

Fallbrook Regional HEALTH DISTRICT

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

BOARD OF DIRECTORS REGULAR BOARD MEETING

WEDNESDAY
JULY 12, 2017

6:00 PM

AT

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



AGENDA
FALLBROOK REGIONAL HEALTH DISTRICT
REGULAR BOARD MEETING

Wednesday, July 12, 2017, 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. PRESENTATIONS

- C1. Vanessa Hernandez, President – “Fallbrook Outreach” by Fallbrook Youth Advocacy Coalition (Mental Health Systems – North Inland Community Prevention Program)
- C2. Bruce Schwandt – “Questions And Concerns About The Hospital Sale”
- C3. Fallbrook Healing Center by Executive Vice President Patricia Blum, Ph.D., CPRP of Crestwood Behavioral Health, Inc.
- C4. 2017-2018 Community Health Contracts

D. 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

E. CONSENT ITEMS

- E1. Approval of May 2017 Financial Statements
- E2. Minutes of June 7, 2017 Special Board Meeting
- E3. Minutes of June 7, 2017 Finance Committee Meeting
- E3. Minutes of June 14, 2017 Regular Board Meeting

F. REPORTS

- F1. Finance Committee – Committee of the Whole, Chair: Director Mroz
- F2. Gov’t/Public Relation/Community Relations Committee – Directors Salmon and Tinker
- F3. Facilities/Strategic Planning Committee – Directors Abbott and Salmon
- F4. Executive Director – Bobbi Palmer (presented by Director Mroz)
- F5. General Counsel – Blaise Jackson

G. DISCUSSION/ACTION ITEMS

- G1. Proposal to Create and Adopt a District Fiscal Policy
- G2. Consideration and Adoption of Resolution No. 418 – Authorization to Dispose of District Surplus Property
- G3. Consideration and Adoption of Resolution No. 419 – Ratification/Approval of Purchase and Sale Agreement and Authorizing Signatories
- G4. CSDA Board of Directors 2017 Election

H. ITEMS FOR SUBSEQUENT MEETINGS

H1. Other Director/Staff discussion items

H1a. Item(s) for future board agendas

H1b. Announcements of upcoming events:

- Healthy You! Healthy Communities! – Thursday, July 13, 2017, California Endowment, Sacramento
- Community Collaborative for Health & Wellness Committee (CCH&W) meeting – Monday, July 17, 2017, 9:00-10:30am, Fallbrook Public Utility District Board Room
- NCCCHI meeting – 1st Wednesday, August 2, 2:00-3:00pm
- Woman of Wellness – Thursday, August 3, 2017, 6pm – Fallbrook Library
- ACHD 65th Annual Meeting – September 12-14, 2017, San Diego

H2. Next Regular Board meeting – Wednesday, August 9, 2017, Fallbrook Public Utility District Board Room

I. ADJOURNMENT

NOTE: This agenda posted at the Fallbrook Regional Health District Administration Office on Friday, June 9, 2017. 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.



Board Secretary/Clerk

PRESENTATION

FALLBROOK REGIONAL HEALTH DISTRICT

BOARD OF DIRECTORS PRESENTATION OF COMMUNITY HEALTHCARE CONTRACTS

FISCAL YEAR 2017-2018

ORGANIZATION	PROGRAM	AMOUNT
BOYS & GIRLS CLUBS OF NORTH COUNTY	SUMMER WATER SAFETY	\$ 10,000.00
BOYS & GIRLS CLUBS OF NORTH COUNTY	TRIPLE PLAY	\$ 40,000.00
FALLBROOK CITIZENS CRIME PREVENTION COMMITTEE (FCCPC)	GANAS MENTORING PROGRAM	\$ 10,000.00
FALLBROOK FAMILY HEALTH CENTER	HEALTH PROMOTION COORDINATION - INTEGRATION AND EDUCATION FOR THE COMMUNITY	\$ 100,000.00
FALLBROOK FOOD PANTRY	NUTRITIOUS FOOD FOR OUR NEIGHBORS	\$ 72,000.00
FALLBROOK SENIOR CENTER	FSC MOBILITY/EXERCISE AREA PROTECTIVE COVERING PROGRAM	\$ 12,600.00
FALLBROOK SENIOR CENTER	SENIOR NUTRITION-HOME DELIVERED MEAL	\$ 75,000.00
FALLBROOK SMILES PROJECT	CELEBRATE HEALTH	\$ 71,500.00
FOUNDATION FOR SENIOR CARE	CARE ADVOCATE PROGRAM	\$ 59,838.25
FOUNDATION FOR SENIOR CARE	CARE VAN & EXPANDED RIDES TRANSPORTATION PROGRAM	\$ 68,773.00
FOUNDATION FOR SENIOR CARE	DOOR THROUGH DOOR HOSPITAL TO HOME PROGRAM	\$ 50,918.70
FOUNDATION FOR SENIOR CARE	RESPIRE SUPPORT AT THE ADULT DAY CARE	\$ 29,583.40
HEALTHY ADVENTURES	FALLBROOK COMMUNITY CENTER WELLNESS PROJECT	\$ 9,000.00
JEREMIAH'S RANCH	JEREMIAH'S RANCH SUPPORT GROUP	\$ 14,750.00
LIVE OAK PARK COALITION	HEALTH IMPROVEMENT PROJECT FOR THE COMMUNITY	\$ 40,000.00
MENTAL HEALTH SYSTEMS - NORTH INLAND COMMUNITY PREVENTION PROGRAM	FALLBROOK YOUTH ADVOCACY COALITION (FYAC)	\$ 9,249.00
MICHELLE'S PLACE	BREAST HEALTH ASSISTANCE PROGRAM	\$ 24,000.00
PALOMAR FAMILY COUNSELING	HEALTHY BODIES, HEALTHY MINDS	\$ 79,000.00
REINS	BEHAVIORAL HEALTH & WELLNESS THERAPY PROGRAM	\$ 65,000.00
TRAUMA INTERVENTION PROGRAM OF SAN DIEGO (TIP)	TRAUMA INTERVENTION PROGRAMS	\$ 9,000.00
UCSD EYE MOBILE FOR CHILDREN	UCSD EYE MOBILE FOR CHILDREN	\$ 8,500.00

TOTAL AWARDED: \$858,712.35

CONSENT ITEMS

FALLBROOK REGIONAL HEALTH DISTRICT
BALANCE SHEET COMPARISON
Comparison of May 2017 to April 2017

	May 31, 17	Apr 30, 17	\$ Change
ASSETS			
Current Assets			
Checking/Savings			
102.9 · Cal Trust Investment Account	4,246,902.70	4,238,380.86	8,521.84
102.2 · Cash in Bank - New Operating	1,164,974.32	1,161,716.59	3,257.73
102.6 · Cash in Bank -LAIF	1,448,487.47	1,448,487.47	0.00
Total Checking/Savings	6,860,364.49	6,848,584.92	11,779.57
Other Current Assets			
104 · Prepaid Insurance	5,516.04	7,384.18	(1,868.14)
107 · Tax apportion receivable	0.00	214,331.45	(214,331.45)
114 · Interest Receivable	4,527.21	4,296.07	231.14
Total Other Current Assets	10,043.25	226,011.70	(215,968.45)
Total Current Assets	6,870,407.74	7,074,596.62	(204,188.88)
Fixed Assets			
120.01 · ALVARADO BLDG	291,240.00	291,240.00	0.00
121 · Equipment	21,394.96	21,394.96	0.00
121.2 · Equipment Depreciation	(19,653.45)	(19,581.99)	(71.46)
122.0 · ASSETS HELD FOR RESALE			
122.01 · FALLBROOK HOSPITAL	4,417,521.00	4,417,521.00	0.00
122.02 · WELLNESS CENTER	291,240.00	291,240.00	0.00
Total 122.0 · ASSETS HELD FOR RESALE	4,708,761.00	4,708,761.00	0.00
Total Fixed Assets	5,001,742.51	5,001,813.97	(71.46)
TOTAL ASSETS	11,872,150.25	12,076,410.59	(204,260.34)
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
140 · Accounts Payable	33,044.12	29,420.06	3,624.06
Total Accounts Payable	33,044.12	29,420.06	3,624.06
Credit Cards			
150.1 · American Express 41007	810.90	(781.16)	1,592.06
Total Credit Cards	810.90	(781.16)	1,592.06
Other Current Liabilities			
204 · Accrued Vacation & Sick Leave	5,608.24	5,608.24	0.00
215 · Comm Healthcare Programs Pble			
215.24 · District Sponsored Programs	25,829.54	26,048.71	(219.17)
Total 215 · Comm Healthcare Programs ...	25,829.54	26,048.71	(219.17)
Total Other Current Liabilities	31,437.78	31,656.95	(219.17)
Total Current Liabilities	65,292.80	60,295.85	4,996.95
Total Liabilities	65,292.80	60,295.85	4,996.95

FALLBROOK REGIONAL HEALTH DISTRICT
BALANCE SHEET COMPARISON
Comparison of May 2017 to April 2017

	May 31, 17	Apr 30, 17	\$ Change
Equity			
300 · Unrestricted Fund Balance	11,464,702.03	11,464,702.03	0.00
Net Income	342,155.42	551,412.71	(209,257.29)
Total Equity	11,806,857.45	12,016,114.74	(209,257.29)
TOTAL LIABILITIES & EQUITY	<u>11,872,150.25</u>	<u>12,076,410.59</u>	<u>(204,260.34)</u>

FALLBROOK REGIONAL HEALTH DISTRICT
Income Statement
For the Month Ended May 31, 2017 & Fiscal Year to Date

	May 17	Jul '16 - ...
Ordinary Income/Expense		
Income		
400. · District		
402 · Property tax revenue	14,470	1,772,010
403 · Interest / Dividends	4,527	51,161
406 · Unearned Inc(Loss) - Cal Trust	4,226	(33,544)
Total 400. · District	23,223	1,789,626
450. · Properties		
450.01 · Disposition of Surplus Property		133,030
460 · Lease Income		
460.01 · A+ Urgent Care	9,600	57,600
Total 460 · Lease Income	9,600	57,600
Total 450. · Properties	9,600	190,630
Total Income	32,823	1,980,256
Gross Profit	32,823	1,980,256
Expense		
500 · Administrative Expenses		
500.36 · Accrued Vacation & Sick Leave		1,152
500.10 · Salaries	17,870	192,747
500.12 · Payroll Taxes	1,482	15,454
500.14 · W/C Insurance	136	1,497
500.15 · Employee Health & Welfare	891	10,905
500.16 · Board Stipends	1,500	14,300
500.17 · Education & Conferences	1,061	15,824
500.18 · Dues & Subscriptions		15,455
500.19 · Insurance - General	2,694	39,257
500.20 · Independent Accounting Services	850	9,350
500.21 · Annual Independent Audit		8,600
500.23 · General Counsel	9,111	88,421
500.25 · Office Expense		
01 · Communications	497	3,525
02 · I.T. and Website services	306	4,686
03 · Refreshments	29	5,531
04 · Office supplies	583	9,081
05 · Admin fees	236	1,370
06 · Independent Contract Services	3,580	34,126
Total 500.25 · Office Expense	5,231	58,318
500.27 · Depreciation	71	492
500.29 · Dist Promotions & Publications	495	14,259
500.32 · Consultant Fees	16,350	72,325
500.33 · Copier Lease	839	8,860
580.01 · General Election		309
Total 500 · Administrative Expenses	58,580	567,524

FALLBROOK REGIONAL HEALTH DISTRICT
Income Statement
For the Month Ended May 31, 2017 & Fiscal Year to Date

	May 17	Jul '16 - ...
590 · Management & Maintenance		
590.14 · Appraisal Services	6,435	16,435
590.01 · Building Engineer	8,061	82,453
590.02 · Gas & Electric	4,424	55,016
590.03 · Water	1,856	25,444
590.04 · Waste Management	93	1,367
590.05 · Security	1,100	12,113
590.06 · Landscape - Grounds Environment	1,600	18,813
590.07 · Custodial Services	300	3,600
590.08 · Elevator	173	2,532
590.09 · Vehicle Expenses	15	173
590.10 · Maintenance Services & Repairs	9	3,587
590.11 · Medical Records Store & Service	2,361	38,495
590.12 · Fire Alarm System	1,062	2,862
590.13 · CHS Residual Transition Expense		2,500
Total 590 · Management & Maintenance	27,487	265,390
600 · Community Healthcare Programs		
600.02 · Flbk Citizens Crime Prevention		8,000
600.59 · Palomar Health Foundation	2,500	10,000
600.58 · Michelle's Place	2,500	15,000
600.54 · Healthy Adventures Foundation	3,000	9,000
600.53 · Jeremiah's Ranch		12,000
600.04 · Boys & Girls Club	7,500	37,200
600.07 · Fallbrook Senior Citizens Club	15,563	61,888
600.08 · Smiles Project	17,500	70,000
600.11 · Palomar Family Coun.Serv.	18,500	74,000
600.14 · Flbk Family Health Center	21,250	85,000
600.17 · Foundation for Senior Care	12,500	130,339
600.18 · Flbk Comm Project - Food Pantry	15,000	60,000
600.33 · REINS Therapy	10,200	46,300
600.37 · Trauma Intervention Programs		8,000
600.46 · North Inland Comm Prev Program		9,620
600.47 · FUHS - Asperger's Support Ctr		6,500
600.48 · UCSD Eye Mobile for Children		8,500
600.57 · North County Fire Protect Distr		54,839
Total 600 · Community Healthcare Programs	126,013	706,186
800 · District Direct Care Services		
800.02 · A+ Urgent Care	30,000	99,000
Total 800 · District Direct Care Services	30,000	99,000
Total Expense	242,080	1,638,100
Net Ordinary Income	(209,257)	342,155
Net Income	(209,257)	342,155

FALLBROOK REGIONAL HEALTH DISTRICT
Profit & Loss Actual vs Budget

July 2016 through May 2017

	Jul '16 -...	Budget	\$ Over ...
Ordinary Income/Expense			
Income			
400. · District			
402 · Property tax revenue	1,772,010	1,677,090	94,920
403 · Interest / Dividends	51,161	37,849	13,312
406 · Unearned Inc(Loss) - Cal Trust	(33,544)	0	(33,544)
Total 400. · District	1,789,626	1,714,939	74,687
450. · Properties			
450.01 · Disposition of Surplus Property	133,030	0	133,030
460 · Lease Income			
460.01 · A+ Urgent Care	57,600	52,800	4,800
Total 460 · Lease Income	57,600	52,800	4,800
Total 450. · Properties	190,630	52,800	137,830
Total Income	1,980,256	1,767,739	212,517
Gross Profit	1,980,256	1,767,739	212,517
Expense			
500 · Administrative Expenses			
500.36 · Accrued Vacation & Sick Leave	1,152		
500.10 · Salaries	192,747	216,994	(24,247)
500.12 · Payroll Taxes	15,454	23,100	(7,646)
500.14 · W/C Insurance	1,497	1,054	443
500.15 · Employee Health & Welfare	10,905	16,830	(5,925)
500.16 · Board Stipends	14,300	24,200	(9,900)
500.17 · Education & Conferences	15,824	13,750	2,074
500.18 · Dues & Subscriptions	15,455	13,409	2,046
500.19 · Insurance - General	39,257	41,250	(1,993)
500.20 · Independent Accounting Servi...	9,350	9,350	0
500.21 · Annual Independent Audit	8,600	8,500	100
500.23 · General Counsel	88,421	114,583	(26,163)
500.25 · Office Expense			
01 · Communications	3,525	4,950	(1,425)
02 · I.T. and Website services	4,686	2,400	2,286
03 · Refreshments	5,531	4,033	1,497
04 · Office supplies	9,081	14,667	(5,585)
05 · Admin fees	1,370		
06 · Independent Contract Services	34,126	50,494	(16,368)
Total 500.25 · Office Expense	58,318	76,544	(18,226)
500.27 · Depreciation	492	1,522	(1,030)
500.29 · Dist Promotions & Publications	14,259	5,850	8,409
500.32 · Consultant Fees	72,325	14,400	57,925
500.33 · Copier Lease	8,860	5,500	3,360
500.85 · Calif Mandated Reimbursement	0	(9,167)	9,167
580.01 · General Election	309	40,000	(39,691)
Total 500 · Administrative Expenses	567,524	617,670	(50,146)

FALLBROOK REGIONAL HEALTH DISTRICT
Profit & Loss Actual vs Budget

July 2016 through May 2017

	Jul '16 -...	Budget	\$ Over ...
590 · Management & Maintenance			
590.14 · Appraisal Services	16,435		
590.01 · Building Engineer	82,453	77,458	4,995
590.02 · Gas & Electric	55,016	86,350	(31,334)
590.03 · Water	25,444	22,000	3,444
590.04 · Waste Management	1,367	1,375	(8)
590.05 · Security	12,113	12,375	(262)
590.06 · Landscape - Grounds Environ...	18,813	29,792	(10,978)
590.07 · Custodial Services	3,600	1,375	2,225
590.08 · Elevator	2,532	1,833	698
590.09 · Vehicle Expenses	173	1,375	(1,202)
590.10 · Maintenance Services & Repairs	3,587	19,388	(15,801)
590.11 · Medical Records Store & Servi...	38,495	0	38,495
590.12 · Fire Alarm System	2,862		
590.13 · CHS Residual Transition Expe...	2,500		
Total 590 · Management & Maintenance	265,390	253,321	12,070
600 · Community Healthcare Programs			
600.02 · Flbk Citizens Crime Prevention	8,000	8,000	0
600.59 · Palomar Health Foundation	10,000	10,000	0
600.58 · Michelle's Place	15,000	15,000	0
600.54 · Healthy Adventures Foundation	9,000	9,000	0
600.53 · Jeremiah's Ranch	12,000	12,000	0
600.04 · Boys & Girls Club	37,200	37,200	0
600.07 · Fallbrook Senior Citizens Club	61,888	61,863	25
600.08 · Smiles Project	70,000	70,000	0
600.11 · Palomar Family Coun.Serv.	74,000	74,000	0
600.14 · Flbk Family Health Center	85,000	85,000	0
600.17 · Foundation for Senior Care	130,339	130,089	250
600.18 · Flbk Comm Project - Food Pan...	60,000	60,000	0
600.33 · REINS Therapy	46,300	46,300	0
600.37 · Trauma Intervention Programs	8,000	8,000	0
600.46 · North Inland Comm Prev Progr...	9,620	9,620	0
600.47 · FUHS - Asperger's Support Ctr	6,500	6,500	0
600.48 · UCSD Eye Mobile for Children	8,500	8,500	0
600.57 · North County Fire Protect Distr	54,839	29,839	25,000
Total 600 · Community Healthcare Progra...	706,186	680,911	25,275
800 · District Direct Care Services			
800.02 · A+ Urgent Care	99,000	0	99,000
Total 800 · District Direct Care Services	99,000	0	99,000
Total Expense	1,638,100	1,551,902	86,198
Net Ordinary Income	342,155	215,837	126,319
Net Income	342,155	215,837	126,319

FALLBROOK REGIONAL HEALTH DISTRICT
Profit & Loss Budget Overview 2016 - 2017
July 2016 through June 2017

	Jul 16	Aug 16	Sep 16	Oct 16	Nov 16	Dec 16	Jan 17	Feb 17	Mar 17	Apr 17	May 17	Jun 17	TOTAL Jul '16 - Jun 17
Ordinary Income/Expense													
Income													
400. · District													
402 · Property tax revenue	13,065	12,100	15,100	13,506	75,399	633,527	253,274	42,453	45,983	388,488	184,194	22,910	1,700,000
403 · Interest / Dividends	3,841	3,925	2,044	3,100	2,663	5,116	5,230	2,693	3,815	2,690	2,731	2,151	40,000
Total 400. · District	16,906	16,025	17,144	16,606	78,062	638,643	258,505	45,146	49,798	391,178	186,926	25,061	1,740,000
450. · Properties													
460 · Lease Income													
460.01 · A+ Urgent Care	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	57,600
Total 460 · Lease Income	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	57,600
Total 450. · Properties	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	57,600
Total Income	21,706	20,825	21,944	21,406	82,862	643,443	263,305	49,946	54,598	395,978	191,726	29,861	1,797,600
Gross Profit	21,706	20,825	21,944	21,406	82,862	643,443	263,305	49,946	54,598	395,978	191,726	29,861	1,797,600
Expense													
500 · Administrative Expenses													
500.10 · Salaries	16,533	18,533	18,533	18,533	20,533	20,533	20,533	20,533	20,910	20,910	20,910	21,006	238,000
500.12 · Payroll Taxes	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	25,200
500.14 · W/C Insurance	96	96	96	96	96	96	96	96	96	96	96	96	1,150
500.15 · Employee Health & Welfare	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	18,360
500.16 · Board Stipends	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	26,400
500.17 · Education & Conferences	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	15,000
500.18 · Dues & Subscriptions	7,500	591	591	591	591	591	591	590	591	591	591	591	14,000
500.19 · Insurance - General	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	45,000
500.20 · Independent Accounting Services	850	850	850	850	850	850	850	850	850	850	850	850	10,200
500.21 · Annual Independent Audit	0	0	0	8,500	0	0	0	0	0	0	0	0	8,500
500.23 · General Counsel	10,417	10,417	10,417	10,417	10,417	10,417	10,417	10,417	10,417	10,417	10,417	10,417	125,000
500.25 · Office Expense													
01 · Communications	450	450	450	450	450	450	450	450	450	450	450	450	5,400
02 · I.T. and Website services	933	250	250	0	250	217	0	0	250	0	250	0	2,400
03 · Refreshments	367	367	367	367	367	367	367	367	367	367	367	367	4,400
04 · Office supplies	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	16,000
06 · Independent Contract Services	2,176	2,176	2,176	5,576	5,556	5,506	5,506	5,506	5,406	5,404	5,506	5,506	56,000
Total 500.25 · Office Expense	5,259	4,576	4,576	7,726	7,956	7,873	7,656	7,656	7,806	7,554	7,906	7,656	84,200
500.27 · Depreciation	138	138	138	138	138	138	138	138	138	138	138	138	1,661
500.29 · Dist Promotions & Publications	4,000	250	250	250	100	100	100	100	200	250	250	150	6,000
500.32 · Consultant Fees	8,000	650	650	650	650	650	650	650	650	600	600	600	15,000
500.33 · Copier Lease	500	500	500	500	500	500	500	500	500	500	500	500	6,000
500.85 · Calif Mandated Reimbursement	(833)	(833)	(833)	(833)	(833)	(833)	(833)	(833)	(833)	(833)	(833)	(833)	(10,000)
580.01 · General Election	0	0	0	40,000	0	0	0	0	0	0	0	0	40,000
Total 500 · Administrative Expenses	63,290	46,598	46,598	98,248	51,828	51,745	51,528	51,527	52,155	51,903	52,255	52,001	669,671
590 · Management & Maintenance													
590.01 · Building Engineer	7,042	7,042	7,042	7,042	7,042	7,042	7,042	7,042	7,042	7,042	7,042	7,042	84,500
590.02 · Gas & Electric	7,850	7,850	7,850	7,850	7,850	7,850	7,850	7,850	7,850	7,850	7,850	7,850	94,200
590.03 · Water	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
590.04 · Waste Management	125	125	125	125	125	125	125	125	125	125	125	125	1,500
590.05 · Security	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	13,500
590.06 · Landscape - Grounds Environment	2,708	2,708	2,708	2,708	2,708	2,708	2,708	2,708	2,708	2,708	2,708	2,708	32,500
590.07 · Custodial Services	125	125	125	125	125	125	125	125	125	125	125	125	1,500
590.08 · Elevator	167	167	167	167	167	167	167	167	167	167	167	167	2,000
590.09 · Vehicle Expenses	125	125	125	125	125	125	125	125	125	125	125	125	1,500
590.10 · Maintenance Services & Repairs	1,763	1,763	1,763	1,763	1,763	1,763	1,763	1,763	1,763	1,763	1,763	1,763	21,150
Total 590 · Management & Maintenance	23,029	23,029	23,029	23,029	23,029	23,029	23,029	23,029	23,029	23,029	23,029	23,029	276,350

FALLBROOK REGIONAL HEALTH DISTRICT
Profit & Loss Budget Overview 2016 - 2017
 July 2016 through June 2017

	<u>Jul 16</u>	<u>Aug 16</u>	<u>Sep 16</u>	<u>Oct 16</u>	<u>Nov 16</u>	<u>Dec 16</u>	<u>Jan 17</u>	<u>Feb 17</u>	<u>Mar 17</u>	<u>Apr 17</u>	<u>May 17</u>	<u>Jun 17</u>	<u>TOTAL</u> <u>Jul '16 - Jun 17</u>
600 · Community Healthcare Programs													
600.02 · Fibk Citizens Crime Prevention	2,500	0	0	0	2,500	0	0	3,000	0	0	0	0	8,000
600.59 · Palomar Health Foundation	2,500	0	0	0	2,500	0	0	2,500	0	0	2,500	0	10,000
600.58 · Michelle's Place	5,000	0	0	0	5,000	0	0	2,500	0	0	2,500	0	15,000
600.54 · Healthy Adventures Foundation	3,000	0	0	0	0	0	0	3,000	0	0	3,000	0	9,000
600.53 · Jeremiah's Ranch	6,000	0	0	0	6,000	0	0	0	0	0	0	0	12,000
600.04 · Boys & Girls Club	14,700	0	0	0	7,500	0	0	7,500	0	0	7,500	0	37,200
600.07 · Senior Citizens Center	15,275	0	0	0	15,525	0	0	15,525	0	0	15,538	0	61,863
600.08 · Smiles Project	17,500	0	0	0	17,500	0	0	17,500	0	0	17,500	0	70,000
600.11 · Palomar Family Coun.Serv.	18,500	0	0	0	18,500	0	0	18,500	0	0	18,500	0	74,000
600.14 · Fibk Family Health Center	21,250	0	0	0	21,250	0	0	21,250	0	0	21,250	0	85,000
600.17 · Foundation for Senior Care	39,446	0	0	0	39,196	0	0	39,197	0	0	12,250	0	130,089
600.18 · Fibk Comm Project - Food Pantry	15,000	0	0	0	15,000	0	0	15,000	0	0	15,000	0	60,000
600.33 · REINS Therapy	15,700	0	0	0	10,200	0	0	10,200	0	0	10,200	0	46,300
600.37 · Trauma Intervention Programs	4,000	0	0	0	0	0	0	4,000	0	0	0	0	8,000
600.46 · North Inland Comm Prev Program	3,206	0	0	0	3,206	0	0	3,208	0	0	0	0	9,620
600.47 · FUHS - Asperger's Support Ctr	0	0	0	0	3,250	0	0	3,250	0	0	0	0	6,500
600.48 · UCSD Eye Mobile for Children	0	0	0	0	0	0	0	8,500	0	0	0	0	8,500
600.57 · North County Fire Protect Distr	29,839	0	0	0	0	0	0	0	0	0	0	0	29,839
Total 600 · Community Healthcare Programs	<u>213,416</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>167,127</u>	<u>0</u>	<u>0</u>	<u>174,630</u>	<u>0</u>	<u>0</u>	<u>125,738</u>	<u>0</u>	<u>680,911</u>
Total Expense	<u>299,735</u>	<u>69,627</u>	<u>69,627</u>	<u>121,277</u>	<u>241,984</u>	<u>74,774</u>	<u>74,557</u>	<u>249,186</u>	<u>75,184</u>	<u>74,932</u>	<u>201,022</u>	<u>75,030</u>	<u>1,626,932</u>
Net Ordinary Income	<u>(278,028)</u>	<u>(48,801)</u>	<u>(47,682)</u>	<u>(99,871)</u>	<u>(159,122)</u>	<u>568,669</u>	<u>188,748</u>	<u>(199,240)</u>	<u>(20,586)</u>	<u>321,046</u>	<u>(9,296)</u>	<u>(45,168)</u>	<u>170,668</u>
Net Income	<u>(278,028)</u>	<u>(48,801)</u>	<u>(47,682)</u>	<u>(99,871)</u>	<u>(159,122)</u>	<u>568,669</u>	<u>188,748</u>	<u>(199,240)</u>	<u>(20,586)</u>	<u>321,046</u>	<u>(9,296)</u>	<u>(45,168)</u>	<u>170,668</u>

