

MARIN HEALTHCARE DISTRICT

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

Telephone: 415-464-2090

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Board of Directors Finance and Audit Committee Tuesday, February 28, 2023 @ 4:00 pm Via Zoom

MINUTES

1. Call to Order

Chair Alfrey called the meeting to order at 4:00 pm.

2. Roll Call / Approval of Agenda / Approval of Minutes

Committee members present: Edward Alfrey, MD (Chair); Ann Sparkman; Leslie Lava (Community Member)

Staff members present: David Klein (CEO); Eric Brettner (CFO); Liz Lasnier (Controller); Louis Weiner (EA)

Approval of the Agenda: It was moved, seconded and carried to approve the agenda as presented.

Approval of the Minutes: It was moved, seconded and carried to approve the minutes of the meeting of the committee on October 18, 2022.

3. Public Comment

There was no public comment.

4. District Financial Reports

Mr. Brettner reported on December 2022 and year-end 2022 financials (Tab #2) and commented on several points. Adverse market conditions caused the investment earnings to be unfavorable to budget by \$17.6K for December, and unfavorable to budget by \$580.5K at 2022 year-end. Accrued 2021 legal fees of \$9.4K that were not incurred were credited back to 2022 in December. Election expenses that were not incurred in 2022 were favorable to budget by \$129K. Community education expenses were favorable to budget at year-end by \$28K.

Bond-related revenues and expenses were all normal to budget.

December operating income was favorable to budget by \$113.8K. 2022 year-end operating income was unfavorable to budget by \$213.8K owing to adverse market conditions.

On the balance sheet at 2022 year-end, total liabilities and net assets were \$438,939,189, compared to 2021 year-end of \$453,239,934. Of note are the tax revenues at year-end that go into the sinking fund assets to pay the bond.

January 2023 financials (Tab #3) show that net operating income of \$138.4K was favorable to budget by \$125.3K due to lower expenses and higher investment earnings. Operating expenses of \$32.2K was favorable to budget by \$13.8. Hospital rental revenue increased and will be fully adjusted upward in February when the CPI is determined by the fed, in accordance with the Hospital Lease Agreement.

The January balance sheet shows current accordance with budget.

The District's Investment Policy is being revised to allow for up to 20% equities, which is now being reviewed and finalized with the MHMC Investment Committee and Canterbury

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investment advisors. Dr. Alfrey reminded that stock dividend rates should be considered in the investment strategy.

Dr. Alfrey added that the District should budget for community health projects including, e.g., resources for aging population services and broader community health needs. Mr. Brettner agreed, noting that program planning is done by the Lease & Building Committee, with budget considerations done by this Finance & Audit Committee.

5. Next Meeting Date and Agenda

The next meeting date is Tuesday, April 25, 2023.

6. Adjournment

Chair Alfrey adjourned the meeting at 4:19 pm.