



138 S. Brandon St. • Fallbrook CA 92028 • 760-731-9187

**BOARD OF DIRECTORS
REGULAR BOARD MEETING**

**WEDNESDAY
MAY 11, 2016**

6:00 PM

AT

**FPUD
FALLBROOK PUBLIC UTILITY DISTRICT
990 EAST MISSION ROAD
FALLBROOK, CA 92028**



AGENDA
FALLBROOK HEALTHCARE DISTRICT
REGULAR BOARD MEETING
Wednesday, May 11, 2016, 6:00 p.m.
Fallbrook Public Utilities District, 990 E. Mission Rd., Fallbrook

A. CALL MEETING TO ORDER – PLEDGE OF ALLEGIANCE

B. ADDITIONS TO AGENDA

Pursuant to the Brown Act, additions to the Agenda as posted are exceptional, and expressly limited to three specific situations, as set forth in Government Code 54954.2(b): (1) an "emergency" as determined by majority vote of the board; (2) a 2/3 vote of the board finding that an item requires immediate action – and the need for this action arose in time after the agenda was posted or (3) the item was continued from an earlier meeting (no more than 5 days earlier), at which time the item was validly posted on the agenda of the earlier meeting.

C. BOARD MEMBER AND PUBLIC COMMENTS

Opportunity for board members and citizens to speak on items of interest within subject matter jurisdiction of the District. For the record, please state your name. "Request to speak" cards should be filled out in advance and presented to the Board President or the recording secretary. **The Board has a policy limiting any speaker to not more than five minutes**

D. CONSENT ITEMS

- D1. Minutes of April 13, 2016 Regular Board Meeting
- D2. Minutes of April 21, 2016 Special Board Meeting
- D3. Approval of March 2016 Financial Statements
- D4. Approval of Approval of First Amendment of A+ MOU (two month extension)

E. REPORTS

- E1. Finance Committee – Director Salmon and Mroz
- E2. Community Healthcare Programs – Directors Mroz and Abbott
- E3. Gov't and Community Relations – Directors Tinker and Salmon
- E4. Facilities – Director Tinker and Winton
- E5. Executive Director – Bobbi Palmer
- E6. General Counsel – Blaise Jackson

F. DISCUSSION/ACTION ITEMS

- F1. Resolution 415 – Rescinding Resolution 414 (Latham Agreement Approval) – Legal Counsel
- F2. Discussion/First reading of Draft Investment Policy for the District, FY 2016-2017 – Legal Counsel

G. ITEMS FOR SUBSEQUENT MEETINGS

- G1. Other Director/Staff discussion items
 - G1a. Item(s) for future board agendas
 - G1b. Announcements of upcoming events:
 - North County Communities Colaborative Health Initiative (NCCCHI) meetings – Every Wednesday, 2:00-3:00pm, FHD Board Room
 - Health & Fitness Fair – Saturday, May 14, 2016, 9:00am-1:00pm, La Paloma Elementary School
 - CCC/CATCH meeting – Monday, May 16, 2016, 9:00-10:30am, Fallbrook Public Utility District Board Room
 - Woman of Wellness –Thursday, June 2, 2016, 6:00pm, Fallbrook Library
 - G1c. Announcements of upcoming conferences:
 - CSDA Special Districts Legislative Days, May 17-18, 2016, Sacramento
- G2. Next Regular Board meeting – Wednesday, June 8, 2016, 6:00pm, Fallbrook Public Utility District Board Room

H. CLOSED SESSION

- H1. CONFERENCE WITH REAL ESTATE NEGOTIATOR REGARDING SALE OF REAL PROPERTY PER GOVT CODE 54956.8 – Conference shall include Price and Terms. District Negotiator: Travis Ives
APN #s 105-811-01 and 103-246-51. (Former Hospital Property – 624 Elder Street/138 Brandon Road)"

I. ADJOURNMENT

NOTE: This agenda posted at the Fallbrook Healthcare District Administration Office on Friday, May 6, 2016. The American with Disabilities Act provides that no qualified individual with a disability shall be excluded from participation in, or denied the benefits of District business. If you need assistance to participate in this meeting, please contact the District office 24 hours prior to the meeting at 760-731-9187.

CONSENT ITEMS



**MINUTES
FALLBROOK HEALTHCARE DISTRICT
REGULAR BOARD MEETING**

Wednesday, April 13, 2016, 6:00 p.m.
Fallbrook Public Utilities District, 990 E. Mission Rd., Fallbrook

A. CALL MEETING TO ORDER

The meeting was called to order by President Tinker at 6:06 p.m.

Board members present: Barbara Mroz, Gordon Tinker, Stephen Abbott, Howard Salmon and Frank Winton

Board members absent: None

Others present: General Counsel Jeffrey Scott and Executive Director Bobbi Palmer

President Tinker led in the Pledge of Allegiance.

B. ADDITIONS TO AGENDA

There were no additions to the agenda.

C. BOARD MEMBER AND PUBLIC COMMENTS

- C1. Jack Johns CEO, Community Health Systems which operates the Fallbrook Family Health Center gave an update on a the space next to the FFHC which has opened for behavioral health services.
- C2. Dr. Timothy Coen was told his topic, urgent care, is an agenda item so he will be able to speak when that times comes.

D. PRESENTATION

- D1. Debal Acquaro and Linda Lake from Health and Human Services Agency Public Health reported that North Coastal Public Health services the Fallbrook area, history of public health, gave a presentation on 3-4-50: Chronic Disease in San Diego County, Maternal Child Health program administered by public health nurses and other services.
- D2. Danny Avella, Administrator of the Fallbrook Family Health Center presentation will be rescheduled.

E. CONSENT ITEMS

- E1. Minutes of March 9, 2016 Regular Board Meeting
 - E2. Minutes of March 24, 2016 Special Board Meeting
 - E3. Approval of February 2016 Financial Statements
- Board President Tinker inquired if any board member wished to pull a discussion, if none, then entertained a motion to approve. Director Salmon moved to approve Consent Calendar, Director Mroz seconded the motion. Board President Tinker inquired if there was any discussion and asked for all those in favor, any opposed.
- AYES: Directors Mroz, Tinker, Abbott, Salmon and Winton.
NOES: None.
ABSTAIN: None.
ABSENT: None.

F. DISCUSSION/ACTION ITEMS

- F1. Recommendation to extend a 3-month subsidy to A-Plus Urgent Care at a cost \$19,500.00 per month

Discussion ensued regarding a subsidy to cover extended hours and weekend coverage at A+ Urgent Care. President Tinker stated that two public hearings were held to discuss the closure of the hospital and it was evident that a major concern of the community was the lack of emergency services. Board members further discussed the possible extension.

It was moved by Director Abbott, seconded by Director Salmon to reduce the subsidy to \$14,500 for one month during which time a long-term decision would be made. Board President Tinker inquired if there was any further discussion and asked for all those in favor, any opposed.

AYES: Directors Mroz, Tinker, Abbott and Salmon.

NOES: Director Winton

ABSTAIN: None.

ABSENT: None.

G. REPORTS

- G1. Finance Committee – Director Salmon reported.
- G2. Long Range Planning Committee – Directors Winton and Salmon reported on 3/24/2016 meeting. See Attachment G2.
- G3. Community Healthcare Programs – Barbara Mroz reported.
- G4. Gov't and Community Relations – Director Tinker reported on cancelled JPA conference with Palomar Health to be rescheduled to accommodate all involved due to time conflicts. Director Salmon reported he has been appointed to the Health Districts Advocacy Board, which met last week in Sacramento.
- G5. Facilities – Director Tinker. No report.
- G6. Executive Director – Bobbi Palmer. Please refer to ED report included in the packet.
- G7. General Counsel – Jeffrey Scott shared two articles regarding recent information of other special healthcare districts in the area.