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

www.treasurer.ca.gov/pmia-laif/laif.asp
June 14, 2017

FALLBROOK HEALTHCARE DISTRICT

ADMINISTRATOR
P.O. BOX 2587
FALLBROOK, CA 92088

PMIA Average Monthly Yields

Account Number:

Tran Type Definitions

May 2017 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	1,448,487.47
Total Withdrawal:	0.00	Ending Balance:	1,448,487.47



FALLBROOK HEALTHCARE DISTRICT
STATEMENT FOR PERIOD
May 01, 2017 - May 31, 2017

CalTrust Medium Term Fund - FALLBROOK HEALTHCARE DIST

Date	Transaction	Shares	Price Per Share	Amount	Average Cost NAV	Average Cost Amount	Realized Gain/Loss*
04/30/2017	BALANCE FORWARD	422,149.488	10.04	4,238,380.86	10.05197749	4,243,437.15	
05/01/2017	INCOME DISTRIBUTION - APRIL	427.895	10.04	4,296.07	10.05196537	4,296.07	0.00
05/31/2017	UNREALIZED GAIN (LOSS)	0.000		4,225.77		0.00	
05/31/2017	ENDING BALANCE	<u>422,577.383</u>	10.05	<u>4,246,902.70</u>		<u>4,247,733.22</u>	
	INCOME DISTRIBUTION PAID - APRIL			0.00			
	INCOME ACCRUAL - MAY			4,572.21			
	CUMULATIVE UNREALIZED GAIN (LOSS)			-830.52			

* 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

FALLBROOK REGIONAL HEALTH DISTRICT
Property Tax Revenue - Fiscal Year to Date
July 2016 through May 2017

Type	Date	Name	Amount	Balance
400. - District				
402 - Property tax revenue				
Deposit	07/20/16	County of SD-pro...	13,064.78	13,064.78
Deposit	08/10/16	County of SD-pro...	28,616.73	41,681.51
Deposit	09/07/16	County of SD-pro...	9,576.71	51,258.22
Deposit	10/04/16	County of SD-pro...	23,342.78	74,601.00
Deposit	11/02/16	County of SD-pro...	50,132.27	124,733.27
Deposit	12/07/16	County of SD-pro...	600,065.52	724,798.79
Deposit	01/18/17	County of SD-pro...	297,496.04	1,022,294.83
Deposit	02/15/17	County of SD-pro...	63,789.21	1,086,084.04
General Jou...	03/31/17	County of SD-pro...	457,124.14	1,543,208.18
General Jou...	04/30/17		214,331.45	1,757,539.63
General Jou...	05/31/17		14,469.90	1,772,009.53
Total 402 - Property tax revenue			1,772,009.53	1,772,009.53
Total 400. - District			1,772,009.53	1,772,009.53
TOTAL			<u>1,772,009.53</u>	<u>1,772,009.53</u>

FALLBROOK REGIONAL HEALTH DISTRICT
Check Detail Report - May 2017

Type	Date	Num	Name	Memo	Amount
102.2 · Cash in Bank - New Operating					
Check	05/03/17	9079	Howard Salmon	Reimbursement: Expenses ACHD-...	-156.79
Bill P...	05/03/17	9080	AT&T - phone lines	7607318344-481 5	-148.95
Bill P...	05/03/17	9081	Aztec Cleaning & Maintena...	Office cleaning - Inv. 203810	-150.00
Bill P...	05/03/17	9082	FPUD - FHD 1 007721	007721-000	-89.22
Bill P...	05/03/17	9083	FPUD - FHD 2 007720-001	007720-001	-109.74
Bill P...	05/03/17	9084	FPUD - Hospital 1 007720...	007720	-1,695.52
Bill P...	05/03/17	9085	SDG&E- Hospital - 8171 / ...		-3,461.52
Bill P...	05/03/17	9086	SDG&E FHD - 6994	40605976994	-536.54
Bill P...	05/03/17	9087	T.R.Y. Enterprises	Inv. 8047 - Patrol Services for May ...	-1,100.00
Bill P...	05/03/17	9088	Village News	Invoice 21767	-1,315.00
Bill P...	05/03/17	9089	A+ Urgent Care, Inc.	Subsidy #4 of 6	-10,000.00
Bill P...	05/03/17	9090	A+ Urgent Care, Inc.	Subsidy #5 of 6	-10,000.00
Bill P...	05/03/17	9091	Karn Engineering & Survey...	Property survey	-1,300.00
Check	05/09/17	9092	Boys & Girls Club	Grant 274 TRIPLE PLAY PROGRA...	-7,500.00
Check	05/09/17	9093	Fallbrook Family Health C...	Grant 276 - BEHAVIORAL HEALT...	-12,500.00
Check	05/09/17	9094	Fallbrook Food Pantry	Grant 278 NUTRITION FOR THE ...	-15,000.00
Check	05/09/17	9095	Fallbrook Senior Center	Grant 279 - MOBILITY / EXERCIS...	-1,813.00
Check	05/09/17	9096	Fallbrook Senior Center	Grant 280 - NURTITION - HOME ...	-13,750.00
Check	05/09/17	9097	Fallbrook Smiles Project	Grant 281 CELEBRATE HEALTH -...	-17,500.00
Check	05/09/17	9098	Foundation for Senior Care	Grant 284 CARE ADVOCACY PR...	-12,500.00
Check	05/09/17	9099	Healthy Adventures Found...	Grant 286 FALLBROOK COMMU...	-3,000.00
Check	05/09/17	9100	Michelle's Place	Grant 289 - BREAST HEALTH AS...	-2,500.00
Check	05/09/17	9101	Palomar Family Counselin...	Grant 291 HEALTHY BODIES, HE...	-18,500.00
Check	05/09/17	9102	Palomar Health Foundation	Grant 292 SENIOR CARE GRANT...	-2,500.00
Check	05/09/17	9103	Reins	Grant 293 CONSULTING THERAP...	-10,200.00
Bill P...	05/09/17	9104	Ace Party Productions	Audio / Visual rentals; Contract No...	-169.10
Bill P...	05/09/17	9105	American Express - Credit ...	0-41007	-1,741.43
Bill P...	05/09/17	9106	AT&T U-Verse - computer	146524365	-100.00
Bill P...	05/09/17	9107	Fallbrook Waste - Hospital...	20-T3 439928	-92.70
Bill P...	05/09/17	9108	Galvanized strategies form...	Retainer - Community engagement...	-4,000.00
Bill P...	05/09/17	9109	Glennie's Office Products, ...	6493	-153.89
Bill P...	05/09/17	9110	Iron Mountain-153	CHSRM	-1,119.55
Bill P...	05/09/17	9111	Iron Mountain SX-302	SX302/Fallbrook Hosp.	-913.93
Bill P...	05/09/17	9112	Palomar Mountain Premiu...	45919	-672.32
Bill P...	05/09/17	9113	Print Kwik	2 posters / Inv. 14551	-97.88
Bill P...	05/09/17	9114	Purchase Power (Pitney B...	8000909009769550	-136.57
Bill P...	05/09/17	9115	Sun Realty	Property research for FRHD 4/9-5/...	-1,200.00
Check	05/09/17	9116	Fallbrook Family Health C...	Grant 277 - UNCOMPENSATED C...	-8,750.00
Check	05/15/17	9117	Pamela Knox	Reimburse - Medicare, Town Hall r...	-175.72
Bill P...	05/16/17	9118	Ascent Elevator Services, I...	Elevator Service - Inv. 28503	-173.00
Bill P...	05/16/17	9119	Aztec Cleaning & Maintena...	Office cleaning - Inv. 203813	-150.00
Bill P...	05/16/17	9120	Bradshaw Engineering Corp.	2016 Title 19 Inspection of Automa...	-375.00
Bill P...	05/16/17	9121	Paragon Services Enginee...	Inv. 163168; April hours worked	-7,204.79
Bill P...	05/16/17	9122	Scott & Jackson Esq.	Professional services 2017 APRIL	-4,655.00
Bill P...	05/16/17	9123	Streamline	Website monthly fee April 2017 - In...	-200.00
Bill P...	05/16/17	9124	TRL Systems, Inc.	FAL004	-480.00
Bill P...	05/16/17	9125	Kathleen Bogle	4/30 invoice and 4/30 add'l. services	-1,750.00
Bill P...	05/30/17	9126	AT&T - phone lines	7607318344-481 5	-148.86
Bill P...	05/30/17	9127	Aztec Cleaning & Maintena...	Office cleaning - Inv. 203816	-150.00
Bill P...	05/30/17	9128	CalPERS	1559595490	-780.86
Bill P...	05/30/17	9129	Centraforce, LLC	Invoice 10372; Community2 and P...	-11,250.00
Bill P...	05/30/17	9130	Citrus Plaza Self Storage	Storage Unit #322 rental fee 6/1-6/...	-203.00
Bill P...	05/30/17	9131	Fallbrook Chamber of Co...	Wellness Walk Promotion/Advertisi...	-20.00
Bill P...	05/30/17	9132	FPUD - FHD 1 007721	007721-000	-84.22
Bill P...	05/30/17	9133	FPUD - FHD 2 007720-001	007720-001	-130.95

Type	Date	Num	Name	Memo	Amount
Bill P...	05/30/17	9134	FPUD - Hospital 1 007720...	007720	-1,640.99
Bill P...	05/30/17	9135	SDG&E- Hospital - 8171 / ...		-3,899.56
Bill P...	05/30/17	9136	SDG&E FHD - 6994	40605976994	-523.96
Bill P...	05/30/17	9137	Touchbase	344664	-54.93
Bill P...	05/30/17	9138	TRL Systems, Inc.	FAL004	-686.87
Bill P...	05/30/17	9139	Vanguard Realty Advisors	Retainer for Professional Service A...	-3,300.00
Bill P...	05/31/17	9140	A+ Urgent Care, Inc.	Subsidy #6 of 6	-10,000.00
Bill P...	05/31/17	9141	Konica Minolta Leasing - qds	061-0116888-000	-842.90
Total 102.2 · Cash in Bank - New Operating					-215,354.26
TOTAL					<u>-215,354.26</u>

FALLBROOK REGIONAL HEALTH DISTRICT
DRAFT BUDGET FOR JULY 1, 2017 THROUGH JUNE 30, 2018

INCOME

402 - Property Tax Revenue		\$2,000,000.00
403 - Interest / Dividends		\$60,000.00
406 - Unearned Inc (Loss) - Cal Trust		
Total 400 - District		\$2,060,000.00
460 - Lease Income		
460.01 - A+ Urgent Care		\$57,600.00

TOTAL INCOME		\$2,117,600.00
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EXPENSES

500 - Administrative Expense		
500.36 - Accrued Vacation & Sick Time		\$20,000.00
500.10 - Salaries		\$260,000.00
500.12 - Payroll Taxes		\$22,000.00
500.14 - W/C Insurance		\$2,000.00
500.15 - Employee Health & Welfare		\$13,000.00
500.16 - Board Stipends		\$18,000.00
500.17 - Education & Conferences		\$18,000.00
500.18 - Dues & Subscriptions		\$15,500.00
500.19 - Insurance - General		\$25,000.00
500.20 - Independent Accounting Services		\$10,200.00
500.21 - Annual Independent Audit		\$9,000.00
500.23 - General Counsel		\$90,000.00
500.25 - Office Expense		
- 01 - Communications		\$4,000.00
- 02 - IT and Website Services		\$6,000.00
- 03 - Refreshments		\$6,500.00
- 04 - Office Supplies		\$13,000.00
- 05 - Admin Fees		\$5,000.00
- 06 - Independent Contract Services		\$60,000.00
500.27 - Depreciation		\$1,200.00
500.29 - Dist. Promotions & Publications		\$22,000.00
500.32 - Consultant Fees		\$140,000.00
500.33 - Copier Lease		\$10,000.00
500.45 - Community Garden		\$10,000.00
580.01 - General Election		\$45,000.00

Total 500 - Administrative Expenses		\$825,400.00
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590 - Management & Maintenance		
590.02 - Gas & Electric		\$20,000.00
590.03 - Water		\$10,000.00
590.04 - Waste Management		\$1,500.00
590.05 - Security		\$17,000.00
590.06 - Landscape - Grounds Environment		\$12,000.00
590.07 - Custodial Services		\$10,000.00
590.08 - Elevator		\$2,000.00
590.09 - Vehicle Expense		\$300.00
590.10 - Maintenance Services & Repairs		\$4,000.00
590.11 - Medical Record Store & Service		\$40,000.00
590.12 - Fire Alarm System		\$3,000.00
590.13 - Renovation/Improvements		\$50,000.00

Total 590 - Management & Maintenance	\$169,800.00
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600 - Community Health Contracts		
600.04 - Boys & Girls Club (2)	Summer Water Safety Program	\$10,000.00
	Triple Play	\$40,000.00
600.02 - Fallbrook Citizens Crime Prevention Comm.	GANAS Mentoring Program	\$10,000.00
600.14 - Fallbrook Family Health Center	Health Promotion Coordination	\$100,000.00
600.18 - Fallbrook Food Pantry	Nutr. Food for Our Hungry Neighbors	\$72,000.00
600.07 - Fallbrook Senior Citizens Service Club (2)	Exercise Area Protective Covering	\$12,600.00
	Senior Nutrition - Home Delivered Meal	\$75,000.00
600.08 - Fallbrook Smiles Project	Celebrate Health	\$71,500.00
600.17 - Foundation for Senior Care (4)	Care Advocate Program	\$59,838.25
	Care Van & Expanded Rides Trans. Pgm	\$68,773.00
	Door through Door/Hosp to Home Pgm	\$50,918.70
	Respite Support at the Adult Day Care	\$29,583.40
600.54 - Healthy Adventures Foundation	Fbk Community Center Wellness Proj.	\$9,000.00
600.53 - Jeremiah's Ranch	Jeremiah's Ranch Support Group	\$14,750.00
600.19 - Live Oak Park Coalition	Health Improvement Proj. for Comm.	\$40,000.00
600.46 - Mental Health Systems	Fallbrook Youth Advocacy Coalition	\$9,249.00
600.58 - Michelle's Place	Breast Health Assistance Program	\$24,000.00
600.11 - Palomar Family Counseling Service	Healthy Bodies, Healthy Minds	\$79,000.00
600.33 - REINS Behavioral Horsemanship Program	Behavioral Health & Wellness Therapy	\$65,000.00
600.37 - Trauma Intervention Program of SD	Trauma Intervention Programs	\$9,000.00
600.48 - UCSD Eyemobile for Children	UCSD Eyemobile for Children	\$8,500.00

Total 600 - Community Health Contracts	\$858,712.35
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TOTAL EXPENSES	\$1,853,912.35
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NET ORDINARY INCOME	\$263,687.65
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**FALLROOK REGIONAL HEALTH DISTRICT
SPECIAL BOARD MEETING
Wednesday, June 7, 2017, 4:00 p.m.
Fallbrook Regional Health District, Board Room, 138 S. Brandon Rd., Fallbrook**

MINUTES

A. CALL MEETING TO ORDER

President Tinker called the meeting to order at 4:00 p.m.

Directors present: Director Tinker, Director Abbott, Director Mroz and Director Leach.
Director Howard Salmon joined the meeting remotely by teleconference pursuant to Government Code Section 54953 from 3585 South 3500 West, Driggs, Idaho 83422.

Absent: None.

Staff present: Executive Director Bobbi Palmer and Board Secretary/Clerk Linda Bannerman.

B. BOARD MEMBER AND PUBLIC COMMENTS

There was no public comment.

C. REVIEW OF COMMUNITY HEALTH CONTRACT APPLICATIONS 2017-2018

A spreadsheet of all applications with amounts requested and amounts granted last year was distributed. It included the total score for each applicant and the amount recommended by the board member having reviewed and scored the application. Director Tinker recused himself from any discussion of the grant requests for Fallbrook Family Health Center.

There were several recommendations by the executive director for consideration for the 2018-2019 applications. Scoring will emphasize health disparities in our communities and consideration of achieving sustainability without relying on our Community Health Contracts. There was discussion regarding offering "grant writing" workshops. With the realization that change is difficult for most organizations and takes time, it was suggested that we be generous in approving these applications with the understanding that the criteria and scoring will be more difficult moving forward with emphasis on aligning services with the vision of the District. Bobbi Palmer will meet with each of the recipients this fiscal year to further discuss the goals and vision of Fallbrook Regional Health District. It was also noted that the additional monies requested this year will be funded by the monies previously spent to maintain the old hospital building and grounds.

Action: On motion duly made by Director Abbott, seconded by Director Salmon it was agreed to take the spreadsheet and total dollars requested as a discussion/action item to the regular board meeting on June 14th for consideration of approval on an individual contract basis. Motion carried unanimously 4-0 (Tinker Abstained).

D. ADJOURNMENT

There being no further business, the meeting was adjourned at 4:59 p.m.

Gordon Tinker, President

Stephen Abbott, Secretary

**FALLBROOK REGIONAL HEALTH DISTRICT
FINANCE COMMITTEE
Wednesday, June 7, 2017 - 5:00 P.M.
Board Conference Room, 138 S. Brandon Rd., Fallbrook CA 92028**

MINUTES

1. Call to Order/Roll Call

The meeting was called to order at 5:12 p.m. by Committee Chair Barbara Mroz

Committee Members Present: Director & Chair Barbara Mroz, Director Bill Leach, Director Gordon Tinker and Director Stephen Abbott.

Director Howard Salmon joined the meeting remotely by teleconference pursuant to Government Code Section 54953 from 3585 South 3500 West, Driggs, Idaho 83422

Also Present: Executive Director Bobbi Palmer; Accountant Kathy Bogle; Bookkeeper Wendy Lyon and Board Secretary/Clerk Linda Bannerman

2. Public Comments

None

3. Review of Financial Statements for April 2017

- 1) Balance Sheet Comparison of April – March
- 2) Income Statement for April 2017 and fiscal year to date
- 3) Profit & Loss Actual vs Budget – April 2017
- 4) Profit & Loss Budget Overview July 2016 – June 2017

Chairperson Mroz asked Accountant Kathy Bogle to review the financial statements above. There were no major variances noted.

5) LAIF Report

Interest for the first quarter totaled \$2765.00 and was added to the account.

6) Cal-Trust

There was a break even on market value for this account.

7) Property Tax Revenue – fiscal year to date

It was noted the property tax revenue has exceeded budget.

8) Check Detail as of April 2017

This report detailed cash disbursements for the month of April.

9) Budget for Community Health Contract Applications Fiscal Year 2017-2018

There was discussion regarding the more than \$200,000 increase in dollar amounts requested from Community Health Contract applicants for 2017-2018. It was noted that the savings from not having to maintain the old hospital building and grounds would more than cover the increase.

Therefore, the Finance Committee will recommend to the full board that the budget for Community Health Contracts be increased.

10) Budget for Fiscal Year 2017-2018

The budget remains in process and will be considered at the July Finance Committee meeting.

4. Adjournment

There being no further business, the meeting was adjourned at 5:35 p.m.

Board Secretary/Clerk

**FALLBROOK REGIONAL HEALTH DISTRICT
REGULAR BOARD MEETING
Wednesday, June 14, 2017, 6:00 p.m.
Fallbrook Public Utilities District, 990 E. Mission Rd., Fallbrook**

MINUTES

A. CALL MEETING TO ORDER – PLEDGE OF ALLEGIANCE

President Tinker called the meeting to order at 6:18 p.m. and led the pledge of allegiance.

Present: Directors Stephen Abbott, Barbara Mroz, Howard Salmon and Gordon Tinker.

Absent: Director Bill Leach.

Also present: Executive Director Bobbi Palmer and Legal Counsel Blaise Jackson.

B. ADDITIONS TO AGENDA

None

Prior to presentations, President Tinker reviewed the history of what has been considered by the FRHD Board of Directors since they were notified by Community Health Systems (operators of the hospital) that they were losing \$500,000 per month and would have to terminate their lease unless the District covered their losses. The District's revenue was \$1.5 million per year which made covering their losses impossible. The District immediately sent out Requests for Proposals (RFPs) to major hospital operating entities including those in San Diego and Riverside Counties to ascertain if they had interest in operating the hospital. Eight letters of interest were received, yet ultimately only one proposal was received from Strategic Global Management. They subsequently withdrew their proposal. The hospital closed in July of 2015. FRHD arranged for security and landscaping services and hired an engineer for the building and maintenance. An RFP for sent out for a real estate broker to assist with the sale of the hospital. Travis Ives of Cushman & Wakefield was selected to serve in that capacity and ran a nationwide search. Strategic Global Management once again expressed interest and in all three buildings on the District property for a price of \$10 million. The District spent six months negotiating a Purchase & Sales agreement with Strategic Global Management, and they canceled the agreement within two days of execution. Multiple entities expressed interest in the hospital building, including a company from New York which found it difficult to get California to commit that they would be able to take over the hospital license, so they withdrew. In 2017, Crestwood Behavioral Health visited multiple times and made an offer to purchase the hospital building for \$4.5 million. In May the Board approved the Purchase & Sale Agreement for the hospital with Crestwood Behavioral Health, Inc. for \$4.5 million. Escrow is expected to close in July.

C. PRESENTATIONS

- C1. Fallbrook Healing Center by Executive Vice President Patricia Blum, Ph.D., CPRP of Crestwood Behavioral Health, Inc. Dr. Blum provided the PowerPoint presentation which had been previously presented and discussed the history of Crestwood Behavioral Health and her involvement with Crestwood. She said their facility in Fallbrook will be called Fallbrook Healing Center and noted that the building can be renovated to meet their needs very well. They anticipate spending a minimum of \$2 million dollars on renovation. (The presentation can be found on the District's website, www.fallbrookhealth.org.) They also anticipate a minimum of 108 full-time jobs will be available at Fallbrook Healing Center. Members of the audience had questions and Dr. Blum answered them. There were questions about the beds that would be available at Fallbrook Healing Center and where

the residents would come from and how they would be discharged. She explained that they would be released and transported back to their home communities. She also said the counties in Southern California purchase the beds and fill them. There was a question about unincorporated areas and the support services available in those areas, e.g. adequate police services. Does Fallbrook have adequate support services to cover if there is a problem at the Crestwood facility? People expressed concerns about public safety with a facility in Fallbrook treating mentally ill patients. There was a question about how this facility benefits Fallbrook. Several people in the audience started talking at once, expressing dissatisfaction with having lost the hospital. There was concern about the facility being “locked down” and also then allowing the residents of Fallbrook Healing Center to volunteer in the community. One member of the audience working in the mental health field said the potential residents for this facility would not include violent criminals at risk to escape and terrorize the community. Another member of the audience who works in the mental health care field said he would be more concerned with mentally ill people in the community than those confined at the Fallbrook Healing Center until they are able to function on their own.

Dr. Timothy Murphy, a psychiatrist in Fallbrook for more than thirty years, said he is proud of the community for being able to accept a facility like this which is so needed by the mentally ill. We have a crisis of short-term hospital beds, and if mentally ill patients aren't ready to live on their own, where do they go? Most wind up in jails and prisons for minor criminal acts due to their illness. This is the type of program that keeps them off the streets. He said we don't need to be afraid of mentally ill people who are in treatment for their illness. Another member of the audience said she has an adult child who experienced a brain injury and became suicidal. They needed to find a facility like this to help her and she is now fully functioning.

D. BOARD MEMBER AND PUBLIC COMMENTS

Several members of the public had filled out speaker cards to address the Board of Directors. Each was allotted up to five minutes to address the members of the Board.

Mr. Peter Klein questioned the determination of the hospital representing 38% of the District's assets. He also quoted California Health & Safety Code 32121 Section p(1) and not p(2). Legal Counsel responded discussing the history of the sale of the old hospital building and referred to other applicable sections of the Health & Safety Code. There was a question about assets and depreciation. The Board President invited Mr. Klein to visit the FRHD office to discuss the answers to his questions in further detail.

Mr. Len Tevebaugh said most of his questions had already been discussed during the meeting so far. He said this is a very passionate subject for this community, having owned it for more than 50 years. He said everyone should be allowed to vote on this asset of the community. He said he believes the community is not willing to accept this facility in Fallbrook. He said the Board is not doing the community any good; it's a done deal that was rammed down the throat of the community. He also questioned the old hospital building representing 38% of the assets.

Mr. Bruce Schwandt said he appreciates the members of the Board answering questions of the public. He wanted to address the general fiduciary responsibilities the Board has to the public. He called Supervisor Horn's office to ask if he was aware of this transaction by the FRHD Board and was told the Supervisor was not aware. He said he asked them about what they knew about the Crestwood facility in Chula Vista, and they told him it was a maximum security, sub-acute mental treatment facility. That did not make him feel good. The purpose of the treatment is to have “these folks” released into the community. How do we know the patients will not be released into our community? How do we know these people aren't sex offenders or violent criminals? Mr. Schwandt said he is half compassionate, half really selfish. What if someone comes out of this facility and stabs his daughter....he is not okay with that. When was this community consulted? He said The Long-Range Planning Committee reported in June of last

year that nothing was done. When the Board knew the asset ratio would drop when selling the old hospital building, did we notify our employer (the community) or was this a willful intention? Was a notice of adverse action sent to the community? He said in July of 2016, he had a vote, and in May of this year he did not. That bothers him. He said he believes that rehab treatment is a lucrative business. Mr. Schwandt said he was told this type of business is a hot topic for investigation by the D.A.'s office.

Ms. Paulette Britton said her questions had been answered.

Ms. Patricia McPhee left the meeting early.

Ms. Nancy Heins-Glaser will meet with the Executive Director. She had already left the meeting. Mr. Joseph Beyer said he is a Bonsall resident and he expressed thanks to the Board of Directors for their efforts of 2 ½ years and in making a difficult decision. He said a lot of "not in my backyard" sentiments had been expressed, but let's remember more than 100 jobs will be opening up. Crestwood has been in business for close to 50 years. Fallbrook is the "Friendly Village" and he challenged the community to do "good" and support this facility. He commended Julie Reeder for the good work she does with The Village News. He thanked Dr. Murphy for his comments in support of this facility.

E. CONSENT ITEMS

E1. Approval of March 2017 Financial Statements

E2. Minutes of May 3, 2017 Finance Committee Meeting

E3. Minutes of May 10, 2017 Regular Board Meeting

Action: On motion duly made by Director Salmon, seconded by Director Mroz to approve the consent items as presented. Motion carried 4-0.

