

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY
AND RECORD OF ACTION**

March 28, 2023

FROM

WILLIAM L. GILBERT, Director, Arrowhead Regional Medical Center

SUBJECT

Memorandum of Understanding with the Arrowhead Regional Medical Center Foundation

RECOMMENDATION(S)

Approve a **Memorandum of Understanding No. 23-239** with Arrowhead Regional Medical Center Foundation to support its operations and expand its philanthropic impact on Arrowhead Regional Medical Center in an amount not to exceed \$1,005,000, for the period of April 1, 2023 through March 31, 2026.

(Presenter: William L. Gilbert, Director, 580-1650)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Operate in a Fiscally-Responsible and Business-Like Manner.

Provide for the Safety, Health and Social Service Needs of County Residents.

FINANCIAL IMPACT

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost) as costs of \$1,005,000 for the support of the Arrowhead Regional Medical Center Foundation (Foundation) operations are funded by departmental revenue. Arrowhead Regional Medical Center (ARMC) will provide the Foundation with an amount not to exceed \$335,000 per year for a total amount not to exceed \$1,005,000. Adequate appropriation and revenue are included in the ARMC 2022-23 budget and will be included in future recommended budgets.

BACKGROUND INFORMATION

The recommended Memorandum of Understanding (MOU) will allow ARMC to provide \$335,000 each year for three years to cover administrative staffing, marketing, and community outreach costs for the Foundation. These funds, separate from any charitable funds, allows the Foundation to continue its philanthropic activities for the benefit of ARMC, expand ARMC's community engagement efforts, strengthen ARMC's legislative affairs, and sustain ARMC's marketing and volunteer efforts.

The MOU also allows for payment of travel expenses of the Foundation Executive Director that are approved by ARMC Administration, which is included in the total \$1,005,000 requested to support the Foundation. The Foundation is to provide a report to ARMC and the County Administrative Office on how funding was expended, and demonstrate that the expenditures and related activities have resulted in positive outcomes for the benefit of ARMC.

The Foundation's intent is to continue to fund development activities to support ARMC's capital equipment needs, clinical programs, community wellness programs and graduate medical

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March 28, 2023**

education programs by cultivating and soliciting philanthropic support from individuals, corporations, and foundations.

On February 11, 2020, Item No. 15, the Board of Supervisors approved Agreement No. 20-69 with the Foundation to support operations to continue to expand its philanthropic impact on ARMC, in an amount not to exceed \$975,000 plus travel expenses of the Foundation Executive Director as approved by ARMC Administration, for the three-year period of February 14, 2020, through February 13, 2023.

The Foundation was established in 1977 with the sole purpose of supporting the mission of ARMC. The Foundation is a non-profit, public-benefit corporation formed pursuant to the applicable provisions of the Internal Revenue Code. Through this MOU, ARMC anticipates an estimated return on investment of 200% of the philanthropic subsidy portion. In 2022 alone, the Foundation brought in \$1,300,000 dollars. The assistance from the Foundation helps ARMC operate in a fiscally-responsible and business-like manner by providing support and equipment to ARMC.

The Foundation Board meets regularly on a quarterly basis to review organizational progress and financial reports.

This Memorandum of Understanding (MOU) which will allow ARMC to provide \$335,000 each year for three years to cover administrative staffing, marketing, and community outreach costs for the Foundation.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Charles Phan, Deputy County Counsel, 387-5455) on February 24, 2023; Finance (Chen Wu, Finance and Budget Officer, 580-3165) on December 28, 2022; Finance (Jenny Yang, Administrative Analyst, 387-4884) on December 29, 2022; and County Finance and Administration (Valerie Clay, Deputy Executive Officer, 387-5423) on January 4, 2023.

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March 28, 2023**

Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

Moved: Joe Baca, Jr. Seconded: Curt Hagman
Ayes: Col. Paul Cook (Ret.), Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: March 28, 2023



cc: ARMC- Gilbert w/agree
Contractor- C/O ARMC w/agree
File- w/agree
LA 03/31/2023