H. ITEMS FOR SUBSEQUENT MEETINGS

- H1. Other Director/Staff discussion items
 - H1a. Item(s) for future board agendas
Director Abbott inquired about a special meeting and adding to the agenda for discussion the criteria for the RFP for urgent care.
 - H1b. Announcements of upcoming events:
 - North County Communities Colaborative Health Initiative (NCCCHI) meetings – Every Wednesday, 2-3pm, FHD Board Room
 - CCC/CATCH meeting – 3rd Monday, April 18, 2016, 9am – FPUD
 - Woman of Wellness –Thursday, May 5, 2016, 6pm – Fallbrook Library
 - Health & Wellness Fair – Saturday, May 14, 2016, 9am-1pm, La Paloma School
- H2. Announcements of upcoming conferences
 - ACHD Annual Meeting – May 3-5, 2016, Monterey
 - CSDA Special Districts Legislative Days, May 17-18, 2016, Sacramento
- H3. Next Regular Board meeting – Wednesday, May 11, 2016, 6:00 p.m.

I. ADJOURNMENT

The meeting was adjourned by President Tinker at 7:28 p.m.

ATTESTATION:

Gordon Tinker, President

Stephen Abbott, Secretary

Fallbrook Health District
Long Range Planning Committee

March 24, 2016

9:00AM

Agenda

Members: Frank Winton, Director; Howard Salmon, Director; Bobbi Palmer, Executive Director

1. Call to order
2. Long Range Planning Committee Charge
3. Review Fallbrook Health Vision
 - a. **“The best way to predict the future is to invent it” Alan Kay, scientist, inventor**
 - b. **Vision describes what the organization needs to accomplish, what services it will provide(or intends to), and what significant contribution it intends to make**
 - c. **A mental picture of what the organization should look like and how it will feel and interact with its stakeholders**
 - d. **Defining visioning**
 - i. An image of how we see our purpose unfolding
 - ii. A picture of the preferred future we seek to create
 - iii. An answer to the question “What do we really want?”
 - e. **Qualities of a Good Vision**
 - i. It motivates, inspires
 - ii. It is a stretch, moves towards greatness
 - iii. It is clear, concrete
 - iv. It is achievable, not a fantasy
 - v. It fits with the highest values
 - vi. It is easy to communicate, clear and simple
 - f. **Current FHD Vision**

Collaboratively identifying and supporting a broad range of healthcare needs within the District in pursuit of positive measurable outcomes in community health.
4. Discuss Goals for 2016
 - a. Hospital Facility
 - b. Grants
 - c. Health
5. Public Relations firm
6. Planning Session(s)- 3 – 5 year vision for the District.
7. Other
8. Adjourn

**SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE
FALLBROOK HEALTHCARE DISTRICT**

A Special Meeting of the Board of Directors of Fallbrook Healthcare District was held at 3:00 p.m. on THURSDAY, APRIL 21, 2016 at the District Offices, 138 Brandon Street, Second Floor, Fallbrook, CA 92028

MINUTES

THURSDAY, APRIL 21, 2016

Directors present: G. Tinker, S. Abbott, H. Salmon, B.Mroz and F. Winton.
Directors absent: None
Staff present: Blaise Jackson, General Counsel, and Bobbi Palmer, Administrator
Others present: Travis Ives, Cushman & Wakefield

A. CALL MEETING TO ORDER

The meeting was called to order by President Tinker at 3:10 p.m.

General Counsel called to the Board and Staff's attention that Item C2. was erroneously listed as a Closed Session item, and as such, had to be discussed in Open Session. The matter was tabled until the next regular Board meeting.

B. BOARD MEMBER AND PUBLIC COMMENT

Directors Salmon and Tinker inquired about the status of an RFP to consider other possible providers of extended hours urgent care service providers. Executive Director Palmer and General Counsel indicated that an RFP would be ready to send out by the following week. Director Salmon also indicated he would refine a set of inquiries for the current extended hours urgent care provider, A +. No member of the public addressed the Board. The Board then moved into Closed session for item C1.

C. CLOSED SESSION

C1. CONFERENCE WITH REAL ESTATE NEGOTIATOR REGARDING SALE OF REAL PROPERTY, PER GOV'T CODE 54956.8 (APN #s 105-811-01 and 103-246-51 (Former Hospital Property- 624 Elder Street/138 Brandon Road).

C2. Tabled per above.

D. RECONVENE INTO OPEN SESSION.

The board directed its negotiator and legal counsel to take appropriate action concerning item C1.

E. ADJOURNMENT

The meeting adjourned at 3:55 p.m.

ATTESTATION

Gordon W. Tinker, President

Stephen Abbott, Secretary

DRAFT

FALLBROOK HEALTHCARE DISTRICT YTD Profit & Loss Actual vs Budget

March 2016

	Mar 16	Budget	\$ Over Budget
Ordinary Income/Expense			
Income			
400. · District			
402 · Property tax revenue	57,977	45,983	11,995
403 · Interest / Dividends	3,557	0	3,557
406 · Unearned Inc(Loss) - Cal Trust	8,347	0	8,347
Total 400. · District	69,881	45,983	23,898
450. · Properties			
450.01 · Disposition of Surplus Property	0	178,447	(178,447)
460 · Lease Income			
460.01 · A+ Urgent Care	4,800	4,800	0
Total 460 · Lease Income	4,800	4,800	0
Total 450. · Properties	4,800	183,247	(178,447)
Total Income	74,681	229,230	(154,549)
Gross Profit	74,681	229,230	(154,549)
Expense			
500 · Administrative Expenses			
500.10 · Salaries	16,533	20,459	(3,926)
500.12 · Payroll Taxes	1,418	2,102	(684)
500.14 · W/C Insurance	95	95	0
500.15 · Employee Health & Welfare	1,754	1,530	224
500.16 · Board Stipends	2,000	2,200	(200)
500.17 · Education & Conferences	3,180	0	3,180
500.18 · Dues & Subscriptions	110	0	110
500.19 · Insurance - General	3,632	3,632	0
500.20 · Accounting	960	850	110
500.21 · Annual Independent Audit	0	0	0
500.23 · General Counsel	9,517	9,905	(388)
500.25 · Office Expense			
01 · Communications	283		
02 · I.T. and Website services	153		
03 · Refreshments	2,248		
04 · Office supplies	691		
05 · Admin fees	43		
06 · Outside Services	4,990		
500.25 · Office Expense - Other	0	4,478	(4,478)
Total 500.25 · Office Expense	8,408	4,478	3,930
500.27 · Depreciation	138	138	0
500.29 · Dist Promotions & Publications	1,301	500	801
500.30 · Pension	0	150	(150)
500.32 · Consultant Fees	0	0	0
500.33 · Copier Lease	468	468	0
500.40 · Rent	0	0	0
500.85 · Calif Mandated Reimbursement	0	0	0
580.01 · General Election	0	20,000	(20,000)
Total 500 · Administrative Expenses	49,513	66,507	(16,994)

FALLBROOK HEALTHCARE DISTRICT
YTD Profit & Loss Actual vs Budget

March 2016

	Mar 16	Budget	\$ Over Budget
590 · Management & Maintenance			
590.01 · Building Engineer	7,312	7,071	242
590.02 · Gas & Electric	4,700	7,850	(3,150)
590.03 · Water	2,172	1,920	252
590.04 · Waste Management	90	100	(10)
590.05 · Security	1,100	1,100	0
590.06 · Landscape - Grounds Environ...	2,500	2,708	(208)
590.07 · Custodial Services	0	208	(208)
590.08 · Elevator	165	167	(2)
590.09 · Vehicle Expenses	45	150	(105)
590.10 · Maintenance Services & Repairs	26	1,760	(1,734)
590.11 · Medical Records Store & Service	1,802	3,500	(1,698)
590.12 · Fire Alarm System	165		
Total 590 · Management & Maintenance	20,078	26,534	(6,456)
600 · Community Healthcare Programs			
600.54 · Healthy Adventures Foundation	0	0	0
600.53 · Jeremiah's Ranch	0	0	0
600.01 · Courier Service	0	0	0
600.04 · Boys & Girls Club	0	0	0
600.07 · Senior Citizens Center	0	0	0
600.08 · Smiles Project	0	0	0
600.11 · Palomar Family Coun.Serv.	0	0	0
600.14 · Fibk Family Health Center	0	0	0
600.17 · Foundation for Senior Care	0	0	0
600.18 · Fibk Comm Project - FOOD PA...	0	0	0
600.23 · Community Health Fair	0	0	0
600.24 · Community Collaboratives	0	0	0
600.33 · REINS Therapy	0	0	0
600.37 · Trauma Intervention Programs	0	0	0
600.40 · Think First Program	0	0	0
600.46 · North Inland Comm Prev Progr...	0	0	0
600.47 · FUHS - Asperger's Support Ctr	0	0	0
600.48 · Save Our Children's Sight	0	0	0
Total 600 · Community Healthcare Progra...	0	0	0
800 · District Direct Care Services			
800.01 · SERA	0	0	0
800.02 · A+ Urgent Care	19,500	19,500	0
Total 800 · District Direct Care Services	19,500	19,500	0
Total Expense	89,091	112,540	(23,449)
Net Ordinary Income	(14,410)	116,689	(131,099)
Other Income/Expense			
Other Expense			
700 · Asset Management - District			
900.01 · CPU Consultant	0	0	0
900.03 · Architectural Services	0	0	0
900.04 · Engineering	0	0	0
900.05 · Facilities Analysis	0	0	0
900.06 · Equipment Analysis	0	0	0
Total 700 · Asset Management - District	0	0	0