F. REPORTS

F1. Finance Committee – Committee of the Whole, Chair: Director Mroz
Committee Chair Barbara Mroz provided the Finance Committee report. She commented to all of the Community Health Contract recipients to continue to do the wonderful work they do in our community. The Finance Committee met at 5:00 p.m. on June 7th. The financial statements for April were reviewed and found to be in order. The current year-to-date fiscal year property tax was \$214, 331 and the LAIF account balance was \$1,448,487.47 with the Cal-Trust account balance at \$4,238,380.86. The District is in good financial order and, with the approval of the Board of Directors, the Finance Committee recommended an increase in the Community Health Contracts budget.

F2. Gov't/Public Relations/Community Relations Committee – Directors Salmon and Tinker
Report postponed to next meeting.

F3. Facilities/Strategic Planning Committee – Directors Abbott and Salmon
Report postponed to next meeting.

F4. Executive Director – Bobbi Palmer

Executive Director Bobbi Palmer reported that nine CSUSM RN students and 6 Bonsall High School students are working with a seven member collaborative for the summer months. Members of the collaborative include Fallbrook Regional Health District, Fallbrook Smiles Project, Fallbrook Food Pantry, Fallbrook Senior Center, Fallbrook Family Health Center, the Foundation for Senior Care and Cal State University San Marcos (CSUSM)

F5. General Counsel – Blaise Jackson

Legal Counsel Blaise Jackson said other than the comments already made, the remainder of his comments would be confined to items G4 and G5 on the agenda.

G. DISCUSSION/ACTION ITEMS

G1. Review of Applicants and Determination of Community Health Contract Applications
2017-2018 Funding

President Tinker said each of the Board members had assisted in reviewing the Community Health Contract applications for 2017-2018. He said they would now assist in review of the applications for determination of awards.

Director Barbara Mroz said she had agreed to present the contracts assigned to Director William Leach as he was unable to attend the meeting and she would then present her assigned contracts.

Boys & Girls Clubs of North County – Summer Water Safety Program

This program provides swimming lessons and water safety instruction to approximately 125 youth during the summer months.

Action: It was moved by Director Mroz, seconded by Director Salmon to approve \$10,000 be awarded to the Boys & Girls Clubs of North County for the Summer Water Safety Program. Motion carried 4-0. Director Leach absent.

Boys & Girls Clubs of North County – Triple Play

A multi-faceted program designed to help young people become healthy, active and learn new ways to maintain personal health, handle stress and form positive relationships.

Action: It was moved by Director Mroz, seconded by Director Salmon to approve \$40,000 be awarded to the Boys & Girls Clubs of North County for the Triple Play Program. Motion carried 4-0. Director Leach absent.

Fallbrook Citizens Crime Prevention Committee – GANAS Mentoring Program

Children are mentored to overcome the challenges of their circumstances and make wise and healthy life choices in nutrition, hygiene, physical activity, charitable giving spirit and careers.

Action: It was moved by Director Mroz, seconded by Director Salmon to approve \$10,000 be awarded to Fallbrook Citizens Crime prevention Committee for the GANAS Mentoring Program. Motion carried 4-0. Director Leach absent.

Fallbrook Family Health Center – Behavioral Health Services and Primary Care Services to underserved population in the District

Provides behavioral health services for individuals requiring assistance with behavioral/mental health conditions that may require medication and/or counseling treatment. Provides a wide range of primary care, dental care and prevention services to the underserved population of the Fallbrook Regional Health District.

Action: It was moved by Director Mroz, seconded by Director Salmon to approve \$100,000 to Fallbrook Family Health Center for behavioral health services and primary care, dental care and prevention services to the underserved population of the District. Motion carried 3-0. Director Tinker abstained. Director Leach absent.

FALLBROOK FOOD PANTRY - Nutritious Food for the Hungry

Providing nutritionally balanced food to members of our community whose income falls below the Federal poverty standard or who come to the Pantry for emergency assistance.

Action: It was moved by Director Mroz, seconded by Director Salmon to approve \$72,000 be awarded to the Fallbrook Food Pantry for nutritious Food for the Hungry. Motion carried 4-0. Director Leach absent.

FALLBROOK SENIOR CENTER - Fallbrook Senior Center Mobility/Exercise Program

Provides a safe area to exercise with permanently installed equipment to help seniors be proactive in the prevention or reversal of diseases such as type 2 diabetes, heart disease, stroke and cancer.

Action: It was moved by Director Mroz, seconded by Director Salmon to approve \$12,600 be awarded to the Fallbrook Senior Center for the Fallbrook Senior Center Mobility/Exercise Program. Motion carried 4-0. Director Leach absent.

FALLBROOK SENIOR CENTER - Senior Nutrition - Home Delivered Meal

Provides 60 to 70 seniors with home delivered meals daily and this outreach includes observation and dialogue to provide additional coordination with other services in our community as needed.

Action: It was moved by Director Mroz, seconded by Director Salmon to approve \$75,000 be awarded to the Fallbrook Senior Center for the Senior Nutrition – Home Delivered Meals Program. Motion carried 4-0. Director Leach absent.

FALLBROOK SMILES PROJECT - Celebrate Health

Provides dental and medical health screenings and education and increasing access to care by addressing barriers in the schools, Fallbrook Food Pantry, Fallbrook Senior Center and Fallbrook Citizens' Crime Prevention GANAS program.

Action: It was moved by Director Mroz, seconded by Director Salmon to approve \$71,500 be awarded to the Fallbrook Smiles Project for the Celebrate Health Program. Motion carried 4-0. Director Leach absent.

At this time Director Stephen Abbott presented the contracts assigned to him to present.

FOUNDATION FOR SENIOR CARE - Fallbrook Adult Day Care Center

Provides respite, adult day care for the low income disabled adults or seniors with baseline health status and healthcare utilization tracked for both client and caregiver with special emphasis on the District's identified health disparities, fall or trip incidence and use of emergency services.

Action: It was moved by Director Abbott, seconded by Director Salmon to approve \$29,583 be awarded to the Foundation for Senior Care for the Fallbrook Adult Day Care Center. Motion carried 4-0. Director Leach absent.

FOUNDATION FOR SENIOR CARE - Care Advocacy Program

This program provides referrals and resources and/or conduct home visits to seniors and disabled residents of the District for medical and non-medical issues, including fall and injury related measures, health, financial security and housing transitional services.

Action: It was moved by Director Abbott, seconded by Director Salmon to approve \$59,838 be awarded for the Care Advocacy Program. Motion carried 4-0. Director Leach absent.

FOUNDATION FOR SENIOR CARE - Care Van & Expanded Rides Program

Provides free reliable transportation for seniors and disabled citizens to medical and physical therapy appointments, pharmacies, grocery stores, food pantry, senior center, etc.

Action: It was moved by Director Abbott, seconded by Director Salmon to approve \$68,773 be awarded to the Foundation for Senior Care for the Care Van & Expanded Rides Program. Motion carried 4-0. Director Leach absent.

FOUNDATION FOR SENIOR CARE - Door through Door Hospital to Home Program

A unique program providing a bridge for seniors and disabled adults who experience a hospitalization and then are discharged to return home to recover.

Action: It was moved by Director Abbott, seconded by Director Salmon to approve \$50,919 be awarded to the Foundation for Senior Care for the Door through Door Hospital to Home Program. Motion carried 4-0. Director Leach absent.

At this time Director Salmon presented the contracts assigned to him to present.

HEALTHY ADVENTURES - Fallbrook Community Center Wellness Project

Provides healthy cooking, nutrition education classes, and gardening during summer months and throughout the school year targeting after school youth from La Paloma Elementary School with Family Nights & Healthy Living Classes including parents of the youth.

Action: It was moved by Director Salmon, seconded by Director Mroz to approve \$9,000 be awarded to Healthy Adventures for the Fallbrook Community Center Wellness Project. Motion carried 4-0. Director Leach absent.

JEREMIAH'S RANCH - Jeremiah's Ranch Support Group

Provides opportunity to share information, support and resources to family members, care providers and extended family members of children, encompassing all ages and all

developmental disabilities, in a monthly meeting that provides adult/childcare services with trained mentors, dinner, guest speakers and social respite time.

Action: It was moved by Director Salmon, seconded by Director Mroz to approve \$14,750 to be awarded to Jeremiah's Ranch for the Jeremiah's Ranch Support Group. Motion carried 4-0. Director Leach absent.

LIVE OAK PARK COALITION – Seeking to Improve the Park's Walking and Exercise Areas to meet ADA Requirements.

This coalition is in its second year of fundraising for a total project costing \$100,000.

Action: It was moved by Director Salmon, seconded by Director Mroz to approve \$40,000 to be awarded to the Live Oak Park Coalition for the park's Improved Walking and Exercise Areas and to meet ADA Requirements. Motion carried 4-0. Director Leach absent.

Mental Health Systems, Inc. - North Inland Community Prevention Program - Fallbrook Youth Advocacy Coalition (FYAC)

Monitors and reports on emerging trends, informs law enforcement and the community about preventive measures to reduce underage access to alcohol and other drugs with information about health and other risks associated with alcohol or drug use and abuse.

Action: It was moved by Director Salmon, seconded by Director Mroz to approve \$9,249 to be awarded to Mental Health Systems, Inc. for the North Inland Community Prevention Program – Fallbrook Youth Advocacy Coalition. Motion carried 4-0. Director Leach absent.

MICHELLE'S PLACE - Breast Health Assistance Program

Provides education and outreach on early detection of breast cancer through facilitating diagnostic breast health services to uninsured and underinsured women in the Fallbrook Regional Health District and support services including surgical consultations, navigation, support groups, wigs, prosthesis and other resources for women while going through breast cancer.

Action: It was moved by Director Salmon, seconded by Director Mroz to approve \$24,000 be awarded to Michelle's Place for the Breast Health Assistance Program. Motion carried 4-0. Director Leach absent.

At this time Director Tinker presented the contracts assigned to him to present.

PALOMAR FAMILY COUNSELING - Healthy Bodies, Healthy Minds

Encompasses obesity prevention strategies and mental health awareness for parents and obesity prevention strategies for students and will include counseling for students' mental health issues at Fallbrook St School and Maie Ellis Elementary School.

Action: It was moved by Director Tinker, seconded by Director Abbott to approve \$79,000 to be awarded to Palomar Family Counseling for the Healthy Bodies, Healthy Minds Program. Motion carried 4-0. Director Leach absent.

REINS - Consulting Therapy Program

Provides physically and mentally strengthening therapy on horseback to the special needs community with the assistance of a large force of well-trained volunteers while promoting overall health, well-being and physical activity to all who participate.

Action: It was moved by Director Tinker, seconded by Director Abbott, to approve \$65,000 to be awarded to REINS for the Consulting Therapy Program. Motion carried 4-0. Director Leach absent.

TRAUMA INTERVENTION PROGRAM OF SAN DIEGO (TIP) - Crisis Intervention

Provides emotional and practical support immediately to citizens of the District following a traumatic event 24/7 365 days per year at the request of first responders.

Action: It was moved by Director Tinker, seconded by Director Abbott to approve \$9,000 to be awarded to the Trauma Intervention Program of San Diego (TIP) for the Crisis Intervention Program. Motion carried 4-0. Director Leach absent.

UCSD EYE MOBILE FOR CHILDREN

Provides innovative delivery of education, screening, exams and eye care to low-income pre-school children who may needlessly be losing sight and/or struggling with vision problems in their early education experience.

Action: It was moved by Director Tinker, seconded by Director Abbott to approve \$8,500 to be awarded to the UCSD Eye Mobile for Children. Motion carried 4-0. Director Leach absent.

- G2. Review of Draft Budget FY 2017-2018
It was noted that a trial budget would be sent to the Finance Committee for review and then brought to the Board next month.
- G3. Extension of Real Estate Listing Agreement – Cushman/Wakefield – Travis Ives
Legal Counsel said a draft letter extending the agreement with Cushman & Wakefield to July 31, 2017 has been drafted and is brought to the Board for approval.
Action: It was moved by Director Abbott, seconded by Director Salmon to approve the extension of the agreement with Cushman & Wakefield to July 31, 2017. Motion carried 4-0. Director Leach absent.
- G4. Redemption of 1989 Agreement for Improvements in Public Right of Way – Blaise Jackson. Counsel Jackson explained that the 1989 Lien Agreement was a development condition imposed by the County in exchange for allowing an expansion to the campus size, which occurred in the early 1990's. The estimated value of the improvements (curb, gutter, resurfacing of the northern half of a portion of Elder street was \$23,100 in 1989, but that with inflation the current cost of these improvements was closer to \$45,000. Counsel suggested that the Board extend authority to negotiate the removal of this Lien Agreement in an amount not to exceed \$46,000. Director Abbott so moved, seconded by Director Salmon, and the motion carried unanimously 4-0. Director Leach absent.
- G5. First amendment to Purchase and Sale Agreement
Legal Counsel said a First Amendment to Purchase and Sale Agreement and Escrow Instructions had been drafted with an agreement to close escrow to close no later than July 31, 2017, with no changes to other substantive terms, required Board approval.
Action: It was moved by Director Salmon, seconded by Director Abbott to approve the First Amendment to Purchase and Sale Agreement and Escrow Instructions. Motion carried 4-0. Director Leach absent.

H. ITEMS FOR SUBSEQUENT MEETINGS

- H1. Other Director/Staff discussion items
- H1a. Item(s) for future board agendas
The draft budget will brought to the next meeting after the Finance Committee reviews and recommends approval.
- H1b. Announcements of upcoming events:
- Community Collaborative for Health & Wellness Committee (CCH&W) meeting – Monday, June 19, 2017, 9:00-10:30am, Fallbrook Public Utility District Board Room
 - Wellness Walk – Wednesday, June 21, 2017, Fallbrook Community Center
 - NCCCHI meeting – 1st Wednesday, July 5, 2:00-3:00pm
 - Woman of Wellness – Thursday, July 6, 2017, 6pm – Fallbrook Library

H2. Next Regular Board meeting – Wednesday, July 12, 2017, Fallbrook Public Utility District Board Room

I ADJOURNMENT

There being no further business, the meeting adjourned at 8:26 p.m.

Gordon Tinker, President

Stephen Abbott, Secretary

DRAFT

REPORTS

REPORTS

Executive Director – Bobbi Palmer

Fallbrook Regional HEALTH DISTRICT

To: Board of Directors
Fallbrook Regional Health district
From: Bobbi Palmer, MBA, MSW
Re: Monthly Report
Date: June 24th, 2017

Community Health

North County Community Collaborative for Health Initiative (NCCCHI)

1. Saturday June 24th **Health Fair** held at Jack E. Johns Family Clinic
2. University of California School of Nursing, San Marcos participated in **conducting screenings** at the Fallbrook Community Center Wednesday June 21, 2017
3. **Wellness Summit** sponsored by ACHD and Stanford University will be held July 13th in Sacramento. Bill Leach and Linda Bannerman will attend this all day workshop. The Live Well Initiative effort comprising world-renowned researches from the Stanford Prevention Research Center will present valuable tools and initiatives that will allow districts to continue to make strides in improving overall community wellness and wellbeing. The Stanford Health Improvement Program (HIP) began in 1983 at Stanford to promote health including effective community-wide application. This is the beginning of FRHD's effort to create a multitude of Wellness Initiatives in our district area as we move the conversation and engage with our community concerning a Wellness Center.

Community Room

First draft thinking and suggestions from some of our community members has generated interest in the "former cardiac room" to be used for (1) health center activities, (2) health-related non-profit activities; (3) non-profit business meetings (4) a computer lab; (5) health classes, as well as for (6) support groups. This community space ideally would be a benefit to our residents. I will be inviting our residents and conducting focus groups to share their recommendations.

REPORTS
Legislative Communication



LITTLE HOOVER COMMISSION

Witnesses at Little Hoover Commission's August and October 2016 public hearings and participants at the November 2016 advisory committee proposed numerous recommendations for consideration. At various business meetings in 2017, the Commission discussed these and other potential recommendations. A summary of potential recommendations currently under consideration follows.

The June 22 roundtable discussion has been convened to consider if these recommendations are helpful, can be implemented or might have unintended consequences. The Commission also welcomes discussion on alternative suggestions. The primary focus of the roundtable meeting discussion will be on the recommendations related to governance and transparency, although potential recommendations focusing on climate change adaptation and healthcare districts also are included in this summary.

GOVERNANCE - POTENTIAL RECOMMENDATIONS

- The Legislature, in committee hearings and floor votes, as well as the Governor in bill signings, should curtail a growing practice of introducing bills to override LAFCO deliberative processes and decide local issues regarding special district boundaries and operations.
- The Legislature should provide one-time grant funding to pay for specified LAFCO activities, particularly to fund certain critical Municipal Service Reviews (MSRs) and to incentivize LAFCOs or smaller special districts to develop and implement dissolution or consolidation plans with timelines for expected outcomes. This grant process potentially could be overseen by the Governor's Office of Planning and Research. Funding should be tied to process completion and results, including enforcement authority for corrective action and consolidation.
- Alternatively or additionally, augment the existing LAFCO funding formula by allocating a certain percentage of local property taxes to fund LAFCOs as suggested in testimony from the California Association of Local Agency Formation Commissions (CALAFCO).
- After conducting a Municipal Service Review and finding dissolution or consolidation of special districts is warranted, provide LAFCOs the authority to initiate dissolutions or consolidations with a higher threshold for a public vote.
- Require special districts to hold a public hearing on findings and recommendations after the completion of a Municipal Service Review.
- The Legislature should provide LAFCOs the statutory authority to do reviews of inactive districts throughout California and dissolve them without the action being subject to protest and a costly election process. SB 448 (Wiekowski) would implement this recommendation. The bill was unanimously adopted by the Senate in May 2017, and currently is under consideration by the Assembly. As currently written, the bill also would require each county tax bill to list special district taxes and would require the State Controller, by 2019, to annually publish a list of all special districts in California.
- The Legislature should strengthen LAFCOs by easing a process to add special district representatives to the 28 county LAFCOs where districts have no voice.
- The Legislature should adopt legislation to give LAFCO members fixed terms, to ease political pressures in controversial votes and enhance the independence of LAFCOs.

TRANSPARENCY – POTENTIAL RECOMMENDATIONS

- Every LAFCO website should provide basic information and links to all of the special districts within each county service area, including a standardized dashboard reflecting revenues from property taxes and user fees, debt service and fund balance changes.
- Every special district should have a published policy for reserve funds, including the size and purpose of reserves and how they are invested.
- Every special district should have a website that provides the following information in an easy-to-understand format:
 - ✓ Name, location, contact data
 - ✓ Services provided
 - ✓ Governing body, including election information and the process for constituents to run for board positions
 - ✓ Compensation details – total staff compensation, including salary, pensions and benefits
 - ✓ Compensation details for the five staff with highest compensation (including salary, benefits, pensions, loans, annual leave balances, annual travel expenses)
 - ✓ Budget (including revenues and expenditures, bond debt and the source of revenues, including fees, property taxes and other assessments, as well as other revenue)
 - ✓ Reserve fund policy
 - ✓ An explanation of how the revenue sources are consistent with state law and do not constitute a permissible tax
 - ✓ Geographic area served and demographic data based on available census data
 - ✓ Average and median customer fees and other customer charges
 - ✓ Description of relationship and coordination with other local government agencies
 - ✓ Copy of most recent Municipal Service Review
 - ✓ Copy of most recent annual report provided to the State Controller’s Office
 - ✓ State and local agencies providing oversight of operations, compliance with state laws and financial reporting and audits and frequency of such reviews and links to the oversight bodies websites
- The California Special Districts Association, working with experts in public outreach and engagement, should develop best practices for independent special district outreach to the public on opportunities to serve on boards and special district elections including election results and voter participation data.
- The State Controller’s Office should disaggregate information provided by independent special districts from dependent districts, nonprofits and joint powers authorities on its By the Numbers and Employee Compensation websites. (SB 448 would require the State Controller to list all special districts on its website by 2019.)
- The State Controller’s Office should standardize definitions of special district financial reserves for state reporting purposes.
- The Secretary of State, working with county, city and special district representatives and the State Controller, should streamline or consolidate its public agency reporting requirements.

CLIMATE CHANGE ADAPTATION – POTENTIAL RECOMMENDATIONS

- The Legislature should place a requirement in statute that special districts formally include climate adaptation and climate mitigation as key operational considerations within their governing documents and missions.
- The California Special Districts Association (CSDA), in conjunction with its member districts, should document and share climate adaptation experiences with the Integrated Climate Adaptation and Resilience Program’s adaptation information clearinghouse being established within the Governor’s Office of Planning and Research (OPR). Similarly, CSDA and member districts should step up engagement in the state’s current Fourth Assessment of climate threats, a \$5 million state research project designed to support the implementation of local adaptation activities. The CSDA also should promote climate adaptation information sharing among its members to help districts with fewer resources plan for climate impacts and take actions.
- The Legislature should replicate statewide a program established by Oakland-based East Bay Municipal Utility District, in which real estate transactions trigger an inspection of sewer lines on the property and require repairs if broken. Or, as an alternative, it should commission a study of costs versus benefits – possibly by a university or the appropriate state department. Such a study would build long-term support, if feasible, for legislation.
- State regulatory agencies should explore the beginnings of a new regulatory framework and adaptive approach that incorporates moveable baselines when defining a status quo as climate impacts mount.
- The California Special Districts Association, and special districts, as some of the closest-to-the-ground local governments in California, should step up public engagement on climate adaptation, and inform and support people and businesses to take actions that increase their individual and community-wide defenses.
- The California Special Districts Association and special districts should lead efforts to seek and form regional partnerships to maximize climate adaptation resources and benefits.

HEALTHCARE DISTRICTS – POTENTIAL RECOMMENDATIONS

- The Legislature should work with the Association of California Healthcare Districts to enact proposals the association developed in 2016 to accomplish these two objectives:
 - ✓ Update the 1945 legislative “practice acts” that enabled voters to create local hospital districts, renamed healthcare districts in the early 1990s. Experts widely agree that statutory language in the acts no longer reflects rapid changes in healthcare during the past half century, especially regarding roles of healthcare districts without hospitals.
 - ✓ Make healthcare districts directly respond to local healthcare needs by conducting needs assessments every three years and demonstrate annually how they are addressing those needs. This information will be shared with the local LAFCO that oversees the district.

- The Legislature, which has been increasingly inclined to override local LAFCO processes to press changes on healthcare districts, should defer these decisions to LAFCOs, which in statute already have that responsibility.
- The Association of California Healthcare Districts and its member districts should step up efforts to define and share best practices among themselves.

Budget and Policy Post

June 20, 2017

How Will Aging Baby Boomers Affect Future Property Tax Revenues?

Summary

California's homeowners are getting older. In recent years, this has contributed to declining property sales and depressed property tax growth. As California's homeowners continue to age, however, these patterns are likely to reverse. Home sales likely will pick up. This, in turn, should lead to faster property tax growth, especially in communities with more older homeowners and where past home price appreciation was highest. These potential future property tax gains could be lessened by an increase in transfers of homes from parents to children, which often are exempt from revaluations that trigger higher property tax payments. These parent-to-child exclusions have been a notable and consistent share of home transfers in recent years, currently reducing annual property tax revenues by around \$1.5 billion statewide. This amount is likely to grow in the future as homeowners continue to age and look to transition their properties to their children.

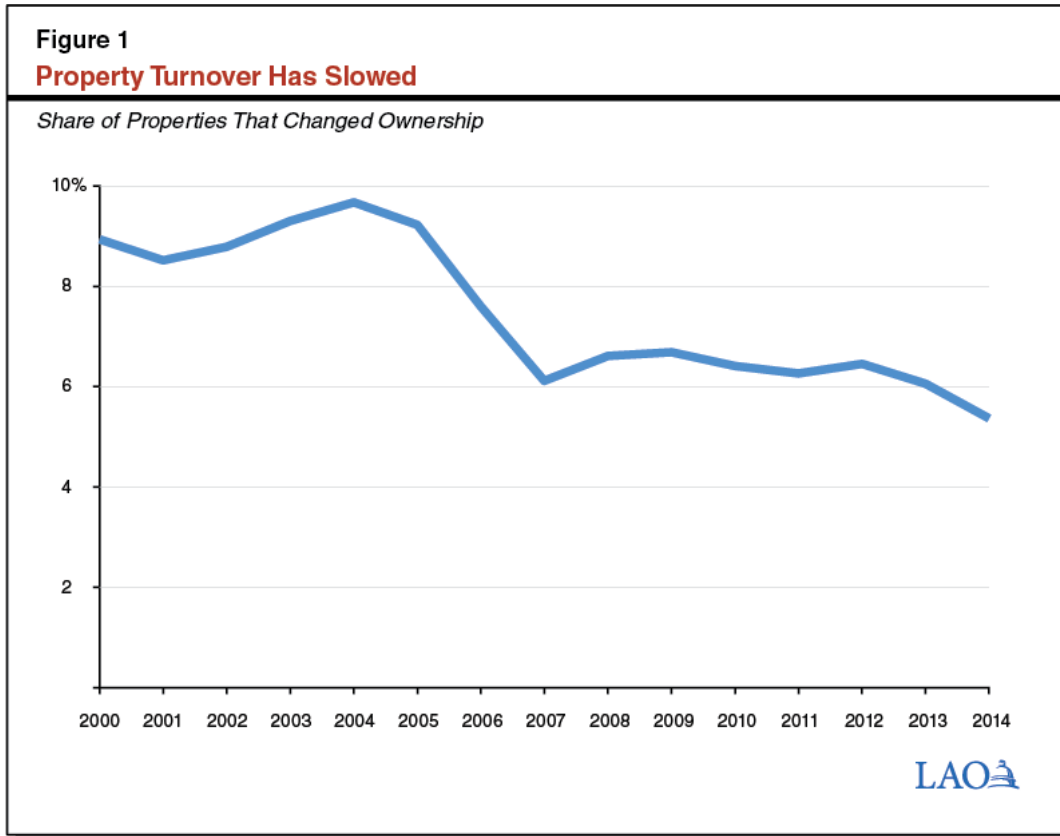
Turnover Key to Property Tax Growth

Under Proposition 13, Property Turnover Drives Property Tax Growth. Proposition 13 was a landmark decision by California's voters in 1978 to limit property taxes. One key provision of Proposition 13 was a switch from taxing property based on its market value (what it could be sold for) to taxing it based on its purchase price. In the year a property is purchased, it is taxed at its purchase price. Each year thereafter, its taxable value is increased by inflation or 2 percent, whichever is lower. Upon resale, it is again taxed at its purchase price. Under this system, most homes are taxed at a value well below what they could be sold for. Property sales therefore typically trigger an increase in a property's taxable value. This, in turn, leads to higher property tax collections for local governments.

