

**REGULAR MEETING OF THE
HEALTH AND WELLNESS FOUNDATION BOARD**

AGENDA

JUNE 8, 2020 - 1:00 P.M.

**VIA VIDEOCONFERENCE
Desert Hot Springs, California**

Notice Regarding COVID-19 and Public Participation

Pursuant to California Governor Newsom's Executive Orders N-25-20 issued on March 4, 2020 and N-29-20 issued on March 18, 2020, the City Council regular meeting will be conducted remotely through Zoom.

For Public Comment

If you wish to speak under general public comment, or speak on an agenda item, you can access the meeting remotely through ONE of the following options:

- **Participate via Zoom**

<https://us02web.zoom.us/j/81156749574?pwd=c0ZPdKxpU3ZGMHl1dmNHMmplZ004UT09>

Meeting ID: 811 5674 9574

Password: 627433

- **Submit Comments in Writing**

You may also submit your comments in writing via email to the City Clerk at cityclerk@cityofdhs.org. **To give the City Clerk adequate time to compile, please submit no later than 12:00 P.M. on June 8, 2020.** All written public comments will be distributed to the City Council and included as part of the record.

In the subject line, please indicate:

"Public Comment – Non-Agenda Item" OR

"Public Comment – Item #" (insert the agenda item number(s) relevant to your comment(s))

The City of Desert Hot Springs thanks you in advance for taking all precautions to prevent the spreading of the COVID-19 virus.

CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE

MINUTES

Health and Wellness Foundation Board Minutes: July 2, 2019

Recommendation: Approve the Minutes as presented; or as corrected.

PUBLIC COMMENTS

At this time, pursuant to State law, any person may comment on an item, which is NOT on the agenda. PLEASE STATE YOUR NAME FOR THE RECORD.

Comments are limited to the first ten (10) speakers at three (3) minutes per speaker. All comments are to be directed to the Health and Wellness Foundation Board and shall be devoid of any personal attacks. Members of the public are expected to maintain a professional, courteous decorum during public comments.

ADMINISTRATIVE CALENDAR

1. Resolution to Wind Down and Dissolve the Desert Hot Springs Health And Wellness Foundation.

General Counsel, Jennifer Mizrahi

Recommendation: Adopt a Resolution winding down and dissolution of the Desert Hot Springs Health and Wellness Foundation (the "HWF") and that the Board of Directors be authorized to take all steps necessary to complete the process.

BOARD MEMBER COMMENTS

ADJOURN REGULAR MEETING

**REGULAR MEETING OF THE
HEALTH AND WELLNESS FOUNDATION BOARD**

DRAFT MINUTES

JULY 2, 2019 - 4:00 P.M.

**CARL MAY COMMUNITY CENTER
CITY COUNCIL CHAMBERS
11711 West Drive, Desert Hot Springs, California**

CALL TO ORDER

Chairman Matas called the meeting to order at 4:00 P.M.

ROLL CALL

	<u>Present:</u>
Board Member:	Russell Betts
Board Member:	Chris Christensen
Board Member:	Gary Gardner
Board Member:	Charles Maynard
Chairman:	Scott Matas

PLEDGE OF ALLEGIANCE

Board Member Gardner led the Pledge of Allegiance.

MINUTES

Special Meeting Minutes: July 18, 2017

Recommendation: Approve the Minutes as submitted; or as corrected.

Action: Betts moved to approve the Minutes as presented, motion seconded by Gardner, motion carried 5/0 by the following vote.

<u>Vote:</u>	AYES: 5 - Betts, Matas, Gardner, Maynard, Christensen
Passed	NOES: 0 - (None)

PUBLIC COMMENTS

None.

ADMINISTRATIVE CALENDAR

1. Consideration of New Market Tax Credit Financing Documents Necessary to Wind Down the Financing

Acting Finance Director, Geoffrey Buchheim

Recommendation: 1) Adopt a Resolution of the Health and Wellness Foundation in the City of Desert Hot Springs, County of Riverside, State of California, approving certain matters relating to the exit of the New Markets Tax Credit Financing for the Health and Wellness Center and approving forms of documents and certain actions related thereto;

2) Approve the Membership Interest Purchase Agreement; and

3) Delegate authority to the City Manager of the City of Desert Hot Springs to negotiate and execute all documents, including certifications, and proofs necessary to exit the New Markets Tax Credit Financing, upon approval as to form by the City Attorney and Special Counsel to the City of Desert Hot Springs.

Geoffrey Buchheim, Acting Finance Director, presented the Staff report and responded to questions.

Action: Gardner moved to approve staff recommendation and adopt *Resolution No. HWF-2020-001*, motion seconded by Betts, motion carried 4/0 by the following vote:

<u>Vote:</u>	AYES: 4 - Betts, Matas, Gardner, Maynard
Passed	NOES: 0 - (None)
	ABSTAIN: 1 - Christensen

Action: Betts moved to continue to the June 2, 2020 Regular City Council meeting, motion seconded by Gardner, motion carried 5/0 by the following vote:

BOARD MEMBER COMMENTS

A discussion ensued regarding the foundation and next meeting.

ADJOURN SPECIAL MEETING

Chairman Matas adjourned the meeting at 4:08 P.M.

