MARIN HEALTHCARE DISTRICT

100-B Drakes Landing Road, Suite 250, Greenbrae, CA 94904 **Telephone: 415-464-2090** **Fax: 415-464-2094**
Website: www.marinhealthcare.org ***Email:*** info@marinhealthcare.org

Board of Directors
Finance and Audit Committee
Wednesday, July 29, 2026 @ 5:30 pm
Marin Healthcare District Office

MINUTES

1. **Call to Order**
   Chair Su called the meeting to order at 5:30 pm.

2. **Roll Call / Approval of Agenda / Approval of Minutes**
   Committee members present: Brian Su, MD (Chair); Edward Alfrey, MD (Board Member);
   Staff members present: Eric Brettner (CFO); Mary Hard (Dir System Budgeting & Reporting); Tricia Lee, (EA)
   Guest Present: Brian Conner (Baker Tilly)

   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 May 5, 2026.

3. **Public Comment**
   There was no public comment.

4. **Marin Healthcare District FY 2027 Operating Budget**
   Mr. Brettner presented the proposed FY 2027 Operating Budget. Due to Dr. Alfrey's need to leave the meeting early for a patient emergency, the Committee agreed to consider the budget prior to the audit report.

   Mr. Brettner reported that the budget assumes a 3.6% CPI increase for rental revenue from the hospital to the District, subject to adjustment to the actual CPI at year-end. Investment income projections reflect the movement of District assets to fixed-income investments and were budgeted conservatively below anticipated investment returns due to potential market and interest rate volatility. Estimated tax receipts related to the 2015 and 2017 bonds were projected at approximately $18.4 million.

   The Committee reviewed proposed expenses, including $40,000 for general legal costs and an additional $150,000 for anticipated legal services associated with a potential parcel tax and bond issuance. Audit fees were budgeted with a 3% increase and will continue to be shared equally with the hospital. Board compensation was increased in anticipation of additional committee activity related to potential bond financing and associated District oversight. The budget also includes $16,000 for charitable contributions and continued support of the hospital's inpatient behavioral health program.

   The Committee reviewed the proposed Community Education budget and discussed the categorization of community education, advertising and other related expenses. The Committee requested that the Community Education materials be clearly labeled and that staff confirm the proposed expenditures have been reviewed by the appropriate committee.

   Mr. Brettner reported that the FY 2027 budget projects approximately $709,000 in rental revenue, $207,000 in investment income and an overall positive operating result of approximately $546,000.

   There was no further discussion. Dr. Su asked for a motion to approve the FY 2027 Operating Budget. It was moved, seconded and carried to approve the Marin Healthcare District FY 2027 Operating Budget.

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5. Marin Healthcare District: 2025 Report of Independent Auditors

Brian Conner of Baker Tilly presented the results of the independent audit of the District's financial statements for the year ended December 31, 2025.

Mr. Conner reported that the draft financial statements received an unmodified opinion from Baker Tilly, indicating that the financial statements were fairly presented in accordance with generally accepted accounting principles (GAAP). The final report was expected to be issued following receipt of the final management representation letter.

The primary significant audit area was tax assessment receivables and revenue. Baker Tilly performed testing and confirmation procedures with the County, including recalculation of receivables and review of cash payments received. No issues were identified.

Mr. Conner further reported that no audit adjustments were required, no significant deficiencies or material weaknesses in internal controls were identified, and there were no difficulties or disagreements with management during the audit process. He characterized the results as a clean audit.

There was no further discussion. It was moved, seconded and carried to approve the 2025 Report of Independent Auditors.

6. Adjournment

Following Dr. Alfrey's departure to attend to a patient emergency, the Committee no longer had a quorum. The remaining agenda items, including the District Financial Reports, were not considered. Chair Su adjourned the meeting at 5:51 p.m.