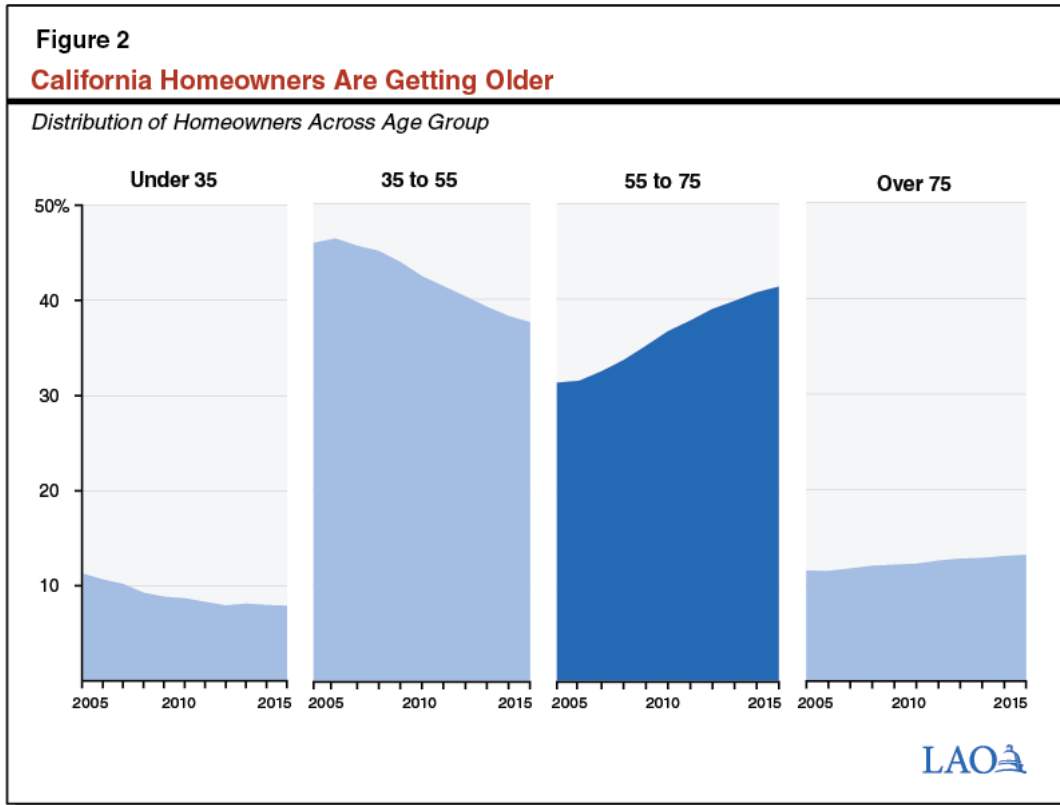
Turnover of Certain Homes Generates More Property Taxes. The bump in property taxes from home sales is highest for homes with long-tenured owners and homes with significant past appreciation in their market values. This is because the difference between a property's taxable value and market value tends to grow with increases in the (1) length of time the home has been owned and (2) pace of appreciation in the home's market value.

Slow Turnover Has Depressed Past Revenue Growth

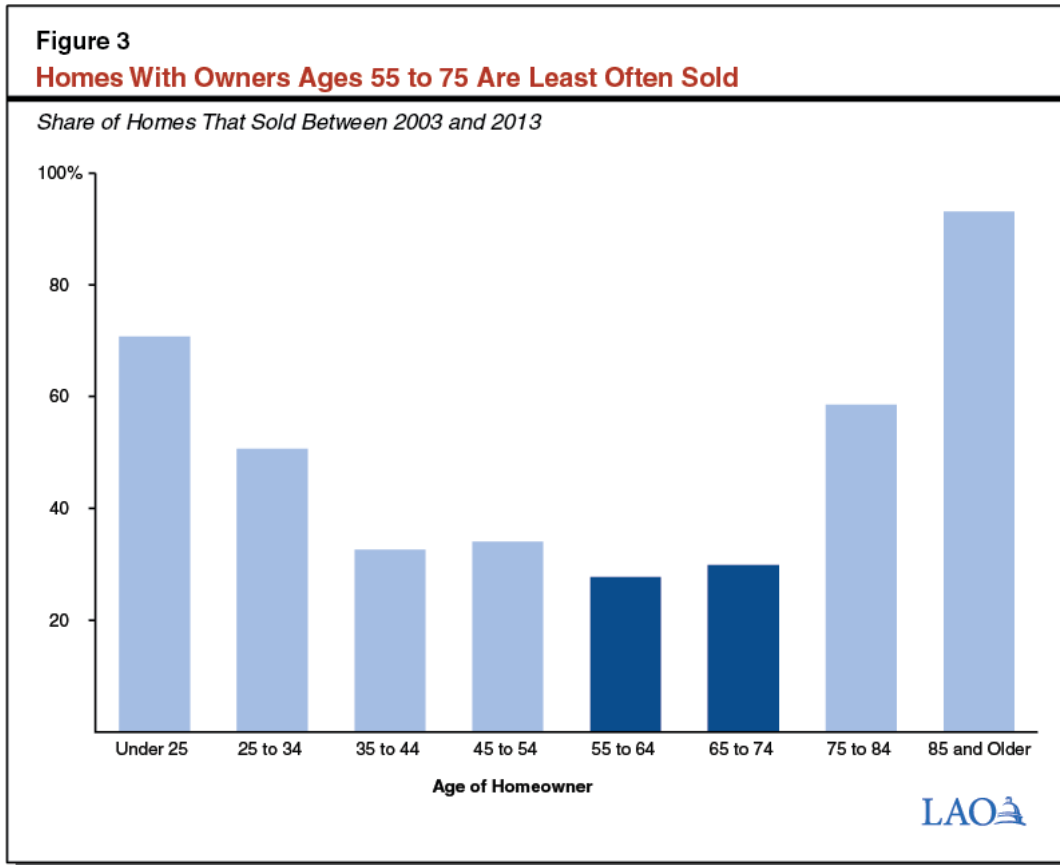
Past Declines in Property Turnover Have Depressed Property Tax Growth. Property turnover has been on a downward trajectory for many years—as can be seen in Figure 1. Because of the importance of turnover to property tax growth, this slowdown has depressed property tax growth. We previously discussed <http://lao.ca.gov/LAOEconTax/Article/Detail/215> how this depression of property tax growth has been evidenced by the fact that recent gains in home prices have translated into less new property taxes than in the past.



Aging Population Contributes to Falling Turnover. Several factors contribute to declining property turnover, including Proposition 13 <http://lao.ca.gov/Publications/Report/3497#Does_Proposition.A013_Reduce_Property_Turnover.3F> . Another major contributor is that the state’s homeowners are getting older. Figure 2 shows how the age composition of homeowners has changed in recent years. The share of homes owned by 55 to 75 year olds has been growing for several years, increasing from 31 percent in 2005 to 41 percent in 2015. At the same time, this share dropped from 46 percent to 38 percent for ages 35 to 55 and from 11 percent to 8 percent for those under 35.



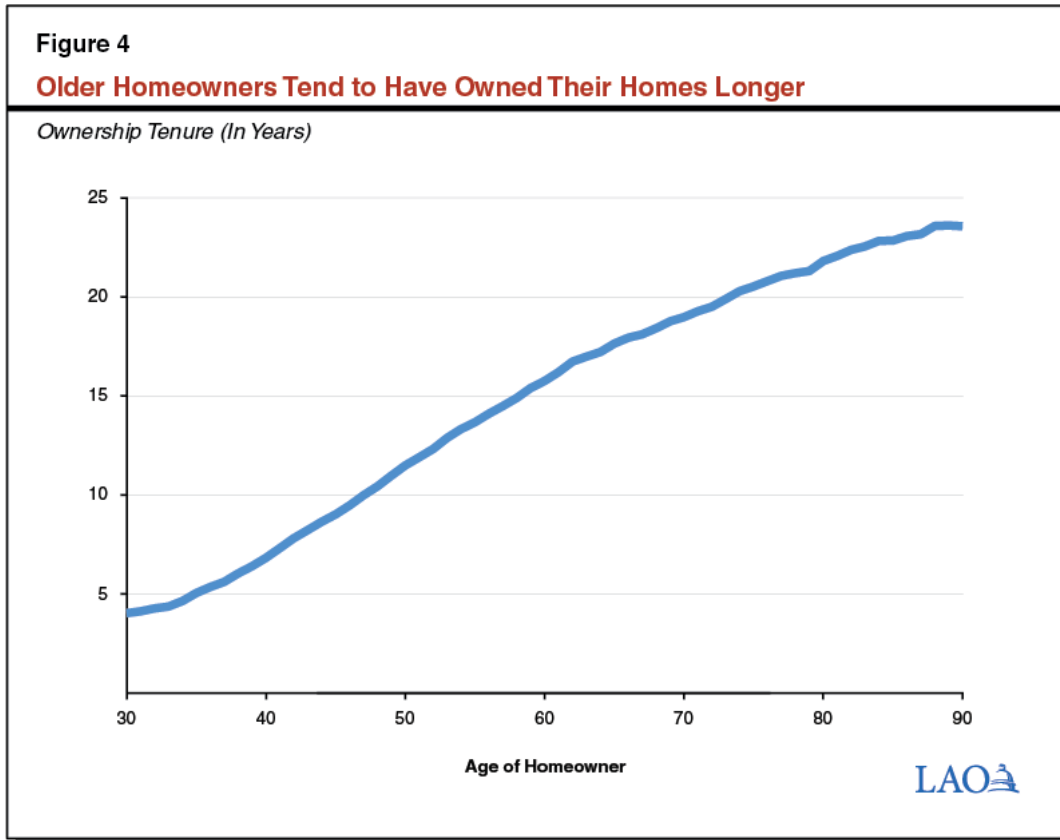
As Figure 3 shows, homeowners between ages 55 and 75 tend to be less likely to sell their homes than other homeowners, both younger and older. Because of this, as more and more homeowners fall into this age group, home sales have slowed.



Higher Turnover and Property Tax Growth Likely in Future

Home Sales Likely to Pick Up as Homeowners Get Older. Although the aging of California's homeowners has depressed home sales in past years, this pattern is likely to reverse in the future. As California's homeowners continue to age—transitioning from the 55 to 75 age group to the over 75 age group—more and more will begin to downsize, move into assisted living or with family, or die. When this occurs, home sales are likely to rise. Between 2003 and 2013, over two-thirds of homes in California with owners 75 or older were sold to a new owner, compared to less than one-third of homes with owners ages 55 to 75.

Older Homeowners Tend to Have Owned Their Homes Longer. Homeownership tenure tends to increase with age. Figure 4 demonstrates this relationship. The typical 25 to 35 year old homeowner has been in their home for about four and a half years. In contrast, the typical homeowner over 65 has been in their home for over 20 years. A consequence of this is that the aging of California's homeowners will not just increase turnover, it will increase turnover of homes that have not changed hands in many years.



Uptick in Sales by Long-Tenured Owners Would Accelerate Property Tax Growth. As discussed above, turnover of properties that have been owned for many years generates the greatest boost in property tax revenues. An increase in home sales by older homeowners therefore could mean a significant uptick in property tax revenues for local governments in coming years.

Potential for Future Property Tax Gains Vary Across Communities. Potential property tax gains from rising turnover among older homeowners will vary across communities. This variation will be based on two key factors (1) concentration of older homeowners and (2) past home price appreciation. Communities with higher concentrations of older homeowners generally will see a bump in property tax revenue. The extent of this effect, however, will depend on past home price appreciation in the community. The largest boost in revenues will come in communities where home prices have risen the most in past years. Where prices have not risen as sharply, revenue gains will be smaller.

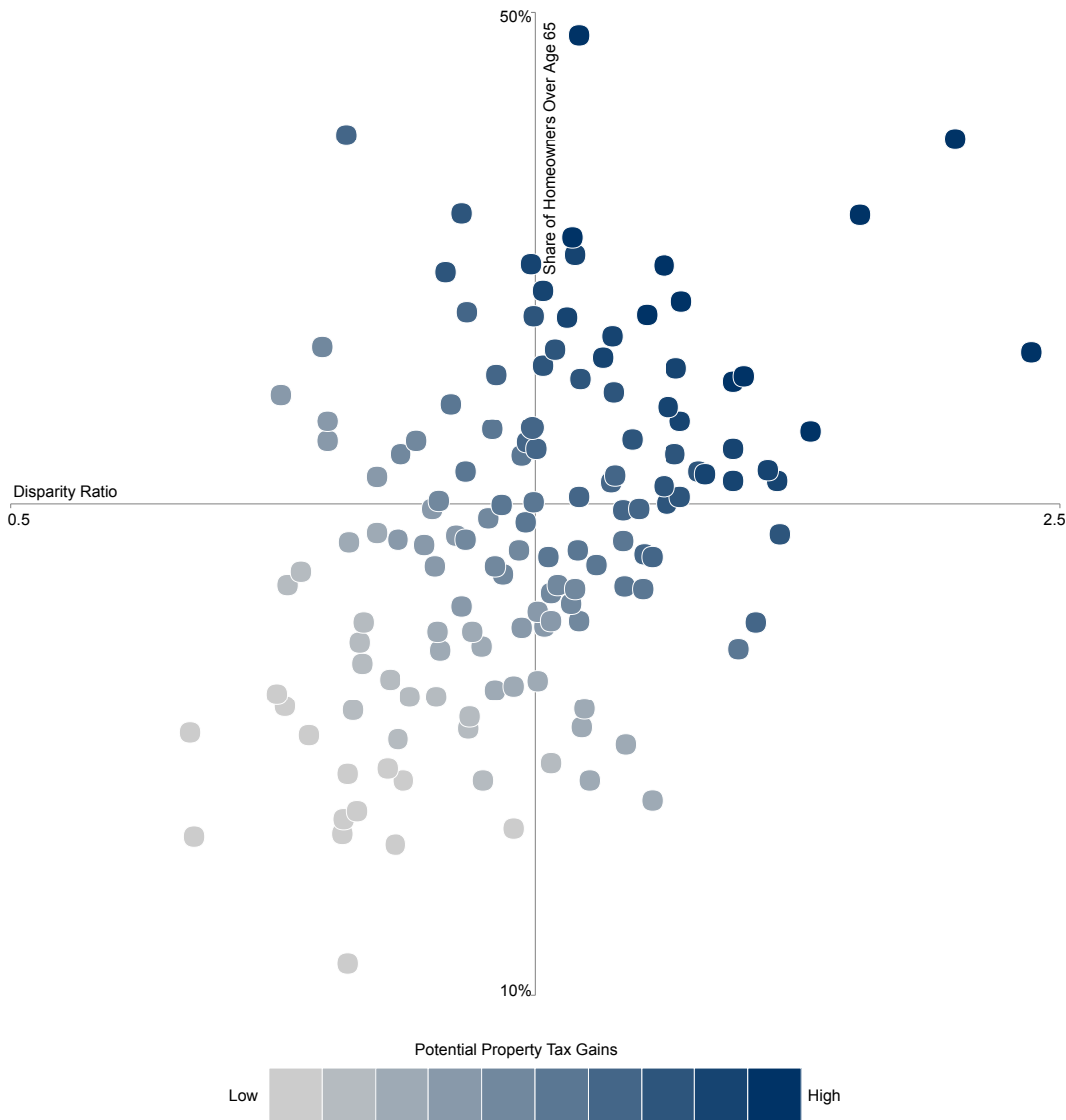
Examining Different Types of Communities. Figure 5 demonstrates how these factors drive future property tax growth potential and its variation across communities. The vertical axis plots the share of homeowners in each community who are over 65 years old, increasing from bottom to top. The horizontal axis shows the average disparity ratio for homes in each community, increasing from left to right. A disparity ratio is a property's market value divided by its taxable value. Disparity ratios provide a good measure of the extent to which past home price appreciation has driven a wedge between homes' taxable values and market values. The higher the value, the greater the wedge. The center of the graph (where the axes cross) represents the average of all the communities—30 percent of homeowners over 65 and a disparity ratio of 1.5.

Figure 5 (Interactive)

Potential Property Tax Gains From Sales By Older Homeowners Vary Across Cities

California Cities With Populations 60,000 or More, 2015

(Mouse Over Elements for More Information)



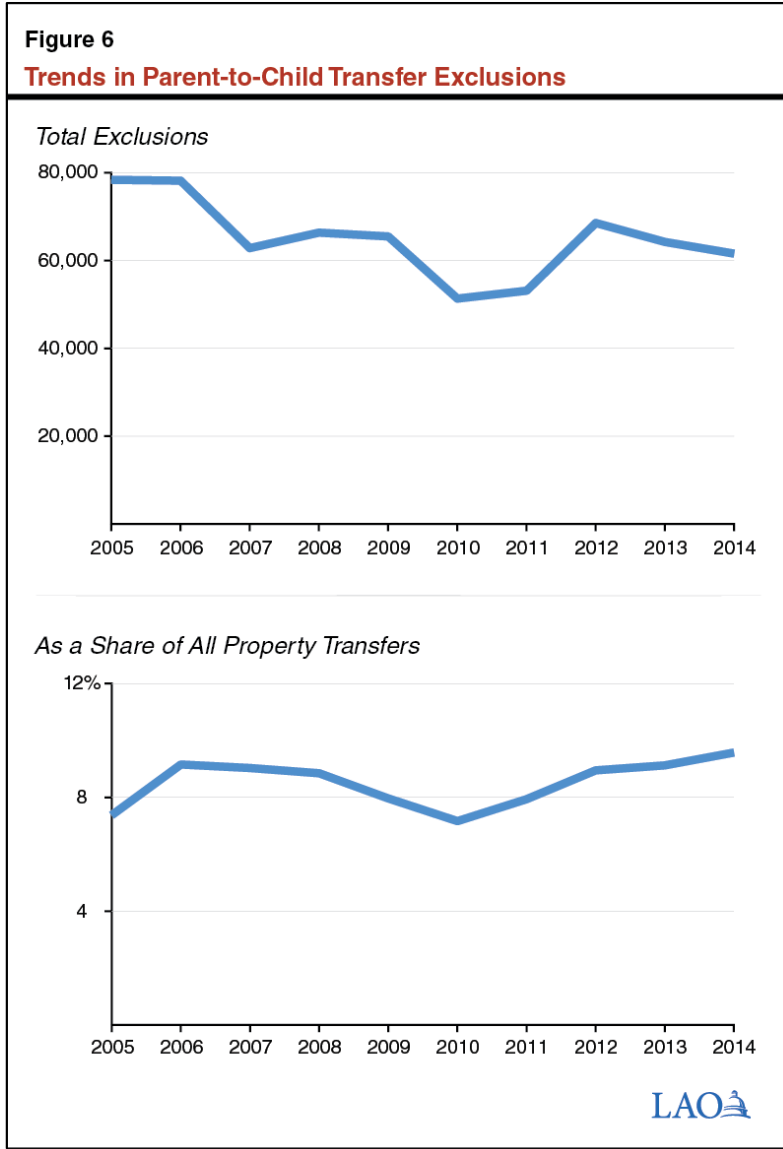
Each quadrant of the graph above demonstrates one of four general types of communities:

- **Top Right: Older Homeowners, Higher Home Price Growth.** Cities in this group—such as Palo Alto, Santa Barbara, and Walnut Creek—have both a high concentration of older homeowners and high past home price growth. These cities have the greatest potential for future revenues gains due to sales from older homeowners.
- **Top Left: Older Homeowners, Lower Home Price Growth.** Cities in this group—such as Hemet, Redding, and Richmond—have a significant amount of older homeowners but have experienced less home price growth in prior years. Potential revenues gains are more moderate for these cities.
- **Bottom Right: Younger Homeowners, Higher Home Price Growth.** Cities in this group—such as Lakewood, Mountain View, and Santa Clara—have experienced high home price growth but have fewer older homeowners. Potential revenues gain also are moderate for these cities.
- **Bottom Left: Younger Homeowners, Lower Home Price Growth.** Cities in this group—such as Fontana, Palmdale, and Perris—have fewer older homeowners and have experienced less home price growth. These cities have the least potential for revenue gains.

Use of Inheritance Exclusions Could Rise, Dampening Property Tax Growth

Different Rules Apply to Homes Passed From Parents to Children. In general, when a home is transferred to a new owner, its taxable value is reset to its purchase price. California voters, however, passed Proposition 58 in 1986, which amended the California Constitution to exempt transfers between parents and children (and later grandparents and grandchildren under certain circumstances under Proposition 193 [1996]) from revaluation. This allows a child to inherit their parent’s lower taxable property value.

Parent-to-Child Exclusions Have Had a Notable Impact on Revenues. Over the past decade, around 10 percent of property transfers have taken advantage of the parent-to-child exclusion to prevent an increase in property tax payments. Figure 6 shows how many of these exclusions have been used each year during the past decade.

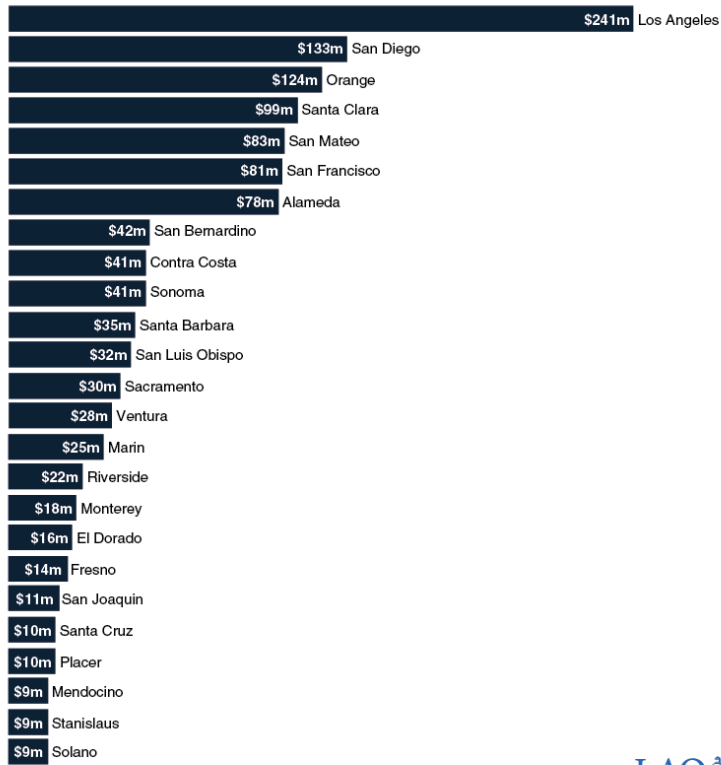


The widespread use of this exclusion has had a notable effect on local government property tax revenues. We estimate that in 2014-15 parent-to-child exclusions reduced statewide property tax revenues by around \$1.5 billion from what they would be in the absence of the exclusion. This is about 2.5 percent of total statewide property tax revenue. This share is higher in some counties, such as San Luis Obispo (7 percent), El Dorado (6 percent), Sonoma (6 percent), and Santa Barbara (5 percent). Figure 7 reports our estimates of these fiscal effects for the 25 counties where these effects are the largest.

Figure 7

Fiscal Effect of Parent-to-Child Exclusion

Estimated Reduction in Annual Property Taxes Due to Parent-to-Child Exclusion (In Millions), 2014-15

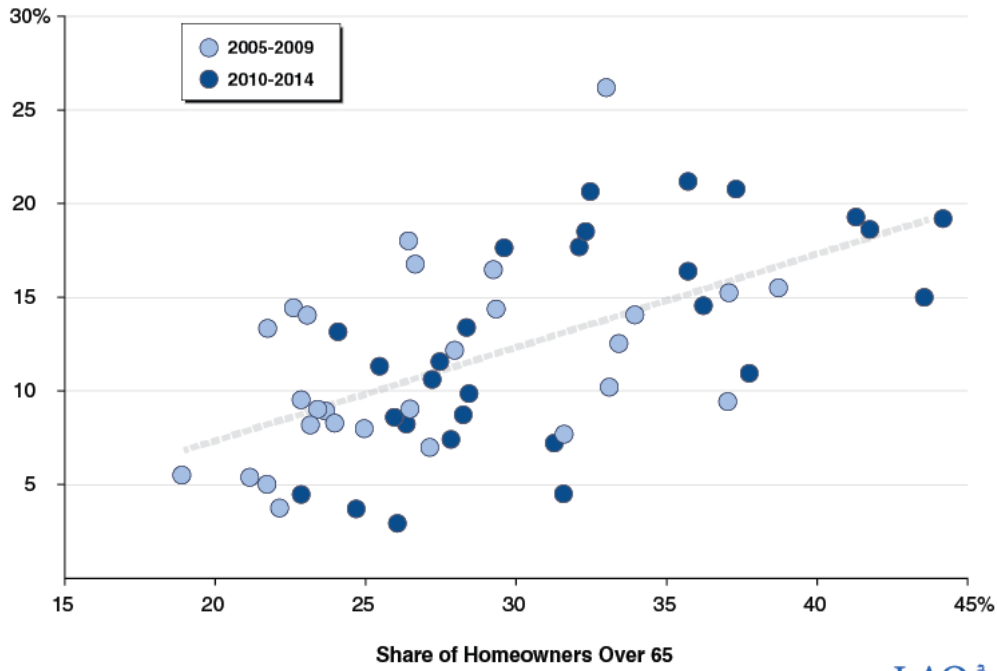


Increase in Parent-to-Child Exclusions Could Offset Future Property Tax Gains. It is likely the fiscal effect of this exclusion will grow in future years as California’s homeowners continue to age and look to transition their homes to their children. Recent experience supports this expectation. As Figure 8 shows, during the past decade counties that had more older homeowners also had more parent-to-child exclusions. This suggests a relationship between aging homeowners and parent-to-child exclusions. Should an uptick in exclusions occur, this could erode some of the potential future property tax gains expected from the continued aging of California’s homeowners.

Figure 8

Counties With More Older Homeowners Had More Parent-to-Child Exclusions

Share of Transfers That Were Parent-to-Child





HURST+BROOKS+ESPINOSA

This Week in Sacramento

INFORMATION & INSIGHTS FROM HURST BROOKS ESPINOSA ■ WEEK OF JUNE 26, 2017

Governor Signs 2017-18 Budget

With virtually no fanfare and – for the second straight year – no line-item vetoes, Governor Brown signed the 2017-18 budget bill (AB 97) and a number of accompanying trailer bills on June 27. In his budget signing statement, the Governor highlighted five key aspects of the budget: money to repair our roads and bridges, paying down debt, investment in schools, funding the earned income tax credit, and providing Medi-Cal health care for millions of Californians.

The Legislature took action on a second group of trailer bills this week, including passage of Governor’s plan (contained in SB 84) to make a supplemental \$6 billion contribution to CalPERS by borrowing funds from the state’s Surplus Money Investment Fund. In last week’s full Senate budget committee discussion, members expressed significant reservations about the proposal. However, the Senate managed to secure the necessary votes on the floor this week. The CalPERS borrowing plan represented a key feature of the budget’s overall architecture in the budget and subsequent fiscal years.

Starting on page 6, we have provided a detailed summary of the trailer bill provisions, with an indication of those that await the Governor’s action (“enrolled”) and those that require additional work on the part of the Legislature. It is our understanding that at least one trailer bill – that which would enact changes to the beverage container recycling program (the “bottle bill”) – will be taken up later this summer once the Legislature returns from its summer recess.