**FALLBROOK HEALTHCARE DISTRICT
YTD Profit & Loss Actual vs Budget**

March 2016

	Mar 16	Budget	\$ Over Budget
950 · CHS Termination Activities			
950.01 · Continuation Agreement	0	0	0
950.03 · Lease Termination Settlement	0	0	0
950.04 · Expenses Pd on Behalf of CHS	0	0	0
950.05 · DPNF - HFS Consultant services	0	0	0
Total 950 · CHS Termination Activities	0	0	0
Total Other Expense	0	0	0
Net Other Income	0	0	0
Net Income	(14,410)	116,689	(131,099)

FALLBROOK HEALTHCARE DISTRICT
Profit & Loss/Budget Comparison QTR & YTD
1/1/16 - 3/31/16 and YTD

	Jan 1 - 28, 16	Budget	\$ Over Budget	Jul 1, '15 - Jan 2...	YTD Budget	\$ Over Budget	Annual Budget
Ordinary Income/Expense							
Income							
400 · District							
402 · Property tax revenue	266,319	228,584	37,735	960,812	894,710	66,101	1,600,000
403 · Interest / Dividends				19,577		19,577	
406 · Unearned Inc(Loss) - Cal Trust				(12,497)		(12,497)	
Total 400 · District	266,319	228,584	37,735	967,892	894,710	73,182	1,600,000
450 · Properties							
450.01 · Disposition of Surplus Property							178,447
460 · Lease Income							
460.01 · A+ Urgent Care	4,800	4,335	465	33,600	33,135	465	57,600
Total 460 · Lease Income	4,800	4,335	465	48,847	33,135	15,711	57,600
Total 450 · Properties	4,800	4,335	465	48,847	33,135	15,711	236,047
Total Income	271,119	232,919	38,200	1,016,739	927,846	88,893	1,836,047
Gross Profit	271,119	232,919	38,200	1,016,739	927,846	88,893	1,836,047
Expense							
500 · Administrative Expenses							
500.10 · Salaries		24,501	(24,501)	84,687	104,585	(19,898)	236,173
500.12 · Payroll Taxes		1,899	(1,899)	7,259	14,511	(7,252)	25,224
500.14 · W/C Insurance		86	(86)	543	659	(115)	1,145
500.15 · Employee Health & Welfare	1,629	1,382	247	9,068	10,562	(1,494)	18,360
500.16 · Board Stipends		1,987	(1,987)	10,200	15,187	(4,987)	26,400
500.17 · Education & Conferences				1,563	1,915	(353)	5,082
500.18 · Dues & Subscriptions		3,281	(3,281)	12,858	12,117	741	12,386
500.19 · Insurance - General		768	(768)	18,160	25,073	(6,912)	43,584
500.20 · Accounting				5,100	5,868	(768)	10,200
500.21 · Annual Independent Audit				7,500	7,600	(100)	7,600
500.23 · General Counsel		15,050	(15,050)	83,909	95,712	(11,803)	149,777
500.25 · Office Expense	2,885	4,045	(1,159)	23,610	30,913	(7,303)	53,736
500.27 · Depreciation		125	(125)	830	955	(125)	1,661
500.29 · Dist Promotions & Publications		452	(452)	293	3,452	(3,159)	6,000
500.30 · Pension		135	(135)	900	1,035	(135)	1,800
500.32 · Consultant Fees		6,774	(6,774)	48,627	37,059	11,568	43,785
500.33 · Copier Lease		422	513	3,117	3,227	(111)	5,610
500.40 · Rent	935			3,626	3,626		3,626
500.85 · Calif Mandated Reimbursement				(13,445)	(10,000)	(3,445)	(10,000)
580.01 · General Election							20,000
Total 500 · Administrative Expenses	5,889	60,906	(55,017)	319,957	364,055	(44,098)	662,147
590 · Management & Maintenance							
590.01 · Building Engineer	(236)	6,386	(6,623)	49,494	48,809	684	84,846
590.02 · Gas & Electric	11,519	7,090	4,429	61,780	54,190	7,590	94,200
590.03 · Water	2,037	1,734	303	14,363	13,254	1,108	23,040
590.04 · Waste Management		90	(90)	745	690	55	1,200

FALLBROOK HEALTHCARE DISTRICT
Profit & Loss/Budget Comparison QTR & YTD

1/1/16 - 3/31/16 and YTD

	Jan 1 - 28, 16	Budget	\$ Over Budget	Jul 1, '15 - Jan 2...	YTD Budget	\$ Over Budget	Annual Budget
590.05 · Security		994	(994)	6,600	7,594	(994)	13,200
590.06 · Landscape - Grounds Environment	2,500	2,446	54	18,978	18,694	284	32,496
590.07 · Custodial Services		188	(188)		1,436	(1,436)	2,496
590.08 · Elevator		151	(151)	825	1,153	(328)	2,004
590.09 · Vehicle Expenses	20	135	(115)	1,330	1,035	294	1,800
590.10 · Maintenance Services & Repairs	31	1,590	(1,558)	12,859	12,150	709	21,120
590.11 · Medical Records Store & Service	195	3,161	(2,966)	9,063	24,161	(15,098)	42,000
Total 590 · Management & Maintenance	16,231	23,966	(7,734)	117,656	183,167	(65,511)	318,402
600 · Community Healthcare Programs							
600.54 · Healthy Adventures Foundation				9,000	9,000		9,000
600.53 · Jeremiah's Ranch				9,400	9,400		9,400
600.01 · Courier Service				(1,923)		(1,923)	
600.2 · Fallbrook Sports Park				4,000	4,000		4,000
600.04 · Boys & Girls Club				32,000	32,000		32,000
600.07 · Senior Citizens Center				50,000	50,000		50,000
600.08 · Smiles Project				70,000	70,000		70,000
600.11 · Palomar Family Coun.Serv.				63,500	63,500		63,500
600.14 · Flbk Family Health Center				140,000	140,000		140,000
600.17 · Foundation for Senior Care				104,000	104,000		104,000
600.18 · Flbk Comm Project - FOOD PAN...				56,000	56,000		56,000
600.23 · Community Health Fair				8,000	8,000		8,000
600.24 · Community Collaboratives				12,000	12,000		12,000
600.33 · REINS Therapy				22,500	22,500		22,500
600.37 · Trauma Intervention Programs				8,000	8,000		8,000
600.46 · North Inland Comm Prev Program				8,500	8,500		8,500
600.47 · FUJHS - Asperger's Support Ctr				6,500	6,500		6,500
600.48 · Save Our Children's Sight				6,600	6,600		6,600
600.57 · North County Fire Protect Distr				10,000	10,000		10,000
Total 600 · Community Healthcare Programs				618,077	620,000	(1,923)	620,000
800 · District Direct Care Services							
800.02 · A+ Urgent Care	14,500	17,613	(3,113)	201,500	194,613	6,887	235,500
Total 800 · District Direct Care Services	14,500	17,613	(3,113)	201,500	194,613	6,887	235,500
Total Expense	36,620	102,485	(65,864)	1,257,191	1,361,835	(104,644)	1,836,049
Net Ordinary Income	234,498	130,435	104,064	(240,452)	(433,989)	193,537	(2)
Net Income	234,498	130,435	104,064	(240,452)	(433,989)	193,537	(2)

