50pm.