Heating Up: Cap-and-Trade and Housing Negotiations Underway

Today’s *Sacramento Bee* outlines [discussions](#) between the Governor and Legislature regarding extension of the state’s cap-and-trade program, which is set to expire in 2018. The Governor is seeking a two-thirds vote to extend the program and is reaching out to legislators, environmental groups, agriculture, business, and advocates from low-income communities to seek areas of common ground. Progressives, moderate Democrats, and Republicans are all in play as the Governor seeks a coalition of support for his signature policy issue. Assembly Member Jimmy Gomez is said to be leaving to take his congressional seat in Washington on July 11 and the Legislature leaves for

Worth Noting: Legislature’s Summer Schedule

Now that the budget is wrapped up, it’s time to take a look at remaining deadlines prior to the Legislature’s mid-September departure.

July 14 – Last day for policy committees to hear bills with a fiscal impact

July 21 – Last day for policy committees to hear non-fiscal bills

July 21 – Summer recess begins

August 21 – Legislature reconvenes

September 15 – Last day for each house to pass bills before the Fall interim

There’s lots of activity ahead; we will keep you apprised of major developments in the coming weeks.

summer recess on July 21. His vote would be key in reaching two-thirds threshold, so time is very tight for reaching an agreement.

Also, the Governor has reportedly committed to Assembly Member David Chiu to work on affordable housing, including a permanent funding source, streamlined processes for development, and a mechanism to hold local governments accountable for housing construction. Bills that may get a second look include Senator Toni Atkins' [SB 2](#), which would impose a \$75 fee on recorded real estate documents to fund affordable housing; [SB 35](#) by Senator Scott Weiner, which would impose a streamlined permit approval process for multifamily housing development; and [AB 71](#), by Assembly Member Chiu, which would eliminate the mortgage interest deduction on second homes and provide \$300 million for the Low-Income Housing Tax Credit Program. A great *LA Times* [article](#) this week outlines the challenges with planning for and building affordable housing in the state.

In related news, the California Supreme Court refused to hear an appeal challenging the constitutionality of the existing cap-and-trade program. A state appellate court ruled earlier this year that the state's cap-and-trade program did not impose a tax, and thus did not require a two-thirds vote. Check out the *San Francisco Chronicle* article [here](#).

Update on Hot Bills in the Capitol

We will continue to provide updates on measures of interest and import as we close in on the end of the legislative year. (If there are other "hot topics" you'd like us to include, send us a note.)

County Governance - [SCA 12](#), by Senator Tony Mendoza, would seek statewide voter approval to expand the number of supervisorial districts and create a directly elected county executive officer in counties with a population of 5 million or more after the 2020 census. Currently, only the County of Los Angeles would be subject to the measure's provisions, but SCA 12 would establish a gravely troubling precedent in that it would allow voters in all 58 counties to weigh in on matters that are strictly local in nature.

The proposed constitutional amendment contains an array of significantly problematic aspects, including rather specific provisions that, among other things, 1. Cap expenditures of the board and elected executive at the level budgeted in the year of the census that activates SCA 12's provisions 2. Tie the salary of the county executive to that of a superior court judge.

The Senate Elections and Constitutional Amendments Committee will consider the measure on July 12. Opponents to SCA 12 include CSAC, individual counties, various statewide county associations, labor groups, the NAACP, the Los Angeles Area Chamber of Commerce, among others. No organizations, officials, or individuals are listed in support of the measure.

Contracting Out for Counties - [AB 1250](#), by Assembly Member Reggie Jones-Sawyer, would impose nearly insurmountable conditions before counties could enter in to a personal services contract. As recently amended, AB 1250 applies only to county governments. In its application, AB 1250 would gravely hinder counties' ability offer targeted and effective service delivery, with wide-ranging implications affecting recidivism reduction and reentry efforts; health, mental health, and human services; public works; and animal care and control. CSAC's grassroots organizing [effort](#) has activated significant and diverse opposition. This week, targeted lobbying efforts continued to focus on members of the Senate Governance and Finance Committee, where the bill will be heard next Wednesday.

Small Cell Technology - [SB 649](#), by Senator Ben Hueso, seeks to establish a new, streamlined - and, from the local government perspective - extraordinarily problematic regulatory process for

small cell wireless facilities. After nearly 3 hours of contentious testimony and discussion in the Assembly Local Government Committee this week, the measure passed out with two no votes and one abstention. Although the author and proponents agreed to further amend the bill, the measure continues to inappropriately limit local government authority over regulating the right-of-way and imposing appropriate fees and charges. The bill's next stop is the Assembly Committee on Communications and Conveyance. In the meantime, local government groups – including CSAC, the League of Cities, and more than 100 individual cities and counties – will continue efforts to stop this measure.

Ball Reform – By way of background, two bail reform measures were introduced on the first day of the 2017 legislative year - [SB 10](#), by Senator Robert Hertzberg and [AB 42](#), by Assembly Member Rob Bonta. Senator Hertzberg's measure remains standing, but AB 42 failed to secure passage off the Assembly floor in late May. SB 10 is now set for hearing in the Assembly Public Safety Committee on July 11. The measure continues to contemplate major state and local workload and implementation costs – to the tune of hundreds of millions of dollars. Further, strident law enforcement and bail industry opposition remains, which presumably will have to be addressed in some fashion.

Parental Leave – [SB 63](#), by Senator Hannah Beth Jackson, would require employers, as specified, to provide up to 12 weeks of job-protected maternity and paternity leave. Senator Jackson carried a similar measure last year, which would have offered six weeks of job-protected parental leave. The Governor vetoed the 2016 bill and encouraged the author to pursue changes to the bill that would allow an employee and employer to pursue mediation prior to a lawsuit being brought. SB 63 does not appear to address that issue.

Proponents of SB 63 highlight broad familial and long-term developmental benefits associated with bonding. Opponents describe the difficult burdens that companies would be asked to shoulder, particularly in the small business sector. There are dozens of organizations lined up on both sides of SB 63, including a small number of counties in support. Opposing SB 63 are numerous business organizations, CSAC, and the League of California Cities, among others. The measure cleared the Assembly Judiciary Committee this week on a 9-1 vote; it awaits a hearing in the Assembly Appropriations Committee.

Single Payer Health Care - [SB 562](#), by Senator Ricardo Lara, the single payer health care measure, will not move this year following an announcement late last week by Assembly Speaker Anthony Rendon. Recall, of course, that SB 562 arrived in the Assembly with a very large price tag and no mechanism by which to pay for it. Speaker Rendon's [message](#) that accompanied his decision stated that while he supported the concept of single-payer health care, the bill was “woefully incomplete.” He went on to note that “even senators who voted for SB 562 noted there are potentially fatal flaws in the bill, including the fact it does not address many serious issues, such as financing, delivery of care, cost controls or the realities of needed action by the Trump administration and voters to make SB 562 a genuine piece of legislation.” The bill will remain parked in the Assembly Rules Committee for the foreseeable future. The backlash among single-payer proponents was swift and brutal; see this [Sacramento Bee article](#) for more.

MHSA Audit Approved

The Joint Legislative Audit Committee (JLAC) met on June 28 to consider over a dozen audit requests across a range of policy areas. In particular, we note JLAC's approval of an audit request advanced by Senator Jim Beall (D-San Jose) that would examine state and local implementation of Proposition 63, the Mental Health Services Act approved by voters in 2004.

The audit request, which was approved on consent without public discussion, directs JLAC to undertake all of the following:

- Review and evaluate the roles and responsibilities of the various state entities involved in MHPA implementation, including the Department of Health Care Services (DHCS), the Mental Health Services Oversight and Accountability Commission, the State Controller's Office, and any other relevant state entity;
- Review DHCS' MHPA allocation and position from the last five years and evaluate how the agency is using these funds in the MHPA implementation and oversight context;
- Identify and evaluate the process by which MHPA reversion amounts are calculated, communicated to affected and relevant entities, and returned to the state;
- Determine and analyze various details on reverted funds;
- Determine whether any MHPA funds have been used for any state general fund purposes in most recent five years;
- For three counties (to be determined), review and assess (1) local practices related to allocations, expenditures, and monitoring; (2) amounts of money subject to reversion and amounts actually reverted; (3) methodologies used to determine amount of MHPA funds are subject to reversion and process for reversion; (4) whether counties have expended funds otherwise subject to reversion and whether any reimbursement is owed to the state.

Appointees to Homeless Coordinating and Financing Council Announced

Governor Brown announced this week the appointees to the appointees to the **Homeless Coordinating and Financing Council** established under [SB 1380](#) (Mitchell, 2016). The Council is charged with overseeing the implementation of Housing First guidelines and regulations and to identify resources, benefits, and services that can be accessed to prevent and end homelessness. The Housing First approach prioritizes providing housing to people experiencing homelessness as a first step, *without* requiring pre-requisites or making it contingent upon receiving services. For more details on the appointees, see the Governor's press release [here](#).

The Future of the Affordable Care Act

Senate Republican Majority Leader Mitch McConnell delayed the vote on the "Better Care Reconciliation Act" (BCRA), the Senate measure to change the Affordable Care Act and reduce Medicaid funding, until after the July recess. Senate leadership remains focused on negotiating amendments with Senate Republicans, with amendments being submitted to the Congressional Budget Office (CBO) for additional scoring.

The initial CBO [score](#) of the BCRA was released on Monday. The CBO estimates that the Senate bill will increase the number of people who are uninsured by 22 million in 2026 (compared to current law). The CBO anticipates the number of uninsured nationally would be 49 million by 2026 compared with 28 million under current law. Additionally, the CBO estimates that enacting the BCRA would reduce the federal deficit by \$321 billion from 2017-2026, which is \$202 billion more in estimated savings than the House version, the American Health Care Act.

The following is an overview of the cumulative costs and savings under the BCRA:

- \$772 billion reduction to Medicaid
- \$408 billion reduction to subsidies for nongroup health insurance
- \$107 billion in increased funding to states and insurers to reduce premiums and for other purposes

- \$210 billion cost from reduced collections of penalty payments from employers and uninsured people
- \$541 billion cost from delay or repeal of various tax provisions of the ACA.

Senator Ron Wyden (D-OR) requested that the CBO provide the longer-term analysis of the BCRA that was released yesterday. The CBO released an updated cost [estimate](#) yesterday focused solely on the long-term effects to Medicaid. By 2036, the new analysis says, federal spending on Medicaid would be 35 percent less under the current law, compared with a 26 percent decrease in the first decade.

Amendments remain under discussion; the media is reporting a \$45 billion fund to address opioid dependence, which is an increase of \$43 billion over what was proposed in the draft released last week. The California Department of Health Care Services and Department of Finance updated their March analysis of the impact of the federal health changes, accounting for the BCRA details, and are estimating that the Senate measure will cost California \$30 billion annually by 2027. Their analysis estimates the BCRA will add nearly \$3 billion in state costs in 2020, with the annual state cost growing to \$30.3 billion by 2027. The cumulative cost from 2020 through 2027 would total approximately \$114.6 billion, with a \$92.4 billion impact to the state’s General Fund. DHCS’s statement can be found [here](#). A *California Healthline* [article](#) also outlines anticipated impacts to our state.

Upcoming Hearings of Interest

Policy bills and budget issues of interest scheduled for hearing next week include the following:

Date	Committee(s)	Topic
Wednesday, July 5	Joint Legislative Committee on Climate Change Policies	<i>Informational Hearing</i> AB 197 (E. Garcia, 2016) – State Air Resources Board: greenhouse gases: regulations
	Assembly Utilities and Energy Committee	SB 100 (De León) – California Renewables Portfolio Standard Program: emissions of greenhouse gases
	Senate Governance and Finance Committee	AB 1250 (Jones-Sawyer) – Counties: personal services contracts
	Assembly Judiciary Committee	SB 54 (De León) – Law enforcement data sharing

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 | eh@hbeadvocacy.com

2017-18 Budget Bill and Trailer Bills – As of June 30, 2017

Unless noted otherwise in **RED**, the budget bill and trailer bills have been signed into law.

Bill No.	Topic	Summary of main provisions
AB 97	2017-18 Budget Bill	Main 2017-18 budget bill.
AB 98	Supplemental 2016-17 Budget Appropriations	<p>Makes supplemental appropriations for 2016-17 budget totaling \$1.157 billion, including:</p> <ul style="list-style-type: none"> ▪ \$1.142 billion to Department of Health Care Services for unanticipated costs and a miscalculation associated with the Coordinated Care Initiative ▪ \$14.8 million to the California Department of Corrections and Rehabilitation budget associated with 1) Prison Industry Authority janitorial costs and 2) population and pharmacy costs ▪ \$29,000 to the Counties of Lassen and Mariposa associated with homicide trial reimbursement ▪ Provides \$2.2 billion in discretionary funds, including \$1.4 billion toward the Local Control Funding Formula, taking it to 90% of full implementation ▪ Enacts various changes related to child care programs, including: <ul style="list-style-type: none"> ○ Increasing the standard reimbursement rate for providers who contract with the Department of Education and authorizing future cost-of-living adjustments ○ Updates the regional market rate, which is the reimbursement for providers who accept vouchers, to the 75th percentile ○ Amends income eligibility rules to use the most recent calculation of state median income based on census data and adjusted for family size for determining initial and ongoing eligibility for subsidized child care services. In addition, specifies that families who meet eligibility and need requirements for subsidized child care services shall receive services for not less than 12 months and makes related changes ○ Updates, effective, July 1, 2017, of the 2016 RMR survey. This includes a temporary hold harmless provision so no provider receives less in 2017-18 than it receives under current rates ○ Authorizes the Department of Education, in addition to the Department of Social Services, to enter into a contract with the California Child Care Resource and Referral Network to administer trustline program duties. ○ Conforms the state’s definition of “homeless” child or youth with that used by the federal government and authorizes child care providers to use digital forms. ▪ Makes various other K-12 related investments across a range of programs
AB 99	K-12 Education Omnibus	<ul style="list-style-type: none"> ▪ Contains provisions reforming the State Board of Equalization and establishing the Department of Tax and Fee Administration within the Governmental Operations Agency and the Office of Tax Appeals, including: <ul style="list-style-type: none"> ○ Transferring employees, duties, and responsibilities of the State Board of Equalization to the new Department of Tax and Fee Administration, with the exception of tax appeals, assessment of state-assessed property, insurance tax administration, alcoholic beverage excise tax administration, and – for the 2018-19 fiscal year only – the adjustment of the rate of the motor vehicle fuel tax.
AB 102	State Administration (Board of Equalization reforms)	

Bill No.	Topic	Summary of main provisions
		<ul style="list-style-type: none"> ○ Limiting board members to two offices – Sacramento and one district office – and board members are limited to hire two non-civil service employees and civil service employees to the extent resources are available in the budget. ○ Authorizing the Board to hire an executive director, but individual board members have no authority to appoint, remove, discipline, assign, reassign, promote, demote, or issue orders to any employee of the board. ○ Prohibiting board members from modifying or approving a budget change proposal for the BOE or the Department and interfering with the BOE’s or Department’s legislative analyses, revenue analyses, or any other technical assistance requested by the Governor or Legislature. ○ Limiting Board member’s procurement to the Department of General Services. ○ Establishing “revolving door” limitations on Board members and their staff for issues before the BOE. ○ Restricting <i>ex-parte</i> communications with board members in the same manner as state administrative proceedings. ○ Authorizing the appointment of tax appeals panels consisting of three administrative law judges. ○ Establishing offices in Sacramento, Fresno, and Los Angeles. ○ Establishing “revolving door” limitations on Board members and staff for issues before the Office of Tax Appeals.
AB 103	Public Safety	<ul style="list-style-type: none"> ▪ Appropriates \$5M for purposes of establishing the Office of Tax Appeals. <p>Immigration-related provisions</p> <ul style="list-style-type: none"> ▪ Prohibits cities, counties, a city and county, and any local law enforcement entity – on or after June 15, 2017 – from entering into a new or expanding an existing contract with a federal immigration agencies for either detained undocumented youth or adults. <i>Note – Extensions of existing contracts that do not otherwise expand the number of beds would not be affected by this language.</i> ▪ Grants the Attorney General – through July 1, 2027 – broad oversight authority over locked local facilities (public or private) that detain undocumented immigrants <p>Jail visitation</p> <ul style="list-style-type: none"> ▪ Prospectively prohibits county jails from providing video only visitation (instead of in-person visitation). Grandfathers in existing facilities, including those that had already eliminated in-person visitation prior to January 1, 2017 and facilities currently under construction. ▪ Makes various changes regarding charging fees for video visitation, by expressly (1) prohibiting all counties from charging for video visitation offered and (2) preventing counties that only offer video visitation from charging for the first hour of offsite, remote visitation per week. ▪ Requires the Board of State and Community Corrections to begin collecting specified information on visitation practices as part of regular biennial inspections in order to ensure compliance with the new visitation requirements.

	<p>Consolidation of existing probation provisions</p> <ul style="list-style-type: none"> ▪ Enacts intent language articulating the role and significance of probation in the local criminal justice system. ▪ Reorganizes and centralizes into the Government Code provisions associated with the role, duties, and functions of probation departments. ▪ Prohibits the functions and duties of probation departments from being consolidated or reorganized into any other office or department in the county. ▪ Makes other clarifying changes regarding the roles and responsibilities of county chief probation officers. <p>Drivers' License Suspension</p> <ul style="list-style-type: none"> ▪ Eliminates the ability to suspend or impose a hold on a driver's license as a sanction for an individual's failure to pay court-ordered fines and fees; the authority to hold or suspend a license would remain for a person's failure to appear in court. <p>Judgeship Transfer</p> <ul style="list-style-type: none"> ▪ Executes the redistribution of four vacant superior court judgeships, sending two each from the courts in the Counties of Alameda and Santa Clara to the courts in the Counties of Riverside and San Bernardino. <p>Other court-related provisions</p> <ul style="list-style-type: none"> ▪ Authorizes the transfer of the old San Diego courthouse property from the state to the county, in exchange for the county assuming responsibility for demolishing the courthouse and building a tunnel to transfer inmates from the county jail to the new courthouse. Additionally, prohibits the relinquished state property from being used for either a new detention facility or to expand an existing detention facility. ▪ Establishes that 25 percent of any residuals from a class action lawsuit be deposited in the Equal Access Fund to provide legal services and that 25 percent be provided for collaborative court grants or grants for the Sargent Shriver Civil Counsel program. ▪ Requires that the trial courts' electronic filing system meet all state and federal laws requiring that systems be accessible to people with disabilities. <p>Department of State Hospital provisions</p> <ul style="list-style-type: none"> ▪ Authorizes the Department of State Hospitals to establish an Admission, Evaluation and Stabilization Center in the Kern County Jail to provide mental health competency services and treatment to people who have been deemed incompetent to stand trial. ▪ Adjusts the terms of commitment for people found not guilty by reason of insanity, consistent with the changes included in Propositions 36 and 47. <p>BSCC reporting duties</p> <ul style="list-style-type: none"> ▪ Requires the Board of State and Community Corrections (BSCC) to post its public website the biennial audit reports on county jails and juvenile detention facilities. ▪ Requests that BSCC include in the quarterly jail survey the maximum number of beds a county jail is leasing to the federal government, the current occupancy, and the entity to which the beds are being leased.
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Bill No.	Topic	Summary of main provisions
		<p>Firearm provisions</p> <ul style="list-style-type: none"> Establishes a state prohibition against owning, purchasing, receiving, possessing, or having under his or her custody or control a firearm or ammunition if that person has a current felony warrant or a prohibiting misdemeanor warrant, consistent with current law. Extends the deadline for the registration of a semiautomatic firearm that does not have a fixed magazine by six months.
<p>AB 107</p>	<p>Developmental Services</p>	<ul style="list-style-type: none"> Requires that housing developed on the grounds of the Fairview Developmental Center to first be available for individuals with developmental disabilities receiving services from a regional center, and then to individuals in need of affordable housing. Requires the internal process to ensure that the individualized family service planning team for infants and toddlers eligible under the California Early Intervention Services Act may determine that a medical service identified in the individualized family service plan is not available through the family's private health insurance policy or health care service plan and therefore will be funded by the regional center. Requires the annual performance objectives included in regional center contracts to measure progress, and report outcomes, in implementing the Employment First Policy. Provides that the rate for vouchered community-based training service shall not exceed \$14.99 per hour and that the rate for supported employment services provided to consumers receiving individualized services and for group services is \$36.57 per hour. Requires the department to convene a working group, as specified, to consider simplified processes for providers seeking rate adjustments under certain conditions, and submit report to the Legislature. Requires the department, subject to available funding, to allocate funding to community-based organizations to assist with promoting equity and reducing disparities. Commencing 7/1/17, and until 12/31/20, requires the department to provide quarterly updates to the appropriate policy and fiscal committees of the Legislature on the providing access to crisis services after the closure of a developmental center. Requires the transition process or transition plan for those facilities to be based upon the individual's needs, developed through the individual program plan process, and to ensure that needed services and supports will be in place at the time the individual moves. Requires the department to establish guidelines for using community placement plan funds appropriated through the budget process for community resource development to address the needs for services and supports of developmental services consumers living in the community. Specifically authorizes the department to allocate funds from the Program Development Fund, to the extent appropriated for that purpose in the annual Budget Act, to fund community resource development projects approved pursuant to the bill, as specified. Appropriates \$5.6 million from the General Fund to the DDS for the purposes of carrying out the provisions related to developing community resources.

Bill No.	Topic	Summary of main provisions
AB 111	General Government	<p>Makes a number of technical changes necessary to implement the 2017-18 state budget, including:</p> <ul style="list-style-type: none"> ▪ Adjusts filing fees for applications for school construction or modification. ▪ Provides statutory authority for state agencies that receive federal tax information to require background checks of employees and contractors as per new IRS rules. ▪ Authorizes the Military Department to use design-build contracts for specified public works projects. ▪ Allows the Department of Housing and Community Development (HCD) to spend up to 10 percent of federal funds received through the National Housing Trust Fund for administrative expenses for the management of those funds. ▪ Expands the acceptable use of funds available for community-based transitional housing to include services for residents. ▪ Eliminates the Fiscal Recovery Fund, designated for the Economic Recovery Bonds, which have been retired, and deposit remaining resources into the General Fund.
AB 114 (2/3 vote) Enrolled	Proposition 63 (MHSA) and California Health Benefits Review Program	<p>Umbilical Cord Blood Collection Program Extends the sunset date for the Umbilical Cord Blood Collection Program at the University of California (UC) by three years, to January 1, 2023 and makes other changes.</p> <p>California Health Benefits Review Program Extends the sunset date and associated fees for the California Health Benefits Review Program (CHBRP) to July 1, 2020. CHBRP assesses legislation that proposes a health insurance mandated benefit or service and prepares a written analysis for Legislative committees.</p> <p>Mental Health Services Act Fiscal Reversion Implements improvements and additional transparency to the process for reversion of unspent Mental Health Services Act funds from counties after three years, as follows:</p> <ul style="list-style-type: none"> ▪ Holds counties harmless for reversion prior to 2017-18, with funds reallocated to the counties of origin for the originally allocated purposes (e.g. prevention and early intervention, or innovative programs). ▪ By July 1, 2018, requires DHCS and counties to report on the amounts owed prior to 2017-18 and requires counties to submit a plan to spend these funds by July 1, 2020. ▪ Extends reversion period from three to five years for small counties (population under 200,000). ▪ Requires DHCS to annually post by each October 1, the amount of each county's funds subject to reversion and when the funds will revert. ▪ After July 1, 2017, requires reverted funds be reallocated to other counties for the purposes originally allocated (e.g. prevention and early intervention, or innovative programs). ▪ Upon approval of an innovation plan by the Mental Health Services Oversight and Accountability Commission, allows funds allocated for innovative programs to re-start the three-year period, after which the funds would be subject to reversion (five-year period for small counties).
AB 115	Transportation	<p>Makes a number of statutory changes to implement the transportation components of the 2017-18 state budget, including:</p>

Bill No.	Topic	Summary of main provisions
		<ul style="list-style-type: none"> ▪ Authorizes the use of expedited project delivery methodologies for purposes of SB 132 projects. ▪ Requires surplus residential property acquired as part of the State Route 710 project to be assessed at the sale price when sold at a reasonable price. ▪ Authorizes the California Transportation Commission to approve "Letters of No Prejudice" that would provide project sponsors with the ability to initiate projects with their own resources prior to the year in which they would have received state funding that had been awarded. ▪ Facilitates the state's compliance with the Federal Driver License and Identification Card Conformity requirements.
AB 117 / SB 102 Action expected later this summer	Bottle Bill Reforms	<p>This measure offers a short-term solution to the beverage container recycling program, but was not taken up as part of budget package. It is expected to be acted on later this summer.</p>
AB 118 / SB 103 Awaiting final action	Transportation: advance mitigation: trade corridor improvements	<ul style="list-style-type: none"> ▪ Creates the Advance Mitigation Account in the State Transportation Fund as a revolving fund. Expenditures from the account will be reimbursed from the funding available at the time a planned transportation project is constructed. ▪ Authorizes the Department of Transportation to implement the Advance Mitigation Program to purchase, or fund the purchase of, credits from mitigation banks, conservation banks, or in-lieu fee programs. Mitigation credits will be used to fulfill the mitigation requirements of planned transportation improvements. ▪ Repeals limits on the Department of Fish and Wildlife's authority to approve a regional conservation investment strategy. ▪ Deletes references to the Trade Corridors Improvement Fund and instead makes them available to the Trade Corridor Enhancement Account. The California Transportation Commission is required to allocate 60% of available funds to projects nominated by regional transportation agencies and other local agencies, with the remaining 40% allocated to projects nominated by Department of Transportation.
AB 119	General Government III	<p>Mandatory Orientation</p> <ul style="list-style-type: none"> ▪ Requires public employers to provide the exclusive representative of its employees' mandatory access to its new employee orientations. ▪ Public employers include counties, cities and counties, cities and counties, cities, special districts, state, schools, higher education, courts, transit agencies. ▪ Defines new employee orientation as the onboarding process, whether in person, online, or through other means, pursuant to which new public employees are advised of their employment status, rights, benefits, duties, and responsibilities, or any other employment-related matters. ▪ Requires that an exclusive representative receive not less than 10 days' notice in advance of an orientation, except as specified. ▪ Requires the structure, time, and manner of exclusive representative access to be determined through mutual agreement between the employer and the exclusive representative. Failure to reach agreement on the structure, time and manner of access would be subject to compulsory interest arbitration. The bill would

Bill No.	Topic	Summary of main provisions
		<p>require the costs of arbitration to be shared, except in cases in which the public employer objects to the procedure and requests an alternative arbitrator, as specified. Includes detailed arbitration provisions, including criteria for the arbitrator to consider.</p> <ul style="list-style-type: none"> ▪ Allows existing MOUs or collective bargaining agreements to be reopened solely for the purpose of negotiating re: new employee orientation. ▪ Requires an affected public employer to provide the exclusive representative with the name, job title, department, work location, work, home, and personal cellular telephone numbers, personal email addresses on file with the employer, and home address of newly hired employees within 30 days of hire or by the first pay period of the month following hire. ▪ Requires affected public employers to provide the exclusive representative with this information for all employees in the bargaining unit at least every 120 days, except as specified. Exempts this information from certain provisions regarding the privacy of public records. ▪ Permits an agreement between a public employer and an exclusive representative that provides for orientations that vary from the bill's requirements for orientations, but in the absence of an agreement on orientations, the bill's requirements would apply. ▪ Grants the Public Employment Relations Board jurisdiction over a violation of these provisions, except as provided for Los Angeles County and the City of Los Angeles. ▪ Provides that its provisions are severable. <p>California Public Records Act (PRA)</p> <ul style="list-style-type: none"> ▪ Prohibits the PRA from being construed to limit the public's right to access the content of an employee's personal email that is used to conduct public business, as specified. ▪ Requires copies of personal email addresses of IHSS providers to be made available to an exclusive bargaining agent and to any labor organization seeking representation rights. <p>California Secure Choice Retirement Savings Program</p> <ul style="list-style-type: none"> ▪ Revises the requirements for opening the California Secure Choice Retirement Savings Program. <p>CEQA</p> <ul style="list-style-type: none"> ▪ Exempts actions, approvals, or authorizations provided by the State Public Works Board or the Department of Finance regarding bond issuances, capital outlay projects, or real estate transactions, as defined, from compliance with CEQA. <p>Pawnbrokers</p> <ul style="list-style-type: none"> ▪ Enacts various provisions relating to pawnbrokers <p>Franchise Tax Board</p> <ul style="list-style-type: none"> ▪ Beginning on or after January 1, 2017, authorizes an extension for no more than 7 months for a partnership ▪ Declares the intent of the Legislature with respect to a partnership filing an income tax return for the 2016 taxable year, as provided.