FALLBROOK HEALTHCARE DISTRICT
P & L vs Budget for 3rd Quarter 2015 -16
1/1/16 thru 3/31/16

	Jan - Mar 16	Budget	\$ Over Budget
Ordinary Income/Expense			
Income			
400. · District			
402 · Property tax revenue	354,079	341,710	12,369
403 · Interest / Dividends	11,576	0	11,576
406 · Unearned Inc(Loss) - Cal Trust	25,014	0	25,014
Total 400. · District	390,669	341,710	48,958
450. · Properties			
450.01 · Disposition of Surplus Property	0	178,447	(178,447)
460 · Lease Income			
460.01 · A+ Urgent Care	14,400	14,400	0
Total 460 · Lease Income	14,400	14,400	0
Total 450. · Properties	14,400	192,847	(178,447)
Total Income	405,069	534,557	(129,489)
Gross Profit	405,069	534,557	(129,489)
Expense			
500 · Administrative Expenses			
500.10 · Salaries	50,199	74,711	(24,512)
500.12 · Payroll Taxes	7,238	6,306	932
500.14 · W/C Insurance	286	286	0
500.15 · Employee Health & Welfare	4,419	4,590	(171)
500.16 · Board Stipends	5,400	6,600	(1,200)
500.17 · Education & Conferences	4,009	0	4,009
500.18 · Dues & Subscriptions	110	194	(84)
500.19 · Insurance - General	10,896	10,896	0
500.20 · Accounting	6,660	2,550	4,110
500.21 · Annual Independent Audit	0	0	0
500.23 · General Counsel	26,912	41,215	(14,303)
500.25 · Office Expense	19,295	13,434	5,861
500.27 · Depreciation	415	415	0
500.29 · Dist Promotions & Publications	1,386	1,500	(114)
500.30 · Pension	0	450	(450)
500.32 · Consultant Fees	0	13,500	(13,500)
500.33 · Copier Lease	1,870	1,403	468
500.40 · Rent	0	0	0
500.85 · Calif Mandated Reimbursement	0	0	0
580.01 · General Election	0	20,000	(20,000)
Total 500 · Administrative Expenses	143,635	198,049	(54,414)
590 · Management & Maintenance			
590.01 · Building Engineer	20,559	21,212	(653)
590.02 · Gas & Electric	21,459	23,550	(2,091)
590.03 · Water	8,276	5,760	2,516
590.04 · Waste Management	429	300	129
590.05 · Security	3,536	3,300	236
590.06 · Landscape - Grounds Environ...	10,000	8,124	1,876
590.07 · Custodial Services	0	624	(624)
590.08 · Elevator	495	501	(6)
590.09 · Vehicle Expenses	65	450	(385)
590.10 · Maintenance Services & Repairs	3,175	5,280	(2,105)
590.11 · Medical Records Store & Service	4,850	10,500	(5,650)
Total 590 · Management & Maintenance	74,748	79,601	(4,853)
600 · Community Healthcare Programs			
600.54 · Healthy Adventures Foundation	0	0	0

FALLBROOK HEALTHCARE DISTRICT
P & L vs Budget for 3rd Quarter 2015 -16

1/1/16 thru 3/31/16

	Jan - Mar 16	Budget	\$ Over Budget
600.53 · Jeremiah's Ranch	0	0	0
600.01 · Courier Service	0	0	0
600.04 · Boys & Girls Club	0	0	0
600.07 · Senior Citizens Center	0	0	0
600.08 · Smiles Project	0	0	0
600.11 · Palomar Family Coun.Serv.	0	0	0
600.14 · Flbk Family Health Center	0	0	0
600.17 · Foundation for Senior Care	0	0	0
600.18 · Flbk Comm Project - FOOD PA...	0	0	0
600.23 · Community Health Fair	0	0	0
600.24 · Community Collaboratives	0	0	0
600.33 · REINS Therapy	0	0	0
600.37 · Trauma Intervention Programs	0	0	0
600.40 · Think First Program	0	0	0
600.46 · North Inland Comm Prev Progr...	0	0	0
600.47 · FUHS - Asperger's Support Ctr	0	0	0
600.48 · Save Our Children's Sight	0	0	0
Total 600 · Community Healthcare Progra...	25,000	0	25,000
800 · District Direct Care Services			
800.01 · SERA	0	0	0
800.02 · A+ Urgent Care	48,500	58,500	(10,000)
Total 800 · District Direct Care Services	48,500	58,500	(10,000)
Total Expense	291,883	336,150	(44,267)
Net Ordinary Income	113,186	198,407	(85,222)
Other Income/Expense			
Other Expense			
700 · Asset Management - District			
900.01 · CPU Consultant	0	0	0
900.03 · Architectural Services	0	0	0
900.04 · Engineering	0	0	0
900.05 · Facilities Analysis	0	0	0
900.06 · Equipment Analysis	0	0	0
Total 700 · Asset Management - District	0	0	0
950 · CHS Termination Activities			
950.01 · Continuation Agreement	0	0	0
950.03 · Lease Termination Settlement	0	0	0
950.04 · Expenses Pd on Behalf of CHS	806	0	806
950.05 · DPNF - HFS Consultant services	0	0	0
Total 950 · CHS Termination Activities	806	0	806
Total Other Expense	806	0	806
Net Other Income	(806)	0	(806)
Net Income	112,380	198,407	(86,028)

Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

www.treasurer.ca.gov/pmia-laif/laif.asp
April 12, 2016

FALLBROOK HEALTHCARE DISTRICT

PMIA Average Monthly Yields

ADMINISTRATOR
P.O. BOX 2587
FALLBROOK, CA 92088

Account Number:
[REDACTED]

Tran Type Definitions

March 2016 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
3/17/2016	3/17/2016	RW	1495601	BOBBI PALMER	-225,000.00

Account Summary

Total Deposit:	0.00	Beginning Balance:	1,856,538.09
Total Withdrawal:	-225,000.00	Ending Balance:	1,631,538.09



**FALLBROOK HEALTHCARE DISTRICT
STATEMENT FOR PERIOD
April 01, 2016 - April 30, 2016**

CalTrust Medium Term Fund - FALLBROOK HEALTHCARE DIST

202-000080-10

Date	Transaction	Shares	Price Per Share	Amount	Average Cost NAV	Average Cost Amount	Realized Gain/Loss*
03/31/2016	BALANCE FORWARD	417,332.211	10.09	4,210,882.01	10.05172079	4,194,906.86	
04/01/2016	INCOME DISTRIBUTION - MARCH	352.591	10.09	3,557.64	10.05175309	3,557.64	0.00
04/30/2016	UNREALIZED GAIN (LOSS)	0.000		0.00		0.00	
04/30/2016	ENDING BALANCE	<u>417,684.802</u>	10.09	<u>4,214,439.65</u>		<u>4,198,464.50</u>	
	INCOME DISTRIBUTION PAID - MARCH			0.00			
	INCOME ACCRUAL - APRIL			3,431.80			
	CUMULATIVE UNREALIZED GAIN (LOSS)			15,975.15			

* Please note that this information should not be construed as tax advice and it is recommended that you consult with a tax professional regarding your account.

