



**Minutes of the August 15, 2022
Meeting of the Petaluma Health Care District
FINANCE AND BUSINESS DEVELOPMENT COMMITTEE**

CALL TO ORDER

California Governor Gavin Newsom issued Executive Order N-15-21 on September 20, 2021, relating to the convening of public meetings during the COVID-19 pandemic. Pursuant to the Governor's Executive Order, The PHCD Finance and Business Development Committee Meeting for Monday, August 15, 2022, began at 4:00 p.m. via Zoom Teleconference.

Treasurer Jeffrey Tobias, MD called the meeting to order at 4:04 PM.

PRESENT

Jeffery Tobias, MD, Treasurer
Brian Dufour, Director
Ramona Faith, CEO
Andrew Koblick, Controller
Jonathan Spees, Consultant
Don Bouey, Esq., Legal Counsel
Carlos Oblites, Portfolio Manager – Chandler Asset Management
Don Penner, Portfolio Manager- Chandler Asset Management

CONSENT CALENDAR

A MOTION was made by Director Tobias to approve the August 15, 2022, Agenda and the minutes of the June 7, 2022, Finance and Business Development Committee meeting, which were approved by all present.

CHANDLER QUARTERLY PRESENTATION

- **Economic Update**

Carlos Oblites updated the committee on the current economic conditions. He discussed the current inflation, its causes, the Federal Reserve's response, and the effect on short-term and long-term interest rates.

- **Portfolio Update**

Mr. Oblites also discussed the current state of the portfolio held at Schwab and its expected performance in the short term. Mr. Oblites noted that the duration of the portfolio moved from 1.76 at the end of April to 1.68 at the end of July. Dr. Tobias asked whether the current strategy should be reviewed due to the changing economy and the increasing rates offered at LAIF. Dr. Tobias has further questions which will be answered offline.

BUSINESS DEVELOPMENT

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- Hospice House Lease**
 Staff and consultant Jonathan Spees updated the committee on the status of the 415 Payran Street lease negotiations. Staff shared the results of the property assessment report conducted by Partner Engineering. The Partner Engineering report showed \$172,000 of deferred maintenance and \$118,000 of future costs. Providence conducted a property assessment and reported \$244,000 in current (deferred) cost and \$3.26 million in future cost. The Committee discussed whether the deferred maintenance should be agreed to be paid by Providence or incorporated into the future lease before negotiations for a future lease or extension could begin. The Committee discussed other possible uses for the Payran St. property in the event an agreement could not be reached with Providence.
- 1550 Professional Drive**
 The lease at 1550 Professional Drive is up for renewal on September 1, 2022. Staff informed the Committee that Providence had accepted a counteroffer with the change to a three-year lease rather than the five years Staff proposed. Staff also shared the property assessment report conducted by Partner Engineering. The committee supported the three-year lease should be accepted.
- Business Development**
 Mr. Spees updated the committee on a prospective business venture relating to the financing, purchasing and construction of medical office space. Mr. Spees let the Committee know the deal is no longer available. Other possible ventures recently discussed have not moved forward in the last two months but are still options that he is exploring.

FINANCE

- Discussion of Auditor**
 Staff reported that JWT & Associates, LLP has been the financial auditor for the last four years. The Committee discussed the merits and possible vulnerabilities of continuing with the same auditor. JWT & Associates, LLP delivers a quality product, has extensive experience with health care districts, helped improve the audit process for the District, is always available for questions throughout the year, been less expensive and more efficient with staff time than the previous auditor. The Committee agreed to continue with JWT & Associates, LLP for the June 30, 2022, audit and will reevaluate for the 2023 audit.
- May and June 2022 Financials**
 The Committee reviewed the May 31, and June 30, 2022, financials and recommends to the board to approve as presented.

PLUS / DELTA

None.

ADJOURN

Director Tobias adjourned the meeting at 6:07 PM.
 Submitted and recorded by Andrew Koblick, Controller