Bill No.	Topic	Summary of main provisions
		<p>No Place Like Home</p> <ul style="list-style-type: none"> Requires the state to covenant with the Mental Health Services Act bondholders that it will not alter, amend, or restrict provisions requiring the deposit of the revenues derived from the additional tax imposed under the MHSA into the Mental Health Services Fund in any manner adverse to the interests of those bondholders, as specified. <p>State Project Infrastructure Fund</p> <ul style="list-style-type: none"> Reduces the amount of money transferred to the State Project Infrastructure Fund from \$1.3 billion to \$1 billion and eliminates the requirement that \$300 million be transferred on or after July 1, 2017. Transfers \$851.2 million from the \$1 billion previously transferred to the State Project Infrastructure Fund, to the General Fund and would require the amount transferred into the General Fund to be accounted for in the 2016–17 fiscal year.
<p>AB 120</p>	<p>Budget Bill Jr.</p>	<p>Amends the Budget Act of 2017 (AB 97) to make additional adjustments to three specific budget items:</p> <ul style="list-style-type: none"> Provides that \$546 million of the \$1.3 billion in Proposition 56 revenues be used for Medi-Cal provider rate increases, as follows: 1) \$325 million for Medi-Cal physician rate increases; 2) \$140 million for Medi-Cal dental provider rate increases; 3) \$50 million to restore the 10% cut to provider rates for Family PACT providers and provide and increase in rates that were frozen for over a decade; 4) \$27 million for rate increases for Intermediate Care Facilities-Developmentally Disabled (ICF-DD); 5) \$4 million for HIV/AIDS rate increases. The remaining \$754 million would be used for existing Medi-Cal costs and offset General Fund expenditures. Requires the Department of Health Care Services to develop the structure of these payments and post those parameters by July 31, 2017. Allows Department of Finance (DOF) to increase provider payments up to a total of \$800 million for 2018-19 if the state's fiscal condition allows for it; DOF will provide updates in January and May on the state's fiscal condition.
<p>AB 121 / SB 106 Awaiting final action</p>	<p>General Government IV</p>	<p>Contains provisions associated with the Community Development Block Grants (CDBG), the California Workforce Investment Board, and the Earned Income Tax Credit (EITC), including:</p> <ul style="list-style-type: none"> Stating the intent of the Legislature to prioritize housing and economic development investments within the CDBG program and rapidly deploy grant funds accordingly. Requires the Department of Housing and Community Development to report to the Legislature by June 30, 2018 on ways to improve its administrative processes to improve deployment of grant funds. Ensures that unexpended funds due to insufficient qualified applications are re-awarded to other qualifying projects and programs. Also for purposes of the Small Cities Community Development Block Grant, requires HCD to remove impediments and streamline access to local agencies for funds to assist with local economic development efforts, including making information available on HCD's website and training program staff.

Bill No.	Topic	Summary of main provisions
		<ul style="list-style-type: none"> Directs the California Workforce Investment Board to ensure that grant funding is available to local agencies and non-profits (serving as lead applicant or in partnership with other agencies and organizations). Partnerships are intended to be designed to effectively deliver the services specified by the grant to meet the needs of the "supervised" population (i.e. those on parole, probation, or post-release community supervision). Expands California's Earned Income Tax Credit (EITC) to those who are self-employed and meet new income eligibility criteria.
<p>AB 126 / SB 111 Awaiting final action</p>	<p>Health and Human Services</p>	<ul style="list-style-type: none"> Contains provisions to conform the Nursing Facility/Acute Hospital Transition and Diversion (NF/AH) Waiver to statutory changes made in AB 113/SB 97 of the 2017-18 legislative session that authorize the Director of the Department of Health Care Services to seek additional increases in the scope of the waiver. Authorizes certain providers participating in the NF/AH Waiver or the In-Home Operations Waiver programs to work up to 12 hours per day and 360 hours per month. Delays the repeal of restrictions on purchase of respite services (included in AB 107 of the 2017-18 regular session) until January 1, 2018. This provision corrects an error in the previously approved trailer bill.
<p>SB 84 Enrolled</p>	<p>General Government V</p>	<p>Contains provisions authorizing the \$6 billion supplemental payment to CalPERS, as proposed by the Governor in the May Revision.</p>
<p>SB 85</p>	<p>Higher Education</p>	<p>Makes various statutory changes necessary to implement the postsecondary education-related provisions of the budget, including:</p> <ul style="list-style-type: none"> \$2.5 million in one-time Proposition 98 funding to create the "Hunger-Free Campus" program, which incentivizes UC, CSU, and community college campuses to develop programs to reduce food insecurity among students. \$5 million one-time Proposition 98 General Fund to the California Community College Board of Governors to support veterans resource centers as well as \$2 million in one-time to fund Norco Community College to expand the veterans resource center and establish a program to award course credit for military experience. \$4.5 million one-time Proposition 98 General Fund to support mental health services and training at community college campuses. \$8 million one-time Proposition 98 General Fund to the California Community College Chancellor's Office to support grants to colleges in high unemployment areas, with a view toward accelerating workforce development. Establishment of the Chancellor's Higher Education Innovation Awards Program, which awards grants to colleges that seek innovations to improve success for students who are underrepresented in higher education, targets former or current members of the Armed Forces, current or formerly incarcerated adults, underemployed adults and programs that incorporate technology to improve instruction and support services.
<p>SB 88 Enrolled</p>	<p>State government</p>	<ul style="list-style-type: none"> Adds personal email addresses to the list of information to be made available to an exclusive bargaining agent and to any labor organization seeking representation rights.

Bill No.	Topic	Summary of main provisions
		<ul style="list-style-type: none"> ▪ Authorizes the Department of General Services to enter into agreement with the Capitol Area Development Authority (CADA) under which CADA will be responsible for developing a parking structure and retail space that is located on R Street in the City of Sacramento
SB 89	Human Services	<p>CalWORKs</p> <ul style="list-style-type: none"> ▪ Allows additional flexibility for CalWORKs mental health and substance use disorder treatment services, including serving children of CalWORKs recipients and allowing community-based providers to provide evaluations. ▪ Creates the CalWORKs Educational Opportunity and Attainment Program to provide CalWORKs recipients with a one-time education incentive award of \$100 for completion of a high school diploma or its equivalent. Additionally, authorizes a CalWORKs recipient to apply to receive a one-time education stipend totaling \$1,000 for enrollment in an education or training program leading to a career technical education program certificate, an associate's degree, or a bachelor's degree. ▪ Requires Department of Social Services (DSS) by July 1, 2019, to establish the California CalWORKs Outcomes and Accountability Review (Cal-OAR) to facilitate a local accountability system. ▪ Expands the use of the funds deposited in the family support account of the Local Revenue Fund (1991 Realignment) to the CalWORKs single allocation, in addition to CalWORKs grants. ▪ Requires DSS to work with representatives of county human services agencies and the County Welfare Directors Association to develop recommendations for revising the methodology used for development of the CalWORKs single allocation annual budget. ▪ Requires DSS to implement and maintain an automated, nonbiometric identity verification method for the CalWORKs program to replace the Statewide Fingerprint Imaging System. <p>Child Welfare Services</p> <ul style="list-style-type: none"> ▪ Requires DSS, in consultation with DHCS, contract for child psychiatry services to complete a record review for all authorization requests for psychotropic medications for which a second opinion review is requested by a county. ▪ Makes various changes to the Approved Relative Caregiver Funding Option Program (ARC), consistent with implementation of Continuum of Care Reform. ▪ Makes various changes to the Tribal Approved Relative Caregiver Funding Option Program ▪ Commencing January 1, 2018, establish the Emergency Child Care Bridge Program for Foster Children. ▪ Requires DSS to develop curriculum for case management workers and foster care providers that addresses certain topics related to sexual and reproductive health care in order to prevent unintended pregnancies among foster youth. <p>CalFresh</p> <ul style="list-style-type: none"> ▪ Makes various changes to state participation in the able-bodied without dependents (ABAWD) CalFresh federal waiver, including removing the ability of a county board of supervisors to opt out of accepting a federal waiver.

Bill No.	Topic	Summary of main provisions
		<ul style="list-style-type: none"> ▪ Creates the Safe Drinking Water Supplemental Benefit Pilot Program to provide time-limited additional CalFresh nutrition benefits to residents of prioritized disadvantaged communities that are served by public water systems that consistently fail to meet primary drinking water standards.
		<p>In-Home Supportive Services (IHSS)</p> <ul style="list-style-type: none"> ▪ Provides for exemptions from existing overtime limits for In-Home Supportive Services (IHSS) providers.
		<p>Immigration</p> <ul style="list-style-type: none"> ▪ Expands the legal services for which grants are available to refer to “immigration remedies”; authorizes DSS to provide grants to qualified organizations to provide legal training and technical assistance.
SB 90	IHSS Maintenance of Effort	<p>Enacts the provisions related to the negotiated IHSS MOE agreement, including all of the following elements:</p> <ul style="list-style-type: none"> ▪ Board of Equalization (BOE) Error – Forgives BOE accounting errors that occurred from July 1, 2011 through June 30, 2016 that impact 1991 Realignment, 2011 Realignment, and Proposition 172. ▪ Mental Health Cost Relief – Suspends the 3.5% COLA for Institutions for Mental Disease (IMD) required under state law in any year in which the Mental Health Subaccount does not receive full growth. ▪ Public Employment Relations Board (PERB) – Enact various provisions, including language specifying that if the public authority or nonprofit acting as the employer of record fails to reach agreement on an IHSS contract by January 1, 2018, the union or the employer of record may request mediation, which shall be mandatory. ▪ General Fund Offsets – Appropriates \$400 million General Fund (GF) in 2017-18, \$330 million GF in 2018-19, \$200 million in 2019-20, and \$150 million in 2020-21 and annually thereafter to offset the \$592 million in additional IHSS costs being shifted to counties. ▪ Loan Provisions – Counties may apply to the Department of Finance for a low interest loan related to the additional IHSS costs. The application period is 2017-18 through 2019-20. The sum of all loans may not exceed \$25 million. ▪ 1991 Realignment Sales Tax changes – Revises 1991 Realignment sales tax provisions to disburse sales tax growth throughout the fiscal year. The sales tax growth is being directed to IHSS within the Social Services Subaccount. Includes provisions to ensure that the Health, Mental Health, County Medical Services Program (CMSP), and Child Poverty and Family Supplemental Support Subaccount bases are fully funded when there are sufficient revenues. (Section 29) ▪ CCI Cost Calculation – New language is included meant to inhibit the ability to file lawsuits against the Administration over the CCI calculation and cessation of the CCI. ▪ IHSS Wage/Benefit Increases provisions. ▪ Establishes County IHSS MOE on July 1, 2017. ▪ Excludes lost VLF growth from AB 85 Calculation. ▪ Includes Re-opener language that 1) Requires as part of development of 2019-20 state budget that DOF, CSAC and stakeholders reexamine the 1991 Realignment funding structure; 2) DOF shall report findings and recommendations related to the County IHSS MOE and impacts on other 1991 realignment programs; 3)

Bill No.	Topic	Summary of main provisions
		<p>Specifically includes a) extent to which revenues available for 1991 Realignment are sufficient to meet program costs that were realigned, b) whether IHSS program and administrative costs are growing at a rate that is higher, lower or approximately the same as the MOE, c) the fiscal and programmatic impacts of the IHSS County MOE on the funding available for Health, Mental Health, CMSP and other social services programs included in 1991 Realignment, and d) the status of collective bargaining for the IHSS program in each county.</p> <ul style="list-style-type: none"> ▪ Makes Vehicle License Fee Growth changes, including: 1) 100% of the VLF growth for Health, Mental Health and the County Medical Services Program (CMSP) Subaccounts will be redirected to the Social Services Subaccount to assist in paying for IHSS for three years (2017-18 through 2019-20); 2) 50% of the VLF growth will be redirected for the same purpose for an additional two years (2020-21 through 2021-22); 3) Clarifies that CMSP VLF funds shall be for the CMSP counties; 4) Exempts the cities receiving 1991 realignment funds for health and mental health purposes for the VLF redirection; 5) Requires the SCO to post a calculation of VLF growth that would have otherwise gone to the Health, Mental Health and County Medical Services Program Subaccounts.
SB 92	Resources	<p>Makes various statutory changes in the resources area to conform to the 2017-18 budget. Highlights include:</p> <ul style="list-style-type: none"> ▪ Revises the purpose of the Agricultural Protection Planning Grant Program to incorporate climate change goals and increases the grant limits from \$500,000 to \$750,000. ▪ Requires dams, except for low-risk dams, to have an emergency action plan that is updated every 10 years, updated inundation maps every 10 years, or sooner if specific circumstances change, and provides the Department of Water Resources with enforcement tools, including fines and operational restrictions for failure to comply. ▪ Enacts clean-up provisions to the Greenhouse Gas Reduction Fund (GGRF), specifying that grants from the 2016-17 Budget Act administered by the California Department of Food and Agriculture only apply to dairy digester grants. Also, provides an Administrative Procedure Act exemption for GGRF programs included in the 2016 Budget Act. ▪ Changes the amount of funding available for the Multifamily Affordable Housing Solar Roofs Program, as provided for in AB 693 (Eggman), Chapter 582, Statutes of 2015, from 10 percent of the 15 percent of Investor Owned Utilities (IOU) auction allowance revenue, to 10 percent of the total IOU consignment allowance auction revenue. ▪ Adopts an extension of the length of time a member of the Delta Stewardship Council is authorized to serve as chairperson from four to six years. This extension will revert back to four years in 2019. ▪ Authorizes the California Department of Food and Agriculture to establish a stand-alone milk quota program. ▪ Establishes requirements in regards to investment plans proposed by Volkswagen (VW), including, that VW strive to ensure at least 35 percent of the funds benefit low-income communities disproportionately affected by air pollution and that the Air Resources Board must approve each investment plan at a public hearing.

Bill No.	Topic	Summary of main provisions
		<ul style="list-style-type: none"> ▪ Requires the Air Resources Board to consider California State Universities, in addition to the University of California, when awarding contracts for air pollution research. ▪ Delays the Timber Harvest Plan Report required by AB 1958 (Wood, Chapter 583, Statutes of 2016), by one year and specifies that the report shall include an analysis of exemption use, whether the exemptions are having the intended effect, any barriers for small forest owners, and measures that might be taken to make exemptions more accessible to small forest owners. ▪ Appropriates \$285,000 from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Proposition 84), to the Sierra Nevada Conservancy for watershed protection local assistance grants. ▪ Extends from June 30, 2019 to June 30, 2020, the repayment date of the loan from the Oil Spill Response Trust Fund. ▪ Appropriates \$285,000 to the Sierra Nevada Conservancy and provides for various fee adjustments consistent with budget actions.
SB 94 (2/3 vote)	Cannabis	<ul style="list-style-type: none"> ▪ Establishes a single system of administration for cannabis laws in California, including changes related to the 2017-18 budget necessary for state licensing entities to implement a regulatory framework pursuant to the Medical Cannabis Regulation and Safety Act (MCRSA), established by AB 266 (Bonta) Chapter 689, Statutes of 2015; AB 243 (Wood), Chapter 688, Statutes of 2015; SB 643 (McGuire), Chapter 719, Statutes of 2015; and SB 837 (Committee on Budget and Fiscal Review), Chapter 32, 2016; as well as the Adult Use of Marijuana Act (AUMA) of 2016 (Proposition 64). ▪ Conforms MCRSA and AUMA into a single system, giving priority to consumer safety, public safety and tax compliance. Among other provisions, the bill creates agricultural cooperatives, a method for collecting and remitting taxes, a process for testing and packaging, and a process for collecting data related to driving under the influence.
SB 96	General Government II	<p>Makes a number of general government statutory changes necessary to implement the 2017-18 state budget, including:</p> <ul style="list-style-type: none"> ▪ Authorizes the construction of a veterans' cemetery in Southern California. ▪ Makes changes to the admissions and operational guidelines for the Veterans' Homes of California. ▪ Facilitates the imposition and collection of sales and use tax revenues generated from Los Angeles County's Measure H. ▪ Clarifies the statutory methodology for calculating annual adjustments to judges' salaries. ▪ Includes a number of labor standards enforcement and public works enforcement provisions. ▪ Makes changes to the statutes regarding recall elections, including requiring the Secretary of State to notify county elections officials when sufficient signatures have been gathered for a recall election, and provides 30 days for voters to remove their signatures. ▪ Appropriates funds to reimburse counties for recall election costs. ▪ Requires the Department of Finance to estimate the costs of a recall election and post such cost estimates on the Secretary of State's website.

Bill No.	Topic	Summary of main provisions
SB 97 Enrolled	Health	<p>Medi-Cal</p> <ul style="list-style-type: none"> ▪ Restores adult dental restored effective January 1, 2018. ▪ Restores optical restored effective January 1, 2020, contingent upon funding in the state budget. ▪ Effective July 1, 2018, increases the minimum number of direct care service hours in free standing skilled nursing facilities (SNFs) to 3.5 per patient day. Requires DCS to adopt regulations to create a waiver of the direct care service hour requirements and to evaluate the impact of these requirements. Beginning in 2019–20, requires DHCS to assess an administrative penalty if the department determines that a SNF fails to meet the direct care service hours per patient per day requirements. ▪ Requires DHCS to establish the Diabetes Prevention Program, an evidence-based, lifestyle change program designed to prevent or delay the onset of type 2 diabetes within the Medi-Cal fee-for-service and managed care delivery systems. ▪ Require DHCS to seek federal approval to use the determination of eligibility for the CalWORKs program as a determination of eligibility for Medi-Cal benefits. ▪ Requires Department of Health Care Services (DHCS) until January 1, 2021 to establish a 3-year pilot program in specified counties to provide medically tailored meals, as defined, to Medi-Cal participants with specified health conditions. ▪ To the extent that any necessary federal approvals are obtained and federal financial participation is available, requires DHCS to make graduate medical education (GME) payments to designated public hospitals. <p>California Health Facilities Financing Authority</p> <p>Creates the Clinic Lifeline Act of 2017 and provides \$20 million for the program; funds can be used for working capital or core operating support. Repeals the grant program as of January 1, 2023. The California Health Facilities Financing Authority shall award grants to eligible health facilities that meet at least one of the following requirements:</p> <ol style="list-style-type: none"> 1) The health facility is operated by a tax-exempt nonprofit corporation that is licensed to operate the health facility by the State of California, and the annual gross revenue of the health facility does not exceed \$10 million, 2) The health facility is operated by a tax-exempt nonprofit corporation that is licensed to operate the health facility by the State of California, and the health facility is located in a rural medical service study area, as defined by the California Healthcare Workforce Policy Commission, 3) The health facility is a clinic operated by a district hospital or health care district. <p>Public Health</p> <ul style="list-style-type: none"> ▪ Modifies the baseline funds appropriated in the annual Budget Act for local health jurisdictions for the purpose of preparing California for public health emergencies, from \$125,000 to \$60,000; this is the result of federal changes. ▪ Makes various changes in state law related to HIV/AIDS and the AIDS Drug Assistance Program (ADAP).

Bill No.	Topic	Summary of main provisions
		<p>Substance Use Disorder Treatment Authorizes DHCS to administer and implement federal grants awarded under the 21st Century Cures Act.</p> <p>Coordinated Care Initiative Makes various changes to the Coordinated Care Initiative, including repeal of the provision making IHSS a Medi-Cal benefit in CCI counties, effective January 1, 2018.</p>
SB 107 Enrolled	Supplemental 2016-17 Budget Appropriations II	<ul style="list-style-type: none"> ▪ Enacts technical amendments and corrections associated with Riverside County transportation projects previously approved in SB 132 (2017) as part of the transportation funding package ▪ Makes two adjustments to 2016-17 budget appropriations in the State Department of Education and Community College Board of Governors line items associated with updated 2016-17 property tax estimates.
SB 108 Enrolled	Budget Bill Jr. Clean-up	<p>Makes a number of technical changes to the 2017-18 budget, including:</p> <ul style="list-style-type: none"> ▪ Moves tree mortality funding from the Office of Emergency Services to CalFIRE, as per Conference Committee action. ▪ Clarifies that Board of Equalization members are authorized to retain their existing board staffing exempt from civil service. ▪ Appropriates \$100 million of Proposition 1 funding for the Los Angeles River.
SB 110 Enrolled	Clean Energy Job Creation Fund and citizen oversight board	<ul style="list-style-type: none"> ▪ Appropriates unspent funds in the Job Creation Fund (created by Proposition 39 of 2012) for improving energy efficiency at schools, county offices of education, and community colleges, including \$75 million for school bus retrofit or replacement and \$100 million for energy efficiency projects school districts and community college districts. Remaining funds will be allocated as competitive grants to eligible schools and community colleges for energy efficiency projects. ▪ Establishes the Clean Energy Job Creation Program starting in 2018-19, with 11% of funding dedicated to community college district projects and 89% of funding to school projects. ▪ Extends the operation of the Citizens Oversight Board indefinitely.

REPORTS
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Fallbrook Regional HEALTH DISTRICT

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Fallbrook Regional Health District Grows Affordable Public Health Services by 35% for Low and Fixed Income Populations

Slicing \$200K in Operational Costs Boosts Programs for 75,000 in North County

FALLBROOK, Calif. (June 15, 2017) ---- Fallbrook Regional Health District board at the regular board meeting on June 14 approved \$858,712.35 in affordable public health services for 16 applicant agencies providing 21 programs, accounting for a 35 percent increase - or \$224,413 more - in public health services over last year.

The no-cost health services will benefit about 75,000 low- and fixed-income patients facing the area's top health concerns, including cancer, diabetes and hypertension. The voter-approved special district collects roughly \$1.6 million annually to cover health care provider shortages, uninsured Californians, low-income patients and underserved populations.

Since the closure of the Fallbrook Hospital, the district carried about \$200,000 in annual costs to maintain the building as it sought a buyer. With the sale of the property to Crestwood Behavioral Health, Inc. to build the Fallbrook Healing Center, the district could offer greater health service coverage for the district's communities of Bonsall, De Luz, Fallbrook and Rainbow.

"In addition to combating our top health concerns, Fallbrook Regional Health District identified through local emergency calls that our citizens experience a high rate of falls, which is the leading cause of death through injury to Americans over 65," said Bobbi Palmer, Executive Director of Fallbrook Regional Health District.

"Through coordinated efforts with our health and emergency partners, we now refer fall victims for in-home assessments upon first incident to reduce risk of catastrophic injury," Palmer continued. "To support those fall and trip assessments, as well as physical activity needs, the District stepped up with greater support this year to our senior and disabled service providers to better serve our community."

In addition to contractual services, Fallbrook Regional Health District directly operates [health programs](#) including the Community Collaborative Health & Wellness Committee, Community Resources Directory, Healthcare Heroes, Woman of Wellness (WOW) , Wellness Walks and North County Community Collaborative Health Initiative.

For fiscal year 2017-2018, the Fallbrook Regional Health District awarded community health contracts to the following organizations: Boys & Girls Club of North County: Summer water safety for 125 youth (\$10,000); Boys & Girls Club of North County: Triple Play designed to support youth health, stress management and positive relationships (\$40,000); Fallbrook Citizens Crime Prevention Committee: GANAS Mentoring Program (\$10,000); Fallbrook Family Health Center: Management of chronic illness for behavioral health patients (\$100,000); Fallbrook Food Pantry: Meal provisions serving 500 families weekly (\$72,000); Fallbrook Senior Center: Mobility and Exercise Program combating falls, Type 2 diabetes, stroke, cancer and heart disease (\$12,600); Fallbrook Senior Center: Senior Nutrition - Home Delivered Meal serving up to 70 seniors (\$75,000); Fallbrook Smiles Project: Celebrate Health program providing dental and health screenings, plus service

resource connections (\$71,500); Foundation for Senior Care: Care Advocacy Program provides referrals and home visits for seniors and the disabled on fall prevention, health, financial security and housing transitional needs (\$59,838); Foundation for Senior Care: Care Van & Expanded Rides offer free transportation for medical visits, physical therapy, groceries and other errand needs (\$68,773); Foundation for Senior Care: Door Through Door Hospital to Home bridges post-hospital stay care (\$50,919); Foundation for Senior Care: Respite Support at the Adult Day Care provides support to caregiving and client with emphasis on local health disparities, trip or fall incidents, and use of emergency services (\$29,583); Healthy Adventures: Fallbrook Community Center Wellness Project offers La Paloma Elementary School students cooking, gardening and nutrition programs (\$9,000); Jeremiah's Ranch: Jeremiah's Ranch Support Group for disabled families (\$14,750), Live Oak Park Coalition: Health Improvement Project for ADA Requirements (\$40,000); Mental Health Systems - North Inland Community Prevention Program: Fallbrook Youth Advocacy Coalition reducing use and abuse of drugs and alcohol (\$9,249); Michelle's Place: Breast Health Assistance Program offers early detection diagnostic services, surgical consultations, and treatment and recovery support (\$24,000); Palomar Family Counseling: Healthy Bodies, Healthy Minds provides behavior health services for Fallbrook Street and Maie Ellis elementary schools (\$75,000); REINS: Behavioral Health & Wellness Therapy (\$65,000); Trauma Intervention Program of San Diego: Trauma Intervention Programs (\$9,000); and UCSD Eye Mobile for Children: Screenings, exams and eye care for low-income children (\$8,500). The Fallbrook Healthcare District also has provided financial support for urgent care services over the last 2 years.

###

ABOUT FALLBROOK HEALTHCARE DISTRICT

Fallbrook Healthcare District is a special district covering affordable community health needs for the low- and fixed-income residents of Bonsall, De Luz, Fallbrook and Rainbow. The roughly \$1.6 million collected in voter-approved taxes supports more than \$850,000 annually in full spectrum community health services addressing top health disparities, including behavioral health, cancer, diabetes, heart disease and stroke. Learn more about community health services provided by the district at www.fallbrookhealth.org.