For Inquiries About Your Account, Contact:

Nottingham Investment Administration
116 South Franklin Street
Rocky Mount, NC 27804
Attention: CalTRUST Shareholder Services
Phone: 800.773.3863
Fax: 252-972-1908
Email: caltrustsupport@ncfunds.com

FALLBROOK HEALTHCARE DISTRICT
FALLBROOK HEALTHCARE DIST
ATTN: BOBBI A PALMER
138 SOUTH BRANDON ROAD
FALLBROOK CA 92028

05/05/16

FALLBROOK HEALTHCARE DISTRICT
Account QuickReport
July 1, 2015 through May 5, 2016

Type	Date	Name	Memo	Amount
400. · District				
402 · Property tax revenue				
Deposit	08/12/15	County of San Diego	PROP TAX APPORTIONMENT FY 2015-16	28,898.35
Deposit	09/10/15	County of San Diego	PROP TAX APPORTIONMENT	10,387.11
Deposit	10/08/15	County of San Diego	PROP TAX APPORTIONMENT	21,167.68
Deposit	11/05/15	County of San Diego	PROP TAX APPORTIONMENT	46,406.26
Deposit	12/11/15	County of San Diego	PROP TAX APPORTIONMENT	587,633.55
Deposit	01/13/16	County of San Diego	PROP TAX APPORTIONMENT	266,318.93
Deposit	02/10/16	County of San Diego	PROP TAX APPORTIONMENT	29,782.81
Deposit	03/09/16	County of San Diego	PROP TAX APPORTIONMENT	57,977.38
Total 402 · Property tax revenue				<u>1,048,572.07</u>
Total 400. · District				<u>1,048,572.07</u>
TOTAL				<u>1,048,572.07</u>

**FIRST AMENDMENT TO FALLBROOK HEALTHCARE DISTRICT
MEMORANDUM OF UNDERSTANDING
WITH A+ URGENT CARE, INC.**

THIS FIRST AMENDMENT TO MEMORANDUM OF UNDERSTANDING ("MOU") is entered into effective April, 13, 2016 (hereafter the "Effective Date"), by and between FALLBROOK HEALTHCARE DISTRICT ("District"), a Health Care District formed under California Health and Safety Code Sections 32000, et seq., which owns the real property and improvements on which Fallbrook Hospital was operated until July 20, 2015 ("Hospital"), and A+ URGENT CARE INC., a Corporation ("A+"), which agree as follows:

WHEREAS, the DISTRICT and A+ previously entered into their MOU on February 28, 2015, for the purpose of supporting A+ in the establishment of an extended hours urgent care clinic in Fallbrook, to provide medical care and other urgent care services to the community during the week after regular business hours, as well as 8 hours of service on Saturdays, Sundays and holidays (as defined in the MOU); and

WHEREAS, the DISTRICT agreed to provide, and has provided, temporary financial support to A+ to sustain the extended hours operations of the urgent care clinic, while all remaining financial responsibilities for operation have been borne by A+; and

WHEREAS, the District remains committed to maintaining the availability of the extended hours service to the greater Fallbrook community, particularly because of the closure of Fallbrook Hospital, and given the absence of such extended hours service to the community which the District serves without its constituents having to travel more than ten miles from the greater Fallbrook community.

WHEREAS, A+ has established a presence in the Fallbrook community providing urgent care services, including services on an extended hours basis, but is unable to sustain the extended hours services indefinitely without ongoing support from the District.

NOW THEREFORE, the parties hereby amend the original MOU as follows:

1. The following shall be added to the MOU as new Subsection 2.1.1:

"2.1.1 Extension of District Participation. In consideration of A+ willingness to continue to provide Extended Hours services at the UCC for an additional two month period commencing April 1, 2016, and continuing through May 31, 2016, District will agree to renew the Subsidy as outlined in Section 2.1(c), at \$19,500 per month, for the additional two month period."

2. Section 5.1 of the MOU ("Term") is hereby replaced by the following:

"Term. The Term of the MOU shall commence on the Effective Date and shall continue through May 31, 2016, unless terminated earlier pursuant to this Section."

In all other respects, the MOU shall continue as originally written and executed.

IN WITNESS WHEREOF, the parties have executed this First Amendment to MOU as of the date above first written.

"A+":

A+ URGENT CARE, Inc.

"District":

FALLBROOK HEALTHCARE DISTRICT
California Healthcare District

Donald Kimes, D.O.

Gordon W. Tinker
President of the Board

Graydon Skeoch, D.O.

REPORTS

To: Board of Directors
Fallbrook Healthcare District
From: Bobbi Palmer, MBA., MSW
Executive Director
Date: April 29, 2016

Community Engagement

- Caregiver's Coalition and FHD's participation. I was asked to be a part of the planning committee. See attachment. Respite, fall prevention, support groups, in-home care and case management topics were presented. Mini-conference was held at Christ of the King.
- Monthly collaborative (CCC) has merged with CATCH. The first meeting was held April 18th. Redesign purpose and the focused area will be to increase children and youth health services in the Fallbrook district area. I am reaching out to administrators and teachers to attend and participate. A School-Linked-Services Model will be developed.
- Women of Wellness (WOW) have been restructured to showcase timely health issues. Barbara Mroz has agreed to facilitate these monthly meetings at Fallbrook Library with staff support.
- Fallbrook Senior Center: Based on the new FHD campaign rolled out at our annual breakfast, "Call to Action...Wellness...One Step at a Time", the Line Dancers were selected as our first. As you recall an organization and an individual will be selected monthly to encourage active living through exercise. See attached photo.
- Invited to be the guest speaker at the monthly board meeting at the Fallbrook Senior Center. Shared community assessment data. See attached photo.
- Meeting with Rachel Mason Executive Director from Fallbrook Senior Center and Kevin Mahr Division Chief from the North County Fire Protection District. Worked collaboratively to design a "First Responder" pilot project. It has been coined, EMS Community Health Navigation System. Recognizing significant gaps in the current delivery system. We have collectively identified two (2) goals:
 1. Decrease non-emergency calls
 2. Increase coordination of care.

A Community Health Worker might be considered as an essential component who would connect the resident by conducting a home visit, coordinate existing community resources, conduct a risk and fall assessment, provide continuity of care as a "care advocate" participate with the discharge planning process at the hospital as well as after care. A follow-up meeting

will be scheduled. Based on current legislation ABX21 and authored by Assemblyman Thurmond, there is currently approximately \$287 million dollars from the state for a total of \$495 million dollars from the federal to provide Medi-Cal funding for developmental services for disabled that might be a potential funding resource.

May is Healthcare District Month

In celebration and based on Legislation passed in 2015 ACR, Fallbrook Healthcare District has invited our legislators to recognize our District with a Certificate at our May 14th Health and Wellness Fair. Also, located on our website www.fallbrookhealth.org we have showcased marketing materials form ACHD entitled, "California's Healthcare Districts: A Local Choice for California's Health."

Legislative Activities

ACHD Legislative Day Priority Measures: Please refer to attached document.

- 1. AB 2471 (Quirk) Oppose unless amended. Subject, Dissolution of Healthcare Districts. This would require LAFCOs to dissolve certain Healthcare Districts, as defined, without a vote of the people. This would undermine the local process without an opportunity for the community to provide input.**
- 2. AB 2737 (Bonta) Oppose. Subject: Healthcare District Administrative Costs. Would arbitrarily set a cap for administrative costs and does not define administrative costs. This bill targets an individual district.**

CAREGIVER COALITION

APRIL 19th 2016 • FALLBROOK CA



April 12, 2016

My first speaking engagement at the Fallbrook Senior Center and stayed for board meeting.



Celebrating 63rd wedding anniversary





Call to Activity

Wellness

One Step at a Time



WINNERS OF "INDIVIDUAL" CATEGORY

LINE DANCING AT FALLBROOK SENIOR CENTER

APRIL 21st 2016 • FALLBROOK CA

FitBit clocked 4,860 Steps!