REPORT TO THE CITY COUNCIL

**DATE: June 8, 2020****TITLE: Resolution to Wind Down and Dissolve the Desert Hot Springs Health And Wellness Foundation.****Prepared by: Jennifer Mizrahi, General Counsel**

RECOMMENDATION

Adopt a Resolution winding down and dissolution of the Desert Hot Springs Health and Wellness Foundation (the "HWF") and that the Board of Directors be authorized to take all steps necessary to complete the process.

BACKGROUND

The Desert Hot Springs Health and Wellness Foundation (the "HWF") is a nonprofit corporation organized under Section 501(c)(3) of the U.S. Internal Revenue Code. Having fulfilled the purpose for which it was created, the HWF is no longer active and has no assets. There is no need to maintain the corporation or its directors.

DISCUSSION

Because the HWF has no assets, dissolution involves a three-step process. First, the Board of Directors for the HWF must meet and vote to wind up and dissolve the corporation.

Once the Board has voted to wind up and dissolve and passed a resolution on that topic, the HWF must provide information to the Office of the California Attorney General informing it of the intention to dissolve. This notice requires the HWF to inform the Attorney General that it has no assets and to provide the last three tax form 990s filed. This step is expected to be perfunctory, given that there are no issues relating to the transfer of assets about which the Attorney General to be concerned. The Attorney General will then issue a letter after review of the request and it is expected the dissolution will be approved.

After receipt of the letter of approval from the Attorney General, the HWF will submit the required forms along with the Attorney General's letter and a financial report showing zero assets to the Secretary of State. The Secretary of State will then officially dissolve the corporation.

FISCAL IMPACT

The HWF has no assets. City staff time and required insurance will amount to some savings for the City, but not the Board.

EXHIBIT:

- 1) Resolution

RESOLUTION NO. HWF-2020-001**RESOLUTION OF THE BOARD OF DIRECTORS OF DESERT HOT SPRINGS HEALTH AND WELLNESS FOUNDATION RELATING TO WINDING UP AND DISSOLUTION OF THE CORPORATION**

WHEREAS, we, the Board of Directors of Desert Hot Springs Health and Wellness Foundation ("Corporation"), a California nonprofit public benefit corporation, held a special meeting on June 8, 2020, via Zoom at 1:00 P.M.; and

WHEREAS, the following Directors were present at the meeting:

- 1) Russell Betts
- 2) Conrado Barzaga
- 3) Gary Gardner
- 4) Scott Matas
- 5) Charles Maynard; and

WHEREAS, the meeting was publicly noticed and the Board of Directors took the below actions by unanimous consent; and

WHEREAS, the purpose of the meeting was to consider the winding up and dissolution of the Corporation; and

WHEREAS, pursuant to section 6610 of the California Corporations Code, a majority of the Board of Directors may authorize the voluntary wind up and dissolution of this Corporation because the Corporation has no members; and

WHEREAS, the Board of Directors has unanimously determined that it is in the best interests of this Corporation that it be wound up and dissolved.

NOW, THEREFORE, THE BOARD of directors of the Corporation DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. RECITALS

The above recitals are hereby incorporated herein.

Section 2. RESOLUTIONS

- a. That the Board of Directors hereby unanimously elects to wind up and dissolve this Corporation.
- b. That the Board of Directors and officers are authorized and directed to take all appropriate actions to wind up and dissolve this Corporation. In particular, the Board of Directors delegates all wind down authority to Charles L. Maynard, or his designee, who shall and does have the power to negotiate and execute any and all documents needed to effectuate the winddown and dissolution of the Corporation.

- c. That the Board of Directors determines that upon dissolution after payment of debts, the assets of the Corporation are to be transferred to City of Desert Hot Springs.
- d. That the officers are authorized and directed to file all final tax returns.
- e. That, on commencement of the proceedings to wind up the Corporation, the officers or directors of this Corporation are hereby authorized and directed to prepare, execute, and file such other documents and take such other action as may be necessary or reasonable to complete the dissolution and wind up the Corporation's affairs, including the filing of a Certificate of Dissolution as required by Section 6615 of the Corporations Code of California. In particular, the Board of Directors delegates all wind down authority to Charles L. Maynard, or his designee, who shall and does have the power to negotiate and execute any and all documents needed to effectuate the winddown and dissolution of the Corporation.

Section 3. CERTIFICATION

The Clerk of the Board shall certify to the passage and adoption of this Resolution.

Section 4. SEVERABILITY

That if any provision, section, paragraph, sentence or word of this Resolution be rendered or declared invalid by any final court action in a court of competent jurisdiction or by reason of any preemptive legislation, the remaining provisions, sections, paragraphs, sentences or words of this Resolution as hereby adopted shall remain in full force and effect.

Section 5. EFFECTIVE DATE

That this Resolution shall take effect immediately, or as otherwise provided by law.

PASSED AND ADOPTED by the Board of Directors of the Desert Hot Springs Health and Wellness Foundation at a regular meeting duly held on the 8th day of June, 2020, by the following vote:

AYES:

NAYS:

ABSENT:

ATTEST:

Jerryl Soriano, City Clerk

APPROVED:

Scott Matas, Chairman

ITEM 1.