Contact: Erica Holloway
Galvanized Strategies, on behalf of Fallbrook Healthcare District
m. (619) 796-1651
Erica@galvanizedstrategies.com

OPINION

Re: FRHD sale of hospital to mental health provider causes stir [Village News, 6/1/17]

I am commenting on the sale of the former Fallbrook Hospital to the Crestwood Behavioral Health.

Crestwood plans to operate a mental health facility at this site. I understand that some in the community have concerns about the patients and how things will operate. Patricia Blum describes, in my opinion, the very reasonable precautions that will be taken in some of the facilities' operation.

While living in Sacramento, we had a mental health facility adjacent to our neighborhood. Some of our neighbors voiced concerns about the facility and the potential impact on the neighborhood. We lived next to the mental health facility for 24 years and there were no problems.

Scott Atkins

Fallbrook & Bonsall VILLAGE NEWS

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at news stand

ALSO SERVING THE COMMUNITIES OF DE LUZ, RAINBOW, CAMP PENDLETON, PALA, AND PAUMA

June 22, 2017

www.VillageNews.com

Volume 21, Issue 24

Sale of hospital is hot topic at June FRHD board meeting

By Gloria Magallanes
Special to the Village News

Fallbrook Regional Health District (FRHD) held its monthly regular board meeting June 14 at the Fallbrook Public Utility District (FPUD) and addressed the public's comments and concerns over the sale of the hospital building.

The Board of Directors discussed the sale of the vacant facility located at 624 East Elder St. to mental health provider Crestwood Behavioral Health for \$4.5 million. Crestwood's executive vice president, Patricia Blum, was on hand to give a presentation on the planned Fallbrook Healing Center.

During her presentation, Blum chose to not finish when it became clear that several people in the audience were not happy with the sale to Crestwood. Blum patiently took the time to hear their fears and answer questions from the audience.

The environment in the room quickly intensified with people talking over each other, seeking answers from Blum and the board with passionate statements. Some people, including Dr. Tim Murphy, a psychiatrist who has been practicing in Fallbrook for over 38 years, spoke in favor of Crestview, saying we are greatly underserved in this area.

People demanded an explanation about why FRHD had decided to

see *HOSPITAL*, page A-11

HOSPITAL from page A-1

sell the hospital facility without a public vote and why so rushed. The board responded that they had been working for two years to attract another hospital and when it appeared no one was interested, they listed the building for sale nationally and everything has been very public. Residents stated that they felt the hospital facility was equally theirs and a vote should have been cast as was stated last year, even if it was not required by the Health and Safety Code.

"Even though the Board stated they would allow community input and a vote on the issue, it appears they have gone ahead and signed an agreement to sell the building in the last 30 days," said Pete Klein.

In response to these statements, FRHD, citing a Health and Safety Code 32121(p), stated that "since the property being considered for sale (the hospital building and parking lots at 624 E. Elder) does not include the building at 138 S. Brandon or the building at 617 East Alvarado, a vote is not required as the \$4.5 million sale price constitutes only 38 percent of the district's assets."

Klein then asked about code #32121(B) that pertains to the transfer of 10 to 50 percent of assets with the requirement of "two properly noticed and open and public meetings." Kline stated the April board meeting would not qualify as Crestwood was not even mentioned at the meeting.

FRHD's legal counsel responded by stating the appropriate code is really 32121.2 not 32121(B), as it is not a transfer but rather a sale.

Despite the opposition, the board members stood their ground and defended their decision to sell the

hospital facility, saying that the new Fallbrook Healing Center would have a positive impact on the community and would help with the creation of over 100 new jobs. The board added Crestwood would not only occupy an abandoned facility, but they would also be able to help people in the community who needed treatment.

Some audience members expressed concerns about not having a local hospital for the community and questioned whether having Fallbrook Healing Center would be beneficial to everyone.

Other questions were about both Crestwood and Fallbrook Healing Center. The audience questioned the nature of the facility, the success rate of patients being treated there after they were discharged, and whether patients were secured or, as some said, "locked in", while receiving treatment. Others wanted to know the price for admission and how much revenue Crestwood would make monthly. The Board of Directors and Blum listened quietly and calmly, hoping to alleviate the tension with reassurance of hope for a better community.

Attendees wanted to know if Crestwood would be housing criminals and people who would be a danger to the community. Blum answered that typically these people are depressed or bi-polar and they are not criminals. If the court sends them to Crestwood, it is because they simply don't have the mental capacity to manage their own affairs and they need longer term care. If they are a danger to anyone, it would most likely be toward themselves. Blum also explained that after the residents finish their program they are transported and reintroduced to their own community and not "let go" into Fallbrook.

Others in the audience,

approving of the new mental health rehabilitation center, talked about their pride in the Fallbrook and Bonsall area, "The Friendly Village," and encouraged others to be selfless in the pursuit of a more unified and healthy community.

For a list of the 12 questions and answers presented at the FRHD meeting, go to villagenews.com.

The Board of Directors urged people in the audience who had more questions to visit the FRHD office at 138 S. Brandon Rd.

The evening concluded with the distribution of grant awards for 2017-18. A recap of those awards will be in the Aug. 29 edition of the Village News.

June 22, 2017

To Whom It May Concern,

Our firm audits the financial statements for the Fallbrook Healthcare District and we have been asked to clarify the present accounting over the Hospital building which is being sold.

The property was repurchased for \$5,000,000. You may find information on this on page 22, note 10, of the financial statements for the June 30, 2016 fiscal year. Prior to re-acquisition of the hospital, the building itself was owned by an outside party and for book accounting purposes, was presumably depreciated by the entity which owned the building. I should note that depreciation is not necessarily a decrease in value but reflects cost recover and the matching of expenses against income.

Assets that are not in use are not depreciated. Once you move an asset from productive use to not being in use then you cease to depreciate the property. Accounting Standards Codification section 360 specifies that long lived assets held for sale are to be presented as follows:

- Separately on the statement of financial position
- No depreciation to be taken
- Measuring and reported at the lower of fair market value or acquisition cost

If anyone has further questions on the accounting treatment, please feel free to contact me.

Regards,



Craig Fechter, CPA, M.S. Taxation
President, Fechter & Company

Fallbrook Regional HEALTH DISTRICT

138 South Brandon Road • Fallbrook CA 92028
760-731-9187 • Fax 760-731-9131

NEWS RELEASE FOR IMMEDIATE RELEASE

From: Fallbrook Regional Health District
138 S. Brandon Road, Fallbrook, CA 92028
P.O. Box 2587, Fallbrook, CA 92088

Contact: Pamela Knox, Special Projects Coordinator
Office: (760) 731-9187 Fax: (760) 731-9131
pknox@fallbrookhealth.org

Date: June 27, 2017

Re: Fallbrook Regional Health District Wellness Walks Suspended for Summer Months.

Fallbrook Regional Health District has been sponsoring a Wellness Walk each month. Due to the high temperatures expected during the summer months, we are suspending our scheduled walks and anticipate rescheduling in the fall (either October or November depending on the weather). Since Exercise is Medicine, please find ways to continue to be active during the hot weather. Swimming and indoor activities are encouraged, and remember to drink water to stay hydrated. Please watch for notices regarding when the Wellness Walks will resume. Thank you.

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DISCUSSION/ACTION ITEMS

DISCUSSION/ACTION ITEMS

Proposal to Create and Adopt a District Fiscal Policy

FISCAL POLICY

In 2008, the District Board created the Lease Termination Contingency Fund, to build up resources to prepare for the repurchase obligations of the District when the CHS lease terminated. Had the CHS Lease run its course it would have terminated in November, 2028.

The CHS lease formally terminated in July, 2015, and as a result of extensive negotiations, the repurchase obligations of the District were limited in scope to five million dollars, leaving a balance in the Contingency Fund of almost another Five million. The Board Finance committee has proposed transitioning the contingency fund balance to another set of purposes in harmony with the District's ongoing mission.

Proposal: The Creation of Two (2) District Fund Accounts.

1. Community Investment Fund

Long range capital investments such as real estate purchases, new construction, health or wellness program establishment, capital purchases for the benefit of the communities served by the District.

The initial funding for this account would be the balance of the former Lease Termination Contingency Fund, plus net receipts from hospital sale.

All projects financed by the Community Investment Fund would be approved by the Board, and subject to Health & Safety Code provision requirements for public bidding.

2. Operations Fund

The Operations Fund would finance Administration, facilities maintenance, community health programs, annual community health contracts, and other short-term community sponsorships and initiatives.

The Operations fund would be sustainable from annual property tax revenues, and rental income (617 Alvarado).

Any annual surplus can be moved to the Community Investment Fund (CIF) at the Board's discretion.

Starting balance of the Operations Fund would be cash not assigned to the Community Investment Fund.

The District monthly and annual financial statements would be modified to allow for monitoring and tracking progress of both funds.

DISCUSSION/ACTION ITEMS

Consideration and Adoption of Resolution No. 418
Authorization to Dispose of District Surplus Property

RESOLUTION NO. 418

RESOLUTION OF THE BOARD OF DIRECTORS OF THE FALLBROOK REGIONAL HEALTH DISTRICT AUTHORIZING THE SALE OF DISTRICT'S SURPLUS REAL PROPERTY

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") acquired, constructed and operated Fallbrook Hospital at 624 E. Elder Street, Fallbrook ("The Subject Premises"), from 1960 until November 3, 1998; and,

WHEREAS, from November 4, 1998 through July 20, 2015, Fallbrook Hospital was operated by Fallbrook Hospital Corporation, a subsidiary of Community Health Systems, Inc., pursuant to a long term lease authorized by Health & Safety Code Section 32121(p). and,

WHEREAS, the long term lease ended on July 20, 2015, and the District lacked the financial resources necessary to assume operation of the hospital as of that date; and,

WHEREAS, beginning in August, 2015, and continuing over the course of an eighteen month period, the District's consultant received inquiries from different entities expressing interest in acquiring all or part 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); and,

WHEREAS, the Board lacked the resources to operate the hospital, and had no other use for the subject premises that was necessary to or consistent with its mandate to promote health services in the community; and,

WHEREAS, the Board set about the process of identifying a buyer for the subject premises in August, 2015, in the hope of locating a successor operator for the facility as an acute care hospital; and,

WHEREAS, in the ensuing fifteen month period, the District was unsuccessful in locating an entity who would acquire the property and become an operator of the facility

as an acute care hospital, thus District broadened its search for a buyer to include other entities beginning on or about January 12, 2017; and,

WHEREAS, Health and Safety Code Section 32121.2 authorizes the District Board, by resolution, to dispose of any surplus property by way of sale to another for fair market value; and,

WHEREAS, the Board had previously offered the subject premises for sale to the County of San Diego, the Fallbrook Union Elementary School District, the Fallbrook Union High School District and the Palomar Community College District by letters dated on or about January 17, 2017, pursuant to Government Code Section 54222; and,

WHEREAS, each of the aforementioned agencies (see immediately preceding recital) disclaimed any interest in acquiring the subject property;

NOW THEREFORE, the Board of Directors (“Board”) of the Fallbrook Regional Health 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 formally declares the subject premises to be surplus property of the District, pursuant to Health & Safety Code Section 32121.2.

Section 3. The Board hereby authorizes the sale of the Subject Premises for an amount not less than fair market value, to Crestwood Behavioral Health, Inc., and/or its affiliate, Fallbrook Partners., LLC.

Section 4. The Board hereby authorizes its Board President, Gordon Tinker, to execute any or all documents deemed necessary or essential to the progress of the contemplated transaction. This express authorization shall not take the place of full Board consideration and approval for any document requiring formal board action. In President Tinker’s absence, the Board hereby authorizes its Vice President, Howard Salmon, to sign on behalf of the District, and its Treasurer, Barbara Mroz, to sign on behalf of the District in the event that both Directors Tinker and Salmon are otherwise unavailable.

Section 5. This Resolution shall take effect from and after its adoption and approval.

PASSED AND ADOPTED by the Board of Directors of the Fallbrook Regional Health District, State of California, this 12th day of July, 2017, 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

DISCUSSION/ACTION ITEMS

Consideration and Adoption of Resolution No. 419
Ratification/Approval of Purchase and Sale Agreement
and Authorizing Signatories

RESOLUTION NO. 419

RESOLUTION OF THE BOARD OF DIRECTORS OF THE FALLBROOK REGIONAL HEALTH DISTRICT RATIFYING THE EXECUTION OF A PURCHASE AND SALE AGREEMENT AND AMENDMENT THERETO WITH RESPECT TO THE SALE OF REAL PROPERTY, AND AUTHORIZING SIGNATORIES IN CONNECTION THEREWITH

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 continuously operated as Fallbrook Hospital until July 20, 2015 (“The subject premises”); and,

WHEREAS, the District had not directly operated the subject premises as an acute care facility since November 3, 1998, and lacked the financial resources necessary to assume operation of the hospital as of July 20, 2015; and,

WHEREAS, beginning in August, 2015, and continuing over the course of an eighteen month period, the District’s consultant received inquiries from different entities expressing interest in acquiring all or part 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); and,

WHEREAS, the Board was kept regularly apprised of these inquiries, and arranged for said interested entities to inspect the premises, and authorized its consultant to solicit offers from and negotiate with any such entities for the purchase of the property; and,

WHEREAS, during the pendency of this time period, the District Board maintained the existing acute care license of the Hospital in anticipation of engaging an interested entity to purchase, re-open and operate the facility as an acute care hospital;

WHEREAS, despite this effort, and notwithstanding the best efforts of the District and its Board, Staff and consultants, no feasible proposal to re-open and operate Fallbrook Hospital ever materialized;

WHEREAS, on or about April 12, 2017, the District was approached by Crestwood Behavioral Health with a proposal to acquire 624 Elder Street, for the intended purpose of opening a Mental Health Recovery Center; and,

WHEREAS, the District invited Crestwood to present at noticed and open regular public meetings, May 9, 2017 and again on June 14, 2017; and,

WHEREAS, the District formally notified the California Department of Public Health of District's intent to surrender its General Acute Care Hospital License effective June 15, 2017; and,

WHEREAS, the District and Crestwood have executed that certain Purchase and Sale Agreement, and first Amendment thereto, wherein Crestwood purports to acquire the subject property for the sum of \$4.5 million; and,

WHEREAS, the sales price is consistent with the valuation obtained by the District from a licensed independent appraiser with expertise and substantial experience in the valuation of Medical facility properties; and,

WHEREAS, the District Board wishes to formally acknowledge the approval of the PSA and authorize its Board President to be the authorized signatory for the District in this contemplated transaction;

NOW THEREFORE, the Board of Directors ("Board") of the Fallbrook Regional Health 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 ratifies its approval of the PSA as and First Amendment thereto submitted for Board approval at the regular meeting of the Board dated June 14, 2017;

Section 3. The Board hereby authorizes its Board President, Gordon Tinker, to execute any or all documents deemed necessary or essential to the progress of the contemplated transaction. This express authorization shall not take the place of full Board consideration and approval for any document requiring formal board action. In President Tinker's absence, the Board hereby authorizes its Vice President, Howard Salmon, to sign on behalf of the District, and its Treasurer, Barbara Mroz, to sign on

behalf of the District in the event that both Directors Tinker and Salmon are otherwise unavailable.

Section 4. This Resolution shall take effect from and after its adoption and approval.

PASSED AND ADOPTED by the Board of Directors of the Fallbrook Regional Health District, State of California, this 12th day of July, 2017, 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

PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS

THIS PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS (“Agreement”) is made and entered into as of May, __, 2017 (the “Effective Date”) by and between FALLBROOK REGIONAL HEALTH DISTRICT, formerly known as FALLBROOK HOSPITAL DISTRICT (“Seller”) and CRESTWOOD BEHAVIORAL HEALTH, INC. or its assignee (“Buyer”).

1. PROPERTY

1.1 Seller now owns and desires to sell to Buyer and Buyer desires to acquire from Seller that certain real property commonly known as 624 E. Elder Street, Fallbrook (San Diego County), California more particularly described as set forth in Exhibit “A” attached hereto and incorporated herein by this reference, including all improvements thereon and appurtenances (the “Property”).

2. PURCHASE AND SALE.

2.1 Seller agrees to sell the Property to Buyer and Buyer agrees to purchase the Property from Seller on the terms and conditions set forth herein. Escrow shall close as provided for herein. Close of the Escrow (the “Close”, the “Closing” or the “Closing Date”) means the day and time that Seller’s grant deed is filed for record by Escrow Holder.

3. DEPOSIT / PURCHASE PRICE.

3.1 Within three (3) business days after the Effective Date, Buyer shall deposit One Hundred Sixty Thousand Dollars (\$160,000 – the “Deposit”) with First American Title Insurance Company (“Escrow Holder” or “Title Company”), 4380 La Jolla Village Drive, Suite 110, San Diego, CA 92122, Attn: Lieng Smith, liesmith@firstam.com. The Deposit shall be credited to the Purchase Price.

3.2 Independent Contract Consideration. Concurrently with Buyer’s delivery of the Deposit to Escrow Holder, Buyer shall deliver to Escrow Holder the sum of One Hundred Dollars (\$100.00) (the “Independent Contract Consideration”), which shall be immediately released by Escrow Holder to Seller, and shall be accepted by Seller as the independent contract consideration for Seller’s execution and delivery of this Agreement and the rights extended to Buyer hereunder. The Independent Contract Consideration is earned as of the Effective Date hereof by Buyer and Seller, and is nonrefundable under all circumstances.

3.3 The purchase price (“Purchase Price”) for the Property is Four Million Five Hundred Thousand Dollars (\$4,500,000), to be paid all cash at the Close.

4. FEASIBILITY PERIOD.

4.1 Buyer shall have until 5:00 pm on June 6, 2017 (the "Feasibility Period") for Buyer and its agents and representatives to conduct such inspections, investigations and testing of the Property as buyer deems appropriate, including but not limited to having a survey performed and any soil, groundwater or other environmental testing Buyer deems appropriate. Buyer shall notify Seller at least 24 hours in advance to obtain access to the Property to perform any such inspections, investigations and testing, and Buyer shall restore as near as practicable the Property to the condition it was in prior performing any testing. Buyer shall defend, indemnify and hold Seller and Seller's directors, officers, agents and representatives harmless from and against any and all claims, liability, damages and causes of action arising out of or related to Buyer's inspections, investigations and testing; excluding, however, any loss sustained by Seller as a result of any pre-existing condition at, on, under or adjoining the Property revealed by such tests, and any such loss resulting from the acts or omissions of Seller and/or its agents. Buyer shall carry commercial general liability insurance with coverage of not less than One Million Dollars (\$1,000,000), per occurrence, Two Million Dollars (\$2,000,000) aggregate, and worker's compensation insurance as required by law.

4.2 IN NO EVENT AND UNDER NO CIRCUMSTANCE SHALL BUYER BE LIABLE FOR ANY INDIRECT, PUNITIVE, SPECIAL, EXEMPLARY, INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY KIND (INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS, LOSS OF REPUTATION AND/OR LOSS OF CURRENT OR PROSPECTIVE BUSINESS ADVANTAGE, EVEN WHERE SUCH LOSSES ARE CHARACTERIZED AS DIRECT DAMAGES) ARISING FROM OR RELATING TO BUYER OR BUYER'S AGENTS ACCESSING, ENTERING UPON, PERFORMING TESTS ON AND/OR INSPECTING THE PROPERTY, REGARDLESS OF WHETHER THE CLAIM IS BASED ON BREACH OF CONTRACT, NEGLIGENCE, TORT, STRICT LIABILITY, STATUTE, REGULATION OR ANY OTHER LEGAL THEORY OR LAW, EVEN IF BUYER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

4.3 To the extent that Buyer seeks, during the Feasibility Period, any approvals or permits from any governmental authority with respect to Buyer's contemplated use of the Property, Seller agrees to cooperate with Buyer, at no expense to Seller, in the efforts of Buyer to obtain such approvals and permits, provided that nothing related to such approvals or permits shall be binding on the Property prior to Closing without Seller's express written consent.

4.4 If Buyer notifies Seller in writing within the Feasibility Period that Buyer removes all contingencies and elects to proceed with the purchase the Property (the "Release of Contingencies"), then the Close shall occur on the date provided in section 10, below.

4.5 If Buyer notifies Seller in writing within the Feasibility Period that Buyer elects not to proceed with the purchase for any reason ("Termination Notice") or if Buyer does not give a Termination Notice by the expiration of the Feasibility Period, this

Agreement shall automatically terminate, the Deposit shall promptly be returned to Buyer, and neither party shall have any liability to the other hereunder, except as otherwise expressly provided herein.

4.6 The parties acknowledge there is a possibility that a portion of the real property the parties intend for Seller to convey to Buyer hereunder (that is, a portion of the driveway between the western parking area of 624 E. Elder and Brandon Road) may be part of other real property owned by Seller. The parties intend for Seller to convey to Buyer hereunder all real property that is necessary and appropriate, and to avoid Seller retaining a piece of land that would be inconvenient or unreasonable for Seller to retain (an "orphan parcel"). Accordingly, the parties agree, during the Feasibility Period, that Seller will, at Seller's cost, identify whether an orphan parcel would exist and, if so, that parties will seek to agree on the best way to resolve the issue (such as having a lot line adjustment performed).

5. CONDITION OF TITLE.

5.1 Seller shall provide to Buyer a preliminary title report for the Property (the "**Title Report**") within three (3) business days after the Effective Date.

5.2 Buyer shall have fifteen (15) business days to object in writing to any item set forth in the Preliminary Report ("Buyer's Title Notice"). Any exceptions disclosed in the Title Report and not timely objected to in Buyer's Title Notice shall be deemed approved ("Permitted Exceptions").

5.3 Within ten (10) business days after service of Buyer's Title Notice, Seller shall deliver to Buyer written notice ("Seller's Title Notice") of Seller's election, as to each item objected to by Buyer, to either (i) remove or cure prior to the Close, or insure over, all exceptions objected to by Buyer, or (ii) not remove or cure one or more of the title exceptions disapproved by Buyer. If Seller fails to timely give the Seller's Title Notice, Seller shall be deemed to have elected to remove or cure all title exceptions disapproved by Buyer. As to any exception Seller timely elects not to cure, remove or insure over in Seller's Title Notice, Buyer shall have five (5) business days following Seller's Title Notice, or until expiration of the Feasibility Period, whichever is later, to notify Seller in writing ("Buyer's Title Response") that Buyer elects to either: (x) accept the Property with such title exceptions, without any reduction of the Purchase Price; or (y) terminate this Agreement. If Buyer timely elects to terminate this Agreement, or if Buyer fails to timely serve Buyer's Title Response, this Agreement shall terminate, the Deposit shall be promptly returned to Buyer, and thereafter neither party shall have any liability to the other hereunder, except as otherwise expressly provided herein.

5.4 If the Title Company issues any amendment, supplement or modification to the Title Report ("Title Supplement") showing a matter that was not listed in the Title Report (a "New Title Matter"), Buyer may object to such New Title Matter by delivering written notice ("Supplemental Title Notice") to the Seller within five (5) days after Buyer's receipt of the Title Supplement. If Buyer fails to timely serve its Supplemental Title

Notice, the New Title Matter shall be deemed a Permitted Exception. If Buyer timely serves a Supplemental Title Notice, the procedures set forth in paragraph 5.3, above shall apply, except that Seller shall have five (5) days to notify Buyer whether it will remove, cure or insure over the objected-to New Title Matter, and Buyer shall have three (3) days or until expiration of the Feasibility Period, whichever is later, to elect to terminate this Agreement.

5.5 Notwithstanding the foregoing, Seller agrees to remove the following title matters (if any) prior to the Closing: (i) all delinquent taxes and assessments and interest and penalties thereon, if any, (ii) all delinquent installments and accrued interest due on any bonds affecting the Real Property, (iii) all mortgages, deeds of trust, security instruments and financing statements of Seller, (iv) mechanic's liens not created by Buyer or resulting from Buyer' Inspections, and (v) any exceptions or encumbrances to title which are created by, through or on account of Sellers after the Effective Date without the written consent of Buyer.

6. TITLE INSURANCE.

6.1 Buyer's title to the Property shall be insured by an ALTA (extended coverage) owner's policy of title insurance, containing only such exceptions as Buyer shall have approved (as provided above), issued by the Title Company, in the full amount of the Purchase Price, insuring Buyer as owner of good, marketable and indefeasible fee title to the Property, and shall be subject only the Permitted Exceptions, and provided, further, that any endorsements or other assurances from the Title Company are in a form that is satisfactory to Buyer in Buyer's reasonable discretion (the "Title Policy").

7. NATURAL HAZARD REPORT.

7.1 Seller shall deliver or cause to be delivered to Buyer, within ten (10) business days after the Effective Date, a natural hazards disclosure report prepared by an independent reporting company approved by Buyer complying with the provisions of the California Public Resource Code and California law (the "Natural Hazard Report").

8. ESCROW AND OTHER CHARGES.

8.1 The premium for the issuance of the Title Policy and all other Escrow and title fees and costs shall be paid as follows:

- a) Escrow fees shall be paid one-half by Seller and one-half by Buyer.
- b) Seller shall be responsible for the cost of a CLTA standard coverage owner's policy of title insurance, and Buyer shall be responsible for any additional premiums associated with the issuance of an ALTA owner's policy or any special endorsements, as well as the cost of the underlying survey.

- c) The documentary transfer tax shall be paid by Seller.
- d) Other Escrow/Closing costs will be shared by the parties equally.
- e) Each party shall pay the cost of its own attorneys, accountants and other advisors.

9. POSSESSION; PRORATIONS.

9.1 Buyer shall be entitled to possession of the Property as the owner thereof at the Close. Real property and ad valorem taxes, assessments, bonds and the like shall be prorated as of the Close.

10. CLOSE OF ESCROW.

10.1 The Close shall take place on the date agreed to by the parties, which shall be no later than thirty (30) days after Buyer's Release of Contingencies.

10.2 At the Closing, unless otherwise waived in writing by Buyer, Seller shall deliver to Buyer or to the Title Company, as appropriate, the following documents executed by Seller:

- a. A grant deed conveying title to the Property to Buyer free and clear of all liens and encumbrances;

- b. Such documents as reasonably requested by Title Company, including but not limited to an Owner's Affidavit, a declaration stating that Seller is not a foreign person under the Internal Revenue Code, and form 593-C or other necessary tax forms; and

- c. A signed settlement statement.

10.3 At the Closing, unless otherwise waived in writing by Seller, Buyer shall deliver to Seller or to the Title Company, as appropriate, the following:

- a. The funds necessary to Close, in immediately available funds;

- b. Any transfer forms required to be signed by Buyer under the laws of the State of California or San Diego County, California;

- c. Such documents as reasonably requested by Title Company, including but not limited a signed certificate providing Buyer's Tax Identification number; and

- d. A signed settlement statement.

10.4 If Escrow fails to Close as provided herein, any party which has fully complied with the provisions of this agreement may at any time thereafter give written notice to Escrow Holder to cancel the escrow. Escrow Holder shall comply with such notice without further consent from any other party to the escrow and shall deliver any deposits and/or other documents to the party who is entitled to them under the terms hereof. Except as otherwise provided herein, cancellation of Escrow as provided herein shall be without prejudice to whatever legal rights Buyer and Seller may have against each other. Whoever gives notice of cancellation to Escrow Holder shall agree by such notice to hold Escrow Holder harmless and to indemnify Escrow Holder for any loss or liability that it may incur by complying with the notice.