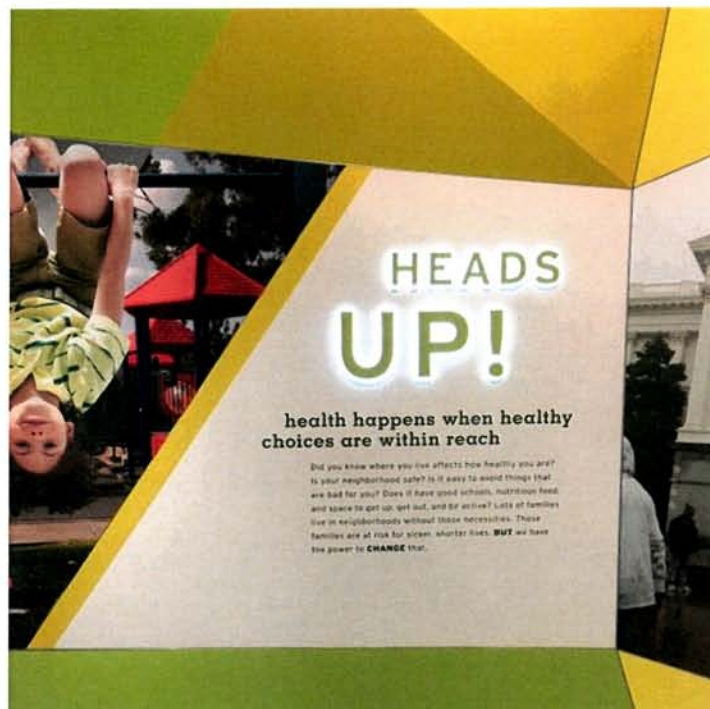
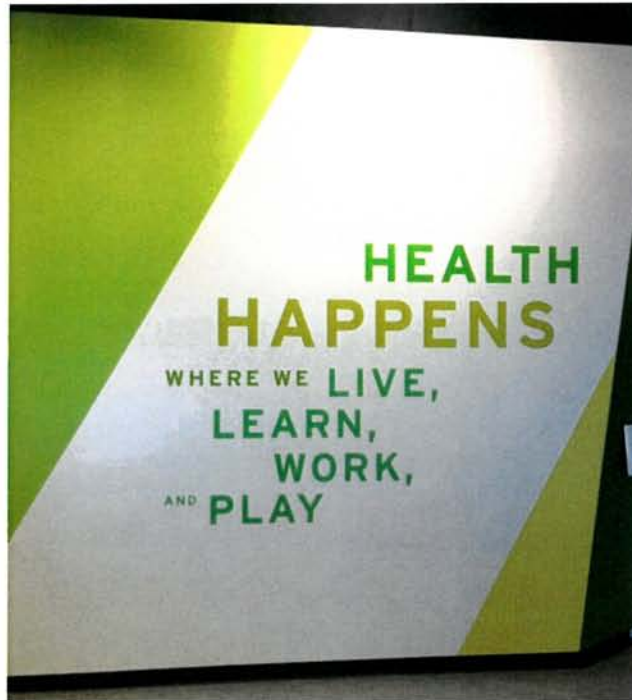


Marian, Linda, Jo, Donna, B, Roberta, Shari, Hanh,
Eloise and Louise danced for only one hour.



A thank you gift from Jennifer Vetch, Executive Director of the Fallbrook Food Pantry. Jennifer hand delivered cheerful flowers for FHD staff.

ACHD LEGISLATIVE RECEPTION
CALIFORNIA MUSEUM OF HEALTH IN SACRAMENTO
April 4th 2016





REALLY
BAD
SODA
MACHINES





Fallbrook Healthcare District
138 South Brandon Road
Fallbrook CA 92028



ACHD
ASSOCIATION OF CALIFORNIA
HEALTHCARE DISTRICTS

California's Healthcare Districts: A Local Choice for California's Health



California residents voted to create 78 Healthcare Districts to fulfill local health care needs. Of these, 54 serve the state's rural areas.

California Healthcare Districts respond to the specialized health needs of California communities. Voters created 78 Healthcare Districts to fulfill health local care needs. Of these, 54 serve the state's rural areas. Healthcare Districts provide access to essential health services and are directly accountable at the community level. As a result, tens of millions of Californians have been able to access care that would otherwise be out of reach.

"In many instances, Healthcare Districts are the sole source of health and medical services for families and seniors, serving as an integral part of California's health care safety net."

HEALTHCARE DISTRICTS

Created by Residents to Address Communities' Health Care Needs

No one knows the needs of a community more than the people who live there. By creating tailored Healthcare Districts to meet local needs for medical services, community members are working together to effectively address a shared concern, ensuring medical services are available that save lives, keep families healthy, and increase and protect individuals' quality of life.

In many instances, Healthcare Districts are the sole source of health and medical services for families and seniors, serving as an integral part of California's health care safety net.

Although each Healthcare District is unique, focusing on the specific needs of each community, the core mission of Healthcare Districts remains the same: to provide critical health care services to the communities that created them.

Healthcare Districts: A Crucial Part of California's Health Care System

Every year, California's Healthcare Districts provide:

- 1 million emergency room visits
- 4 million in-patient hospital visits

Healthcare Districts meet the needs of:

- Communities with severe health care provider shortages
- Uninsured Californians
- Low-income seniors, adults, and children through Medi-Cal
- Underserved populations



Close Community Connections

With their close connection to local needs, Healthcare Districts are crucial to making the Affordable Care Act and Medi-Cal expansion a success in California. From specialized services for rural communities, to services tailored to the unique needs of diverse populations, to partnering with schools to keep children healthy, Healthcare Districts are innovating to deliver improved health care value for the local communities they serve.

Strong Oversight and Transparency

Healthcare Districts are the most local form of government, directly accountable to the communities they serve. This close connection to voters ensures openness and transparency. Residents not only vote to create Healthcare Districts, they also elect the public boards that oversee the spending of their local tax dollars in pursuit of improved community health. Healthcare Districts must submit annual financial reports to the California State Controller and obey all state laws governing public records, record keeping, elections, and public access to documents.

About ACHD

The Association of California Healthcare Districts (ACHD) represents Healthcare Districts throughout the state. The Association serves the diverse needs of California's Healthcare Districts by enhancing public awareness, training and educating its members and advocating for legislation and regulatory policies that allow Healthcare Districts to deliver the best possible health services to Californians. Learn more at www.achd.org.

SERVICES TAILORED TO MEET LOCAL NEEDS

Healthcare Districts are tailored to meet the needs of each community, including services such as:

- Hospital care
- Emergency room and trauma care
- Ambulance services
- Laboratory and radiology services
- Outpatient surgery
- Maternal and childhood services
- Skilled nursing facilities
- Rural health clinics
- Mental health and substance abuse services
- Medical transportation
- Adult day care and senior services
- School-based health services
- Hospice care
- Nutrition education

The Most-Responsive Form of Local Government

Created by residents for residents, Healthcare Districts throughout California provide vital services for the community members who create and oversee them. As the most responsive form of local government, Healthcare Districts are established, operated, and controlled by local voters who understand each community's concerns and ensure that each District is effectively meeting their local health care needs.

1215 K Street Suite 2005 • 916.266.5200 • info@achd.org

Legislative Day Priority Measures



ACHD Sponsored Bill: SB 957 (Hueso) Design-Build Authority for Healthcare Districts

- Healthcare Districts seek design-build authority consistent with that currently provided to cities and counties for purposes of constructing health care facilities.
- The Legislature has previously approved this authority for four Healthcare Districts and a number of other Districts around the state would like the same authority.
- Design-build authority is an important tool for Healthcare Districts to adapt to a changing health care delivery system and expand and modernize facilities to meet community needs.
- SB 957 is for purposes of construction of health care facilities only.

