

# MARIN HEALTHCARE DISTRICT

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## Board of Directors Finance and Audit Committee Tuesday, July 25, 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 (Board Member);  
Leslie Lava (Community Member)

*Staff members present:* David Klein, MD (CEO); Eric Brettner (CFO); Liz Lasnier (Controller);  
Colin Leary (General Counsel); Brad Malsed (Ex Dir Fin Pln); Mary Hard (Dir Budgeting);  
Louis Weiner (EA)

*Guests present:* Jason Levey (Canterbury Consultants)

*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 June 27, 2023.

#### 3. Public Comment

There was no public comment.

#### 4. Marin Healthcare District FY 2024 Operating Budget

Mr. Brettner presented the 2024 budget (Tab #2) for review and approval, and offered comments.

Receipts include a hospital rental income increase of 4.2%. The lease interest revenue is now subject to a new GASB 87 accounting rule change which has a very minimal impact on the bottom line. Investment earnings are conservatively based on March 2023 yield. Bond funds County tax revenue is at \$15.1M.

Expenses include audit fee increase of 5%. Charitable contributions and advertising each added \$10K for the Board's discretion. Communications and education increased from \$70K to \$145K for more events, reports and website upgrade. Support for the outpatient mental health clinic is \$100K for the third year of the three-year commitment. Continuing support for the hospital mental health program is \$200K, pending Board approval for continuation.

On the budget spreadsheet, the far right column "GASB 87 Accounting Change" is the final budget to be approved, showing a positive Net Operating Margin of \$36,005.

Ms. Lava inquired about election expenses of \$200K and Mr. Brettner explained the estimated figure that is reliant upon the population of the MHD Divisions up for election and of the number of elective offices and issues on the 2024 ballot. The previous election expense of the 2022 election was about \$150K.

Dr. Alfrey asked for a motion to recommend to the full Board the approval of the budget at the next regular meeting. Ms. Sparkman moved to approve. Ms. Lava seconded. **Motion approved.**

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Finance and Audit Committee  
Tuesday, July 25, 2023 @ 4:00 pm  
Via Zoom**

**MINUTES**

**5. District Corporate Investment Portfolio Policy**

Mr. Levey of Canterbury Consultants presented the recommended revised Statement of Investment Policy, noting the two major changes. Delegation of oversight of the District's portfolio will shift from the MGH (MarinHealth) Board, through its Investment Committee, to the MHD Board, through this MHD Finance and Audit Committee. Roles and responsibilities in managing the portfolio and communicating with the investment advisor (Canterbury) will likewise shift from MGH to MHD.

Appendix B in the Policy indicates the portfolio's maximum percentages of allocation in asset classes: Equity (30% maximum), Fixed Income (100% maximum), Cash (25%).

Ms. Lava asked if the contract with Canterbury is with the District or the Hospital. Mr. Brettner explained that the Hospital is covering the advisor's cost as obligated by the MHD-MGH lease agreement as a support service. Mr. Levey added that the investment advisor assists in the process of recommending a custodian. In Appendix A, the "total fund: District Corporate" box remains while the "Manager" lower box is deleted. Investment advisor will interact regularly with this Committee by reviewing the portfolio quarterly and this policy annually.

Dr. Alfrey asked for a motion to approve the revised District Corporate Investment Portfolio Policy. Ms. Sparkman so moved. Ms. Lava seconded. **Motion approved.**

**6. District Financial Report**

Mr. Brettner presented the June financials. Revenue was \$4,093 unfavorable to budget due mostly to lower investment earnings, while YTD revenue was \$51,162 favorable to budget due to higher investment earnings. Expenses for June were \$9,801 favorable to budget, while YTD expenses were \$81,196 favorable to budget. Budgeted expenses for charitable contributions and community education will be incurred later in the year.

Net operating income for June is positive \$5,708, and YTD is positive \$132,358.

**7. Adjournment**

Chair Alfrey adjourned the meeting at 4:20 pm.