11. SELLER'S REPRESENTATIONS AND WARRANTIES.

11.1 Seller covenants with and warrants and represents to Buyer as follows, which representations and warranties shall be true as of the Close and shall survive the Close:

a. Seller is the record owner of the entire fee simple title to the Property and has the right, power, and authority to enter into this Agreement and the right, power and authority to convey the Property in accordance with the terms and conditions of this Agreement.

b. There are no legal proceedings pending against Seller which could affect Seller's title to the Property or the right, power, or ability of Seller to convey the Property in accordance with this Agreement, and Seller has not received notice of the threat of any such litigation. Seller has received no written notice from any governmental authority or any other person or entity of any violation (or alleged violation) of any law, ordinance, code, rule or regulation applicable to the Property that have not been corrected, and Seller has no knowledge of any such violation. Seller has no knowledge that the Property is contaminated with any hazardous materials (i.e., any federally or California state listed or defined hazardous materials, hazardous wastes, or hazardous substances, including but not limited to radioactive materials, pesticides, asbestos, asbestos-containing materials, lead, lead-based paint, polychlorinated biphenyls, radon, under and/or above ground tanks).

c. Seller is not a "foreign person" as defined in Section 1445 of the Internal Revenue Code of 1986, as amended (the "Code") and any related regulations.

d. The copies of all documents and other information pertaining to the Property provided by Seller are true and complete copies of such materials as they exist in the files of Seller.

e. Seller has no knowledge of any unrecorded bonds outstanding and unpaid with respect to the Property, other than as reflected on the Title Report.

f. Seller has the right, capacity, power and authority to enter into and carry out the terms of this Agreement; performance by Seller of the transactions

contemplated by this Agreement will not violate or breach any agreement, covenant or obligation binding on the Seller.

g. No public vote, public hearing or public determination is required, pursuant to the California Health and Safety Code or other applicable law, for Seller to convey the Property to Buyer.

h. The Property was previously operated as an acute care facility licensed by the California Department of Public Health ("CDPH"). The license will be terminated and Seller will obtain written confirmation that the Office of Statewide Health Planning and Development (OSHPD) no longer has jurisdiction over the Property at a date which is following the close of the Feasibility Period, but prior to the Close of Escrow, as a condition of the Close.

12. BUYER'S REPRESENTATIONS AND WARRANTIES.

12.1 Buyer covenants with and warrants and represents to Seller as follows, which representations and warranties shall be true as of the Close and shall survive the Close:

a. This Agreement has been, and all documents executed by Buyer which are to be delivered to Seller at Closing will be, duly authorized, executed and delivered by Buyer.

b. Buyer has not filed any voluntary petition in bankruptcy or suffered the filing of any involuntary petition by Buyer's creditors.

c. Buyer has been duly organized and is in good standing in the state in which it was formed, and is qualified to do business in the state in which the Property is located.

d. Neither Buyer nor, to the extent of Buyer's actual knowledge, any beneficial owner of Buyer: (i) is listed on the Specially Designated Nationals and Blocked Persons List maintained by OFAC pursuant to the Orders and/or on any other list of terrorists or terrorist organizations maintained pursuant to any of the rules and regulations of OFAC or pursuant to any other applicable Orders (such lists are collectively referred to as the "Lists"); (ii) is a person or entity who has been determined by competent authority to be subject to the prohibitions contained in the Orders; or (iii) is owned or controlled by, or acts for or on behalf of, any person or entity on the Lists or any other person or entity who has been determined by competent authority to be subject to the prohibitions contained in the Orders. Buyer hereby covenants and agrees that if Buyer obtains knowledge that Buyer or any of its beneficial owners becomes listed on the Lists or is indicted, arraigned, or custodially detained on charges involving money laundering or predicate crimes to money laundering, Buyer shall immediately notify Seller in writing, and in such event, Seller shall have the right to terminate this Agreement without penalty or liability to Buyer immediately upon delivery of written notice thereof to Buyer. In such event the Earnest Money shall be immediately returned to Buyer.

13. TERMINATION.

13.1 In the event the Close fails to occur as a result of a default by Seller in its obligations hereunder, Buyer shall have the right to (i) seek specific performance of the obligations of Seller hereunder, or (ii) terminate this Agreement, by giving written notice to Seller and receive immediate return of the Deposit and receive reimbursement from Seller for all out of pocket costs actually paid to third parties in connection with Buyer's investigation of the Property ("Buyer's Costs").

13.2 IF ESCROW DOES NOT CLOSE DUE TO BUYER'S DEFAULT HEREUNDER, SELLER SHALL RETAIN, AS SELLER'S SOLE AND EXCLUSIVE REMEDY, THE DEPOSIT, TOGETHER WITH INTEREST EARNED THEREON, AS LIQUIDATED DAMAGES. SUCH AMOUNT IS THE BEST ESTIMATE BY THE PARTIES OF THE DAMAGES SELLER WOULD SUFFER FROM SUCH BREACH, IT BEING AGREED THAT IT IS EXTREMELY DIFFICULT, IF NOT IMPOSSIBLE AND IMPRACTICABLE, TO FIX THE EXACT AMOUNT OF DAMAGE WHICH WOULD BE INCURRED BY SELLER AS A RESULT OF SUCH DEFAULT BY BUYER. THEREUPON ESCROW SHALL BE CANCELED AS PROVIDED ABOVE AND BUYER SHALL PAY ALL TITLE AND ESCROW CANCELLATION CHARGES. SELLER HEREBY WAIVES ALL OTHER CLAIMS FOR DAMAGES OR RELIEF AT LAW OR IN EQUITY.

Buyer's Initials

Seller's Initials

14. COMMISSIONS.

Seller represents and warrants that Travis Ives of Cushman & Wakefield of San Diego, Inc. ("Seller's Broker") represents Seller in this transaction and Buyer represents and warrants that Nehal Wadhwa of Horizon Resources, Inc. ("Buyer's Broker") represents Buyer in this transaction. The parties acknowledge that the commissions of Seller's Broker and of Buyer's Broker shall be paid by Seller from the escrow for this transaction. Each party warrants and represents to the other that it no other broker, finder, or agent has been engaged or used by the party in connection with this transaction. Each party agrees to indemnify the other party against any and all loss, claims, liability and expense, including but not limited to reasonable attorney's fees, arising out of any claim for a commission or fee allegedly incurred by the indemnifying party.

15. EMINENT DOMAIN PROCEEDINGS.

15.1 If, before the Close, all or any portion of the Property is threatened with condemnation or legal proceedings are commenced under the power of eminent domain then, notwithstanding anything to the contrary contained herein, Buyer may elect to terminate this Agreement and cancel Escrow by giving written notice to Seller and Title Company. Thereupon, Buyer and Seller shall each pay one-half (1/2) of all title

and Escrow cancellation charges, the Deposit and any other remaining funds then in Escrow shall be disbursed to Buyer, and thereafter neither party shall have any liability to the other hereunder.

16. NOTICES

16.1. Any notice served pursuant to this Agreement may be given personally, by registered or certified United States mail, first-class postage prepaid, by overnight delivery, or by email with confirmation of delivery, addressed to the respective parties at the following address:

Seller: Bobbi Palmer
Executive Director
Fallbrook Regional Health District
138 S. Brandon Rd
Fallbrook, CA 92028
bpalmer@fallbrookhealth.org
760-731-9187

With a copy to:

Blaise Jackson
Law Offices of Scott & Jackson
16935 W. Bernardo Drive, Suite 170
San Diego, CA 92127
bjackson@scottjacksonlaw.com
858-675-9896

Buyer:

Crestwood Behavioral Health, Inc.
Attn: Maria Stefanou
520 Capitol Mall, #800
Sacramento, CA 95814
mstefanou@cbhi.net

Any party may at any time designate a new or different address to which notices are to be sent, which notice of a new or different address shall be given as hereinabove immediately provided. Any notice shall be effective as of the time that the same is personally delivered, as of a date three (3) business days later than the time that the same is properly deposited in the United States mail, if such notice deposited in the United States mail is given as herein provided, upon receipt if sent by overnight courier, or upon confirmation of receipt if sent by email.

///

17. GENERAL TERMS

17.1 The terms, provisions, conditions, and covenants of this Agreement shall be binding on and shall inure to the benefit of the heirs, administrators, executors, legal representatives, successors, and permitted assigns of Seller and of Buyer, respectively. Seller acknowledges that Buyer intends to assign its rights and duties under this Agreement to a new entity to be established by Buyer or Buyer's affiliates.

17.2 This Agreement contains the entire agreement of the parties relating to the matters set forth herein. It supersedes all prior agreements, negotiations and understandings between the parties related thereto. This Agreement cannot be modified except by an instrument in writing signed by the parties hereto.

17.3 This Agreement shall be governed by and construed in accordance with the laws of the State of California. Should any one or more of the provisions of this Agreement be determined to be invalid, unlawful or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

17.4 Each party acknowledges and agrees that it has participated in the drafting and the negotiation of this agreement and has been represented by counsel during the course thereof. Accordingly, in the event of a dispute with respect to the interpretation or enforcement of the terms hereof, no provision shall be construed so as to favor or disfavor either party hereto.

17.5 The prevailing party in any action arising out of or related to this Agreement or to recover possession of the Property, shall recover its reasonable attorneys' fees from the other, non-prevailing party.

17.6 Paragraph headings are not a part of this Agreement, are contained herein for convenience only, and shall not be considered in connection with the construction of this Agreement.

17.7 Signatures to this Agreement may be transmitted by facsimile or electronic means. This agreement may be executed in any number of counterparts, the whole of which shall constitute one and the same instrument.

17.8 If any provision of this Agreement is found by any court or other legal authority, or is agreed by the parties to be, in conflict with any code or regulation governing its subject matter, only the conflicting provision shall be considered null and void. If the effect of nullifying any conflicting provision is such that a material benefit of the Agreement to either party is lost, the Agreement may be terminated at the option of the affected party. In all other cases the remainder of the Agreement shall continue in full force and effect.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

IN WITNESS WHEREOF, Seller and Buyer have executed this Agreement as of the Effective Date.

SELLER:
FALLBROOK REGIONAL HEALTH DISTRICT
(f/k/a FALLBROOK HOSPITAL DISTRICT)

By: _____
Name: GORDON W. TINKER
Its: Board President

BUYER:
CRESTWOOD BEHAVIORAL HEALTH, INC.

By: GEORGE C. LYTAL, President/CEO

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EXHIBIT "A"
DESCRIPTION OF THE PROPERTY

FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS

THIS FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS ("Amendment") is made as of June 6, 2017, by and between FALLBROOK REGIONAL HEALTH DISTRICT, formerly known as FALLBROOK HOSPITAL DISTRICT ("Seller") and CRESTWOOD BEHAVIORAL HEALTH, INC. or its assignee ("Buyer").

RECITALS

A. Buyer and Seller previously entered into that certain Purchase and Sale Agreement and Escrow Instructions ("Agreement") dated May 10, 2017, for Buyer to purchase from Seller the real property commonly known as 624 E. Elder Street, Fallbrook, San Diego County, California, and all improvements thereon and appurtenances thereto (the "Property").

B. The parties have agreed that Seller will perform a lot line adjustment to change the boundaries of the Property. The parties wish to modify the Agreement to address issues raised by the lot line adjustment, and certain other issues.

WHEREFORE, the parties agree as follows:

AGREEMENT

1. Seller shall prepare and submit a lot line adjustment ("LLA") to change the boundaries of the Property as set forth in Exhibits A and B hereto. Seller shall provide the draft LLA application to Buyer for its review prior to submission.

2. The Closing shall take place, promptly upon approval of the LLA, on a date agreed to by the parties. Buyer shall continue to have access to the Property as set forth in the Agreement (i.e., with notice to Seller), until the Close.

3. CRESTWOOD BEHAVIORAL HEALTH, INC. hereby assigns its rights and duties under the Agreement and this Amendment to FALLBROOK PARTNERS, LLC, a California limited liability company, and Seller hereby accepts this assignment. After the date of this Amendment, all references to Buyer shall be to FALLBROOK PARTNERS, LLC.

4. The parties acknowledge and agree that Buyer's Feasibility Period expires at 5:00 pm on June 6, 2017. Buyer hereby releases all contingencies pursuant to paragraph 4 of the Agreement, except as follows: The Closing shall occur promptly after completion of the LLA, but no later than July 31, 2017. If the LLA has not been completed by July 31, 2017, Seller shall grant an easement to Buyer over the real

property that is the subject of the LLA, and Seller shall continue to pursue the LLA post-Closing.

5. Buyer's address for notices is changed to:

Buyer:

Fallbrook Partners, LLC
Attn: Laurie Bell Schrum
520 Capitol Mall, #800
Sacramento, CA 95814
lschrum@cbhi.net

6. All provisions of the Agreement not modified by this Amendment shall remain in full force and effect. This Amendment may be executed in counterparts, the whole of which shall constitute one and the same instrument. Signatures affixed hereto or transmitted by electronic or facsimile means shall be valid as original signatures.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

IN WITNESS WHEREOF, Seller and Buyer have executed this First Amendment to Purchase and Sale Agreement and Escrow Instructions as of the date first set forth above.

SELLER:
FALLBROOK REGIONAL HEALTH DISTRICT
(f/k/a FALLBROOK HOSPITAL DISTRICT)

By: _____
Name: GORDON W. TINKER
Its: Board President

BUYER/ASSIGNEE:
FALLBROOK PARTNERS, LLC

By: GEORGE C. LYTAL, Manager

BUYER/ASSIGNOR:
CRESTWOOD BEHAVIORAL HEALTH, INC.

By: GEORGE C. LYTAL, President/CEO

DISCUSSION/ACTION ITEMS
CSDA Board Election

RECEIVED
6/6/17



**California Special
Districts Association**
Districts Stronger Together

CALIFORNIA SPECIAL DISTRICTS ASSOCIATION

2017 BOARD ELECTIONS

MAIL BALLOT INFORMATION

Dear Member:

A mail ballot has been enclosed for your district's use in voting to elect a representative to the CSDA Board of Directors in your Network for Seat C.

Each of CSDA's six (6) networks has three seats on the Board. Each of the candidates is either a board member or management-level employee of a member district located in your network. Each Regular Member (district) in good standing shall be entitled to vote for one (1) person to represent its network.

We have enclosed the candidate information for each candidate who submitted one. Please vote for **only one** candidate to represent your network in Seat C, **unless otherwise noted on the actual ballot**, and be sure to sign, date and fill in your member district information. If any part of the ballot is not complete, the ballot will not be valid and will not be counted.

Please utilize the enclosed return envelope to return the completed ballot. Ballots must be received at the CSDA office at 1112 I Street, Suite 200, Sacramento, CA 95814 by **5:00pm on Friday, August 4, 2017.**

If you do not use the enclosed envelope, please mail in your ballot to:

California Special Districts Association
Attn: 2017 Board Elections
1112 I Street, Suite 200
Sacramento, CA 95814

Please contact Beth Hummel at 877.924.2732 or bethh@csla.net with any questions.



2017 CSDA BOARD CANDIDATE INFORMATION SHEET

The following information **MUST** accompany your nomination form and Resolution/minute order:

Name: Arlene Schafer

District/Company: Costa Mesa Sanitary District

Title: Secretary

Elected/Appointed/Staff: Elected

Length of Service with District: 20 Years

- 1. Do you have current involvement with CSDA (such as committees, events, workshops, conferences, Governance Academy, etc.):**

Current member of the CSDA Board of Directors, Legislative Committee, Membership Commission Chair, Fiscal Committee and attendee of Legislative Days, Annual Conference, SDLA certificate holder.

- 2. Have you ever been associated with any other state-wide associations (CSAC, ACWA, League, etc.):**

Member of CSAC and was a member of the League when serving on the City Council.

- 3. List local government involvement (such as LAFCo, Association of Governments, etc.):**

LAFCO member representing special districts, former Chair and Vice Chair of the ISDOC and currently serving as an Executive Committee member, OCCOG Board member.

- 4. List civic organization involvement:**

President of Harbor-Mesa Lions (2 terms), Costa Mesa Republican Federation of Women, OC Federation of Women, 3rd Vice President Ways & Means, Costa Mesa for Responsible Government member.

RE-ELECT ARLENE SCHAFER CALIFORNIA SPECIAL DISTRICTS ASSOCIATION SOUTHERN NETWORK

Arlene Schafer—Secretary
Costa Mesa Sanitary District



As the former Mayor of the City of Costa Mesa, it has been an honor to serve as your representative on the California Special Districts Association (CSDA) for the past two years and now I humbly ask for your support to re-elect me to the Southern Network for another term. I believe my 28 years of experience as a local government leader that includes 20 years serving special districts in a variety of different capacities makes me the best candidate. In March, the Little Hoover Commission will release its report on special districts and its very likely the report will focus on the role Local Agency Formation Commissions play in special district formation and reorganization. CSDA was an active participant in the public hearings where commissioners learned how special districts provide vital services in our communities and are directly accountable to our voters and ratepayers. During my term as a member of the Board of Directors, CSDA successfully advocated for special districts by using the latest technology for outreach such as CSDA's campaign website, "Districts Make the Difference" and the new online video, "Districts Empower our Communities." I believe it is extremely important for CSDA to keep its foot on the pedal on advocacy by letting legislators, media, business leaders, schools and the general public know how important we are in our communities.

PREVIOUS CSDA EXPERIENCE

- ◆ Board President
- ◆ Board Vice President
- ◆ Board Secretary
- ◆ Finance Corporation
- ◆ Legislation Committee
- ◆ Fiscal Committee
- ◆ CSDA Membership Committee
- ◆ Recruitment & Planning Committee

Currently, I am serving on the Board of Directors for the Costa Mesa Sanitary District (CMSD) where I have been a Board member for 20 years. I am proud to be part of an organization that has been a District of Distinction since 2009, earned the Transparency Certificate of Excellence for four consecutive years and CMSD is one of few special districts in California that received Gold Recognition in Special District Governance.

If re-elected, I will continue to support CSDA's public outreach campaign about the essential services we provide and I will work collaboratively with CSDA Board of Directors and staff on providing essential training and professional development to help your agency succeed. Please vote for Arlene Schafer by August 4, 2017.



California Special
Districts Association
Districts Stronger Together

2017 CSDA BOARD CANDIDATE INFORMATION SHEET

The following information **MUST** accompany your nomination form and Resolution/minute order:

Name: Kristin Bloomer

District/Company: Desert Water Agency

Title: Secretary-Treasurer

Elected/Appointed/Staff: Elected

Length of Service with District: 12/4/15 - Current

1. Do you have current involvement with CSDA (such as committees, events, workshops, conferences, Governance Academy, etc.):

I recently attended the CSDA Legislative Days event.

2. Have you ever been associated with any other state-wide associations (CSAC, ACWA, League, etc.):

I am a member of ACWA and attend their conferences.

3. List local government involvement (such as LAFCo, Association of Governments, etc.):

City of Palm Springs Measure J Oversight Committee, Desert Water Agency Finance and Legislative Committees

4. List civic organization involvement:

Palm Springs SunUp Rotary Club, Palm Springs Woman's Club, St. Theresa

School PTA President, Desert Roundtable

****Candidate Statement** – Although it is not required, each candidate is requested to submit a candidate statement of no more than 300 words in length. **Any statements received in the CSDA office after May 31, 2017 will not be included with the ballot.**



**California Special
Districts Association**
Districts Stronger Together

2017 CSDA BOARD CANDIDATE INFORMATION SHEET

The following information **MUST** accompany your nomination form and Resolution/minute order:

Name: John DeMonaco

District/Company: Chino Valley Independent Fire District

Title: Director

Elected/Appointed/Staff: Elected

Length of Service with District: 11 years

- 1. Do you have current involvement with CSDA (such as committees, events, workshops, conferences, Governance Academy, etc.):**

I am on the Legislative and Fiscal Committees

I have also served on the Education and Membership Committees

- 2. Have you ever been associated with any other state-wide associations (CSAC, ACWA, League, etc.):**

I am on the Board of Directors for the Fire Districts Association of California

- 3. List local government involvement (such as LAFCo, Association of Governments, etc.):**

N/A

- 4. List civic organization involvement:**

I am a member and past Chairman of the Rotary Club of Chino. I am also a Board Member of the Chino Rotary Foundation.

****Candidate Statement** – Although it is not required, each candidate is requested to submit a candidate statement of no more than 300 words in length. **Any statements received in the CSDA office after May 31, 2017 will not be included with the ballot.**

I am seeking election to a seat on the Board of Directors of the California Special Districts Association.

I have served on the Board of Directors of the Chino Valley Independent Fire District for 11 years, elected in 2006. I am very proud to state that our Fire District is the **first** fire district to receive the District of Distinction Accreditation from the Special Districts Leadership Foundation (SDLF). We have been a District of Distinction since 2008. We also have obtained a District of Transparency Certificate of Excellence. I have completed the SDLF Recognition of Special District Governance.

I serve on the CSDA Legislative and the Fiscal Committees. I have previously served on the CSDA Education and Membership committees.

I am a retired Fire Chief with 33 years of Fire Service experience. I have been involved in city, county, JPAs and special districts in various capacities. I am currently on the Board of Directors of the Fire Districts Association of California and also serve on their Conference Committee. I am a Past President of the Chino Rotary Club and past Chairman of the Chino Rotary Foundation.

I understand, and I am committed to legislative advocacy for special districts. Special Districts provide one of the most effective, efficient, and accountable forms of local service. It is vital that we continue to work together to influence and monitor policy decisions affecting California special districts.

My commitment, extensive experience, and education in public service and as a special district board member and policy-maker, provides me with the ability to effectively serve as a CSDA Board Member representing all California Special Districts. I look forward to your support!

Please contact me at (909) 816-8396 or email at jdemonaco@chofire.org.

John DeMonaco



2017 CSDA BOARD CANDIDATE INFORMATION SHEET

The following information **MUST** accompany your nomination form and Resolution/minute order:

Name: Richard Hall

District/Company: Mojave Water Agency

Title: Director, Division 3

Elected/Appointed/Staff: Elected

Length of Service with District: 17 years

1. Do you have current involvement with CSDA (such as committees, events, workshops, conferences, Governance Academy, etc.):

Currently serving on the Professional Development
Committee and Membership Committee

2. Have you ever been associated with any other state-wide associations (CSAC, ACWA, League, etc.):

Mojave Water Agency is a member of ACWA

3. List local government involvement (such as LAFCo, Association of Governments, etc.):

Currently President of the Association of San Bernardino
County Special Districts

4. List civic organization involvement:

Member of the Elks Association, Kiwanis, Summit Valley
Property Owners

****Candidate Statement** – Although it is not required, each candidate is requested to submit a candidate statement of no more than 300 words in length. **Any statements received in the CSDA office after May 31, 2017 will not be included with the ballot.**

CANDIDATE STATEMENT

My name is Richard Hall and I am currently a Director for the Mojave Water Agency and President of the Association of the San Bernardino County Special Districts and have served as an elected official for more than 35 years in two Special District organizations. I am interested in the CSDA Board of Directors position for Southern District Seat C – here is a list of my qualifications:

- First-hand knowledge and experience to ensure that we have safe, quality drinking water.
- Knowledge and experience in Recreation and Parks through 20 years on the Hesperia Recreation and Parks Special District board and served as president four times.
- Knowledge and experience in Property Owners Association in Summit Valley, California where I helped to bring electricity and natural gas to the owners and served as president.
- Knowledge and experience in Engineering and Management at General Dynamics Program Office working with the Federal and State government.
- Reduced taxes through leadership as well as set policy to purchase quality water, build water discharge facilities, and given tax money back to residents who helped reduce water usage.
- Continue to fight to bring 21st century technology to our Agency to study in order to better ensure management of our water resources by advanced computer systems, deep monitor wells, and other state of the art methods.
- Worked closely with community leaders and residents for best policies and strategies including getting State and Federal funding for safe, drinkable water and other needed projects and programs..
- Support funding colleges and students for research and development for continued new resource solutions for present and future issues.

I know that more needs to be done and have plans to meet these challenges. Let us protect our future and provide leadership with someone who knows how.



California Special
Districts Association
Districts Stronger Together

2017 CSDA BOARD CANDIDATE INFORMATION SHEET

The following information **MUST** accompany your nomination form and Resolution/minute order:

Name: Michael Mack

District/Company: Rainbow Municipal Water District

Title: Director, Division 5

Elected/Appointed/Staff: Elected

Length of Service with District: 5 months

1. Do you have current involvement with CSDA (such as committees, events, workshops, conferences, Governance Academy, etc.):

I am the officially appointed RMWD representative for CSDA.

2. Have you ever been associated with any other state-wide associations (CSAC, ACWA, League, etc.):

I serve as the RMWD representative of both ACWA & CSDA.

3. List local government involvement (such as LAFCo, Association of Governments, etc.):

I worked for the city of San Marcos, CA for over 30 years as Parks Superintendent.

4. List civic organization involvement:

Past President of P.T.A.

*** SEE ATTACHED STATEMENT ***

****Candidate Statement** – Although it is not required, each candidate is requested to submit a candidate statement of no more than 300 words in length. **Any statements received in the CSDA office after May 31, 2017 will not be included with the ballot.**

ENDLESS POSSIBILITIES



My name is Michael Mack and I am honored to be seeking election to be on the Board of Directors of California Special Districts Association.

I was elected to the Rainbow Municipal Water District Board of Directors in December 2016 and appointed to serve as the District's representative at both ACWA and CSDA. My background includes a degree in horticulture and worked for the City of San Marcos for over thirty years. As the Parks Department Supervisor, I had many responsibilities including reviewing plans and inspection of new park and street median installations. I was both a Certified Playground Inspector and Irrigation Auditor. One of my main responsibilities was ensuring efficient usage of water resources. I calculated, determined, and programmed water requirements for the plant material for all parks and street medians within the City.

I have learned the importance of CSDA is we are the support system to help ensure efficient and productive services to both small and large communities throughout California at the local level of city governments. As your CSDA Board Member, I see endless possibilities and promise to tackle and meet the challenges our districts face. We all must work together for present and future needs for our special districts and by doing so we can and will achieve our goals. We must be proactive with our legislators and with this energy and commitment we can make the difference between success and failure.

I am very honored to have this chance to serve all of you and given this opportunity. I feel extensive service and experience in the public sector, I will work effortlessly to make those endless possibilities become reality.



Thursday, July 6, 2017

Fallbrook Library

124 S. Mission Rd.

6:00 p.m. – Social/ Refreshments

6:30 p.m.—7:30 p.m. Presentation/Door Prizes

Featured Presentation:

***“Drug Interactions &
Over-The-Counter Implications”***

It's important to always be safe when taking medications.

Learn about potential interactions and

Always check with your physician

Presenter:

***Don Weeks, Pharmacist
CVS Pharmacy—Fallbrook***

Free Event including Refreshments • Door Prizes

**Please Note: No need for Reservations at this time
Please plan to attend and bring a friend!**

**Questions? Contact Pam Knox at pknox@fallbrookhealth.org
Or call 760-731-9187**

Please bring non-perishable food items for Fallbrook Food Pantry

Fallbrook Regional
HEALTH  DISTRICT