Other Bills of Interest

<p>AB 2024 (Wood) – Support <i>Critical Access Hospitals</i></p>	<ul style="list-style-type: none"> ▪ Would allow critical access hospitals to directly hire physicians ▪ Expressly prohibits employers from interfering with in medical decisions ▪ 20 of state’s federally designated critical access hospitals are district hospitals ▪ Physician shortages and maldistribution are very real problems in rural and underserved communities that threaten the ability of California residents to receive timely access to quality health care
<p>AB 2471 (Quirk) – Oppose Unless Amended <i>Dissolution of Healthcare Districts</i></p>	<ul style="list-style-type: none"> ▪ Would require LAFCOs to dissolve certain Healthcare Districts, as defined, without a vote of the people ▪ Undermines local process and opportunity for community input
<p>AB 2737 (Bonta) – Oppose <i>Healthcare District Administrative Costs</i></p>	<ul style="list-style-type: none"> ▪ Would cap administrative costs of certain Healthcare Districts to 20 percent of budget ▪ Arbitrarily sets an administrative cost cap and does not define administrative costs ▪ Targets an individual district
<p>AB 2467 (Gomez) – Oppose <i>Hospital Executive Compensation</i></p>	<ul style="list-style-type: none"> ▪ Would require Healthcare Districts to report hospital executive compensation details to the state ▪ All District employee salary and benefit information already is reported to the State Controller’s Office and displayed online



HURST+BROOKS+ESPINOSA

This Week in Sacramento

INFORMATION & INSIGHTS FROM HURST BROOKS ESPINOSA ■ WEEK OF APRIL 11, 2016

Medicaid Waiver Implementation Bills Take Shape

[AB 1568](#) (Bonta/Atkins) and [SB 815](#) (Hernandez/de León) were substantially amended earlier this week. The measures contain detailed language necessary to implement the Medi-Cal 2020 Waiver and to close out the 2010 “Bridge to Reform” Waiver. The identical bills are urgency measures requiring a 2/3 vote. The Assembly Health Committee will hear AB 1568 on April 26, and the Senate Health Committee will hear SB 815 the following day. The committee hearings are expected to allow for sufficient time for the committees to delve into detail on the Medi-Cal 2020 Waiver and engage in discussion with the Administration and stakeholders.

Medi-Cal 2020 includes \$6.2 billion in federal funds over five years. Major elements include:

- *Public Hospital Redesign and Incentives in Medi-Cal (PRIME)*: a successor to the Delivery System Reform Incentive Program that will provide \$3.27 billion for designated public hospitals and \$466.5 million for district and municipal hospitals.
- *Global Payment Program*: intended to incentivize primary and preventive care to the remaining uninsured through a value-based payment structure.
- *Whole Person Care*: up to \$300 million per year for five years for county-based pilots to coordinate health, behavioral health and social services to improve beneficiary health and well-being.
- *Dental Transformation Initiative*: up to \$750 million total over five years to improve preventive care and continuity of care. These incentive funds do not have a local match requirement.

BSCC Selects Proposition 47 ESC Members

At its April 14 meeting, the Board of State and Community Corrections (BSCC) appointed an Executive Steering Committee (ESC) charged with developing the application and subsequently rating proposals for the recidivism reduction grants. Public entities will compete for these awards that are funded out of 65 percent of the state's first-year Proposition 47 correctional savings. In naming the 18-member ESC, the BSCC also authorized the appointment of an additional member who would bring expertise in restorative justice or from the employment sector.

Chairing the Proposition 47 ESC are Scott Budnick, Founder and Executive Director of the Anti-Recidivism Coalition, along with Kern County Supervisor Leticia Perez; both currently sit on the BSCC. The BSCC undertook an extensive outreach process to ensure a diverse and responsive committee. A list of ESC members, along with their bios, is available at this [link](#).

HBE will provide future updates on the grant application timeline as the process gets underway.

SCO Releases March Cash Report

The State Controller's Office released its monthly [cash report](#) this week, noting larger than expected corporation and sales and use tax receipts than estimated in the Governor's 2016-17 state budget. Total

revenues of \$7.4 billion beat projections by 3 percent, with corporation tax revenues 2.9 percent higher than expected and sales tax revenues by 2.0 percent. Only the personal income tax, which has normally surpassed projections in the past few years, came up short; revenues were 0.9 percent less than expected.

While revenues through the first nine months of the fiscal year are 0.7 percent more than estimated in the Governor's budget, the sales tax is lagging by 0.9 percent for the fiscal year to date. The personal income tax and the corporation tax are both beating projections, by 0.1 percent and 7.4 percent, respectively.

On a related note, the Legislative Analyst's Office (LAO) has released its daily tax tracker. Geek out [here](#) or follow on Twitter @LAOEconTax. Note that 2016's later tax filing [date](#) of April 18 complicates the tracking a bit, in that revenues will lag slightly on a day-to-day basis from 2015.

Red Flags on National Economy

The International Monetary Fund (IMF) released a [report](#) this week warning about a global economic recovery that has been too slow for too long. While complex analysis of global economies are clearly outside of our wheelhouse, it is important to note that these kinds of projections are relevant to our state budget. California's economy is the eighth largest in the world, and global economic movement can be an indicator for future economic changes. Lower expectations of Western economies, including the United States, may bode for lower expectations in California as we near May Revision.

New Assembly Member Sworn In

Assembly Speaker Anthony Rendon swore in newly elected Dr. Joaquin Arambula, an emergency room physician, representing the 31st Assembly District in California's Central Valley. Dr. Arambula won outright in an April 5 special election to fill the unexpired term (through November 2016) of Assembly Member Henry Perea; Mr. Perea resigned his seat in December 2015. Dr. Arambula is also a candidate in the regular election (June primary and November general election) later this year to fill the 31st Assembly District seat, with a term running through 2028.

The Assembly is again operating with a full house, with Assembly Democrats now numbering 51.

Please feel free to contact any one of us at Hurst Brooks Espinosa with questions ...

JEAN HURST 916-272-0010 jkh@hbeadvocacy.com	KELLY BROOKS 916-272-0011 kbl@hbeadvocacy.com	ELIZABETH ESPINOSA 916-272-0012 ehe@hbeadvocacy.com
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DISCUSSION/ACTION ITEMS

RESOLUTION NO. 415

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE FALLBROOK HEALTHCARE DISTRICT
RESCINDING RESOLUTION NO. 414**

WHEREAS, pursuant to local Hospital District Law (California Health & Safety Code Section 32000 et seq.), local healthcare and hospital districts are authorized by the state Legislature to purchase, receive, have, take hold, lease, use, and enjoy property of every kind and description within the limits of the district, and to control, dispose of and convey the same for the benefit of the District; and,

WHEREAS, pursuant to this grant of authority, the Board of Directors of Fallbrook Healthcare District (“Board”) retained the services of a commercial real estate consultant in order to assist the Board in identifying prospective tenants/purchasers for the District’s real property and improvements located at 624 East Elder Street, which property was operated as Fallbrook Hospital until July 20, 2015; and,

WHEREAS, in September 2015, the District’s consultant began receiving inquiries from a number of different entities expressing interest in either leasing or purchasing the entirety of the District’s real property and improvements, including the Wellness Center Building (138 South Brandon Road) and the outpatient clinic building (617 Alvarado Street), including inquiries expressing interest in renovating and re-opening the acute care hospital in Fallbrook; and,

WHEREAS, after consideration of the proposals received, in November 2015 the Board directed its consultant to open discussions with the entities expressing an interest in re-opening the acute care hospital; and,

WHEREAS, the Board determined that one of those entities, Latham Management and Consulting Services, a corporation affiliated with KPC Global, Inc. (“Latham”), was a potential option for the community of Fallbrook in part because of the recent achievements its affiliates had turning around struggling hospital facilities in Southern California; and,

WHEREAS, therefore the Board, through its consultant, engaged in extensive, good faith negotiations with Latham for the past three months, reached accord on terms of a purchase and sale for the entire real property holdings of the District, which holdings the buyer committed to using commercially reasonable efforts to re-open Fallbrook Hospital; and,

WHEREAS, both the Board and Latham executed a Purchase & Sale Agreement dated March 2, 2016 (“PSA”), which PSA called for, inter alia, a due diligence period for buyers, to be followed by, a further Board resolution submitting the sale of the District real property to the voters of the District pursuant to Health & Safety Code Section 32121(p)(1); and,

WHEREAS, the Board issued Resolution 414 formally approving of the PSA with Latham, and authorizing its Board President to sign the PSA on behalf of the District, thereby engaging with escrow on or about March 12, 2016; and,

WHEREAS, Latham, by and through its legal counsel, issued written notice to cancel the transaction effective as of March 14, 2016; and,

WHEREAS, Latham subsequently expressed a willingness to reconsider the transaction only upon a substantial reduction in the negotiated purchase price along with terms which would require the District to retain a substantial security interest in the property;

NOW THEREFORE, the Board of Directors (“Board”) of the Fallbrook Healthcare District hereby resolves as follows:

Section 1. All of the recitals set forth above are true and correct, and this Board hereby so finds and determines.

