



Marin Healthcare District

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

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

Website: www.marinhealthcare.org / Email: info@marinhealthcare.org

FINANCE AND AUDIT COMMITTEE

Regular Meeting

March 26, 2019, 5:30pm

MINUTES

- I. **Call to Order:** Chair Simmonds called the Regular Meeting of the Finance & Audit Committee to order at 5:30pm.
- A. Roll Call:
1. Committee Members Present: Harris Simmonds, MD (Chair); Brian Su, MD (Member)
 2. Staff Members Present: Jim McManus (CFO), Michael Lighthawk (EA); Jean Noonan, (Controller).
- B. Approval of Agenda: **Agenda Approved.**
- C. Approval of Minutes for February 26, 2018 – Change Section II, second paragraph under Assets to read “. . . Clinic revenues now pass through UCSF’s financial systems as 1206(g) Clinics. However, if new 1206(b) Clinics are created, they will appear in the District Financials.”
Minutes approved with changes.
- D. General Public Comment – **No public.**
- II. **Investment**
- A. Discuss District Cash, Allocations & Risk with Canterbury Consulting

Jim McManus introduced Jason Levey of Canterbury Consulting, an independent investment advisory service firm. Canterbury was selected by the MGH Investment Committee to oversee the Hospital (Corporate & Pension), District (Corporate & Bond Proceeds), and Foundation portfolios. The District’s initial investment was \$1M and was transferred to Schwab in April of 2016. The District Corporate Investment Policy is presented here specifically for reference to the policy parameters for investing the District’s excess cash.

Management recommends investing an additional \$2M to the District Corporate Portfolio.

The committee reviewed and discussed the cash breakout for the \$2M investment relative to Cash and Cash Equivalents and other intercompany receivables not yet received. Current allocations are in fixed investments and are highly liquidable. Net cash after all transactions are completed will be \$850K. Jim McManus pointed out that the District accumulates about \$234K annually. Jim reiterated that the Finance & Audit Committee reviews and recommends any changes to District investments to the District Board of Directors based on information coming from the MGH Investment Committee.



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Discussions ensued on the parameters used to assess and assign appropriate risk and allocations in the portfolio based on the determined financial needs of the District. Jim McManus stated he advises against weighting the portfolio too heavily in equities but does recommend investing conservatively with the new funding.

Motion: Chair Simmonds moved to recommend that the Marin Healthcare District Board of Directors approve adding \$2M to the District Corporate Portfolio and allocating all into the current Fixed Income allocation category.

Seconded by Member Su. **Vote:** All Ayes. **Motion Passed.**

III. Finance

A. Financial Report – February 28, 2019

Balance Sheet

Jean Noonan reported that Cash and Cash Equivalents will continue to climb incrementally due to collections still coming in from legacy AR of the 1206(b) Clinics. MGH 2.0 construction costs went up \$3.3M last month with corresponding offsets in accrued expenses. MGH 2.0 is still on budget.

Assets Limited to Usage – This category decreased by \$7.4M in February due to the interest payment due on the G.O. Bonds. (Two annual payments due on February 1 and August 1.)

Income Statement – Jean reported incremental activity in Legal Fees and a variance in the Community Education line due to the District's annual mailing to the community.

IV. Agenda Items for Next Meeting (April 23, 2019)

- 2018 Report of Independent Auditors

V. Adjournment – Chair Simmonds adjourned the meeting at 6:20pm.