Section 2. The Board hereby rescinds Resolution 414.

Section 3. This Resolution shall take effect from and after its adoption and approval.

(Signatures on Next page)

PASSED AND ADOPTED by the Board of Directors of the Fallbrook Healthcare District, State of California, this 11th day of May, 2016, by the following vote:

AYES: _____

NOES: _____

ABSENT: _____

ABSTAIN: _____

Gordon W. Tinker, President
Board of Directors

ATTEST:

Stephen Abbott, Secretary
Board of Directors

APPROVED AS TO FORM:

Blaise J. Jackson, Esq.
General Counsel

RESOLUTION NO. 416

RESOLUTION OF THE BOARD OF DIRECTORS OF THE FALLBROOK HEALTHCARE DISTRICT APPROVING THE STATEMENT OF INVESTMENT POLICY FOR FISCAL YEAR 2016-2017

WHEREAS, the Board of Directors may approve and adopt a Statement of Investment Policy; and

WHEREAS, the annual Statement of Investment Policy must be reviewed and adopted at a public meeting, the Investment Policy of the Fallbrook Healthcare Water District shall be as follows:

§1 - General Provisions and Objectives

Fallbrook Healthcare District (District) is a local agency organized and existing pursuant to the California Healthcare District Law (Cal. Health & Safety Code §§ 32000, et seq.).

District funds not required for immediate expenditure will be invested in compliance with this policy and the provisions of California Government Code Sections 53600 et seq. Criteria for selecting investments and the absolute order of priority are safety, liquidity, and yield. Investments will be made in a range of instruments and maturity dates to insure diversification and liquidity of assets in an emergency or when a large cash outlay is necessary. In accordance with California Government Code §53607, the authority to invest or reinvest the funds of the District is retained by the Board, with the advice of the Finance Committee.

§2 – Prudent Investor Standard

All participants in the investment process shall recognize that the investment portfolio is subject to the prudent investor standard as set forth in California Government Code §53600.3 and to public review and evaluation and shall seek to act responsibly as fiduciaries of the public trust. Investments shall be made with the exercise of that degree of judgment and care under circumstances then prevailing which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation but for investment, considering the preservation of capital, the cash flow needs of the District as well as the income to be derived. In a diversified portfolio, occasional measured losses may be inevitable and must be considered within the context of the overall portfolio's return and the cash flow requirements of the District.

§3 – Credit Risk

Credit risk is the risk that an issuer or other counter-party to an investment will not fulfill its obligation. Concentration of credit risk is the risk of loss attributed to the magnitude of a District's investment in a single issuer. All participants in the investment

process shall consider aversion to concentration of credit risk by:

1. Limiting investment purchases to those types and amounts permissible by California Government Code §53601 and §6 of this Resolution.
2. Investing no more than 25% of the portfolio with one issuer, except as noted in § 6 below, and;
3. If pursuing a rated investment, investing only in investments with an AA+/A1 or better rating from Standard and Poor's Corporation and AA1/P2 or better from Moody's Investors Service Inc. at the time of purchase.

Custodial credit risk is the risk that the District will not be able to recover deposits or the value an investment or collateral securities that are in the possession of an outside party. All participants in the investment process shall consider aversion to custodial credit risk by:

1. Investing no more than 25% of the portfolio with one financial institution, with the exceptions of LAIF, Cal-Trust, the US Treasury, and funds advanced or in trustee accounts for project construction, and
2. If pursuing a deposit, insuring that all deposits are fully collateralized as required by California Government Code Section 53652, or are insured by the Federal Deposit Insurance Corporation or National Credit Union Administration, and the "Contract for Deposit of Monies" will indicate the type and amount of collateral.

§4 – Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. All participants in the investment process shall consider aversion to interest rate risk by limiting the term remaining to maturity on purchased investments to five years, unless a longer term is permissible within the California Government Code and specifically approved by the Board prior to purchase.

§5 - Ethics and Conflict of Interest.

All participants in the investment process shall seek to act responsibly as custodians of the public trust. All officials, officers, and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair his/her ability to make impartial investment recommendations and decisions. All officials, officers, and employees involved in the investment process shall adhere to the District's Conflict of Interest Code, which is updated biennially by the Board.

§6 – Permissible Investments

The permissible investments and limits on amounts and maturities are listed below.

Investment	Limits	
	% of Investment Portfolio	Maturity
LAIF	75%	N/A
US Treasury bills and notes	75%	5 years
Cal-Trust	60%	2 Years
Federal agency obligations	25%	5 years
SD County Investment Pool	20%	N/A
Insured CDs	20%	1 year
Savings accounts	25%	N/A

No investment will be made pursuant to the provisions of California Governmental Code Section 53601.1 in financial futures or financial option contracts without the prior approval of the Board of Directors. Investments permitted by California Government Code, but not by this policy, will be made only with prior approval of the Board of Directors.

A thorough investigation of any pool or fund is required prior to investing, and on a continual basis. The purpose of this investigation is to determine the suitability of a pool or fund and evaluate the risk of placing funds with that pool or fund. The investigation shall, at a minimum, obtain the following information:

- A description of interest calculations and how it is distributed, and how gains and losses are distributed;
- A description of who may invest in the program, how often, what size deposits and withdrawals are permitted.
- A schedule for receiving statements and portfolio listings.
- A description of the pool/fund reserves or retained earnings, or whether all income after expenses is distributed to participants.
- A fee schedule which discloses when and how fees are assessed.

§7 – Reporting and Miscellaneous Provisions

Pursuant to California Government Code §53646(b) and (d), a monthly report shall be submitted to the Board of Directors within 30 days following the end of the month covered by the report for review. The report shall include the type of investment, issuer, purchase and maturity dates, rate of interest, dollar amount invested, fund, current market value, and percentage of portfolio. The report shall also state compliance of the portfolio to the statement of the investment policy, or the manner in which the portfolio is not in compliance. The report shall include a statement regarding the ability of the District to meet its expenditure requirements for the next six months.

The Finance Committee, shall establish and maintain a system of internal controls to be examined and monitored by the District's independent auditor. The investment policy shall be reviewed annually by the Board to ensure its consistency with applicable State law.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Fallbrook Healthcare District as follows:

The Annual Statement of Investment Policy for Fiscal year 2016-17 is hereby approved and the Finance Committee of the Board directed to follow this Statement of Investment Policy in investing funds of the District.

PASSED AND ADOPTED by the Board of Directors of the Fallbrook Healthcare District at a regular meeting held on this 8th day of June, 2016, by the following roll call vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Gordon W. Tinker, President
Board of Directors
Fallbrook Healthcare District

ATTEST:

Stephen Abbott, Secretary
Board of Directors
Fallbrook Healthcare District

ITEMS FOR SUBSEQUENT MEETINGS



CCC (Community Collaborative Committee) CATCH (Community Access To Child Health) Committee Meeting Agenda

MONDAY, MAY 16TH 2016, 9:00 a.m. – 10:30 a.m.

at
Fallbrook Public Utility District (FPUD) • 990 East Mission Road, Fallbrook

WELCOME: Director Barbara Mroz and Bobbi Palmer MBA, MSW, FHD Executive Director **9:00**

PRESENTATION: First 5 – Palomar Health **9:05-9:20**

FHD PROGRAMS AND EVENTS: **9:20-9:40**

- ❖ Woman of Wellness (WOW) Thursday, **June 2nd** 6:00 p.m. Fallbrook Public Library
- ❖ Determination of Grant Awards, Wednesday, **June 8th** 2016, 6:00 p.m. @ Fallbrook Public Utility District
- ❖ Next Month's Presentation: _____

NEXT FHD BOARD MEETING: Wednesday, June 8th 2016, 6:00 p.m. @ Fallbrook Public Utility District Board Room **9:40-9:45**

ROUND TABLE: Agency announcements, activities and upcoming events **9:45-10:25**

NEXT CCC/CATCH MEETING:

- NEW MEETING TIME: 3rd Monday of the month
- Monday, June 20th 2016, 9:00 a.m. – 10:30 a.m. @ Fallbrook Public Utility District Board Room

ADJOURNMENT **10:30**