

Fallbrook Regional HEALTH DISTRICT

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

BOARD OF DIRECTORS REGULAR BOARD MEETING

WEDNESDAY
DECEMBER 13, 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, December 13, 2017, 6:00 p.m.
Fallbrook Public Utilities District, 990 E. Mission Rd., Fallbrook

A. CALL MEETING TO ORDER – PLEDGE OF ALLEGIANCE

- A1. Annual Organizational Meeting: Election of Officers of the Board
- A2. Commencement of Regular Monthly Meeting – Newly Elected President

B. ADDITIONS TO AGENDA

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

C. BOARD MEMBER AND PUBLIC COMMENTS

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

D. CONSENT ITEMS

- D1. Approval of October 2017 Financial Statements
- D2. Minutes of November 1, 2017 Finance Committee Meeting
- D3. Minutes of November 8, 2017 Regular Board Meeting

E. REPORTS

- E1. Finance Committee – Committee of the Whole, Chair: Director Mroz
- E2. Gov’t/Public Relation/Community Relations Committee – Directors Salmon and Tinker
- E3. Facilities/Strategic Planning Committee – Directors Abbott and Salmon
- E4. Executive Director – Bobbi Palmer
- E5. General Counsel – Blaise Jackson

F. DISCUSSION/ACTION ITEMS

- F1. Retention Items – Authorization to Destroy Outdated Records (Gov Code 34090, Per Board Resolution 393)
- F2. CHS – Requested Acknowledgement and Release of Unnecessary Repairs
- F3. Urgent Care Services Proposals Received

G. ITEMS FOR SUBSEQUENT MEETINGS

- G1. Other Director/Staff discussion items
 - G1a. Item(s) for future board agendas
 - G1b. Announcements of upcoming events
 - NCCCHI meeting – 1st Wednesday, January 3, 2018, 2:00-3:00pm
 - Finance Committee meeting – 1st Wednesday, January 3, 2018, 5:00pm, Fallbrook Regional Health District Board Room, 138 S. Brandon Rd.
 - Woman of Wellness – Thursday, January 4, 2018, 6pm – Fallbrook Library

- Community Collaborative for Health & Wellness Committee (CCH&W) meeting Monday, January 15, 2018, 9:00-10:30am, Fallbrook Public Utility District Board Room
- G2. Next Regular Board meeting – Wednesday, January 10, 2018, Fallbrook Public Utility District Board Room


H. CLOSED SESSION

- H1. Personnel Matters Pursuant to Government Code Section 54957 – Evaluation of Executive Director

I. RETURN TO OPEN SESSION

J. ADJOURNMENT

NOTE: This agenda posted at the Fallbrook Regional Health District Administration Office on Friday, December 8, 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

CONSENT ITEMS



AGENDA
FALLBROOK REGIONAL HEALTH DISTRICT
FINANCE COMMITTEE
Wednesday, December 6, 2017 at 5:00 P.M.
Board Conference Room, 138 S. Brandon Rd., Fallbrook CA 92028

Committee Members: Finance Committee of the Whole, Barbara Mroz, Chair and Bill Leach, Co-chair

Staff Members: Executive Director Bobbi Palmer and Administrative Assistant Linda Bannerman

Accountant: Kathy Bogle

Bookkeeper: Wendy Lyon

1. Call to Order/Roll Call
2. Public Comments
3. RFPs for Urgent Care Services
 - a. Interview(s) based on proposals received on November 30, 2017
4. Review of Financial Statements for October 2017
 - 1) Balance Sheet Comparison of October – September
 - 2) Income Statement for October 2017 and fiscal year to date
 - 3) Profit & Loss Actual vs Budget – October
 - 4) Profit & Loss Budget Overview July 2016 – June 2017
 - 5) LAIF Report
 - 6) CalTrust
 - 7) Property Tax Revenue – fiscal year to date
 - 8) Check Detail as of October 2017
5. Adjournment

I certify that on November 30, 2017, I posted a copy of the foregoing agenda near the regular meeting place of the Board of Directors of Fallbrook Regional Health District, said time being at least 72 hours in advance of the meeting of the Finance Committee.



Board Secretary/Clerk

**FALLBROOK REGIONAL HEALTH DISTRICT
BALANCE SHEET COMPARISON**

Comparison of October 2017 to September 2017

	Oct 31, 17	Sep 30, 17	\$ Change
ASSETS			
Current Assets			
Checking/Savings			
102.9 · Cal Trust Investment Account	4,259,953.17	4,262,843.43	(2,890.26)
102.2 · Cash in Bank - Operating	4,939,130.21	4,871,594.41	67,535.80
102.6 · Cash in Bank -LAIF	1,455,752.59	1,451,823.14	3,929.45
Total Checking/Savings	10,654,835.97	10,586,260.98	68,574.99
Other Current Assets			
104 · Prepaid Insurance	31,416.76	35,314.75	(3,897.99)
107 · Tax apportion receivable	0.00	22,989.72	(22,989.72)
Total Other Current Assets	31,416.76	58,304.47	(26,887.71)
Total Current Assets	10,686,252.73	10,644,565.45	41,687.28
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	(19,933.45)	(19,881.41)	(52.04)
122.0 · ASSETS HELD FOR RESALE			
122.02 · WELLNESS CENTER	291,240.00	291,240.00	0.00
Total 122.0 · ASSETS HELD FOR RESALE	291,240.00	291,240.00	0.00
Total Fixed Assets	583,941.51	583,993.55	(52.04)
TOTAL ASSETS	<u>11,270,194.24</u>	<u>11,228,559.00</u>	<u>41,635.24</u>
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
140 · Accounts Payable	23,337.83	22,134.41	1,203.42
Total Accounts Payable	23,337.83	22,134.41	1,203.42
Credit Cards			
150.1 · American Express 41007	982.51	1,767.07	(784.56)
Total Credit Cards	982.51	1,767.07	(784.56)
Other Current Liabilities			
204 · Accrued Vacation & Sick Leave	23,900.57	23,900.57	0.00
215 · Comm Healthcare Programs Pybl			
215.24 · District Sponsored Programs	24,394.42	25,765.89	(1,371.47)
Total 215 · Comm Healthcare Programs ...	24,394.42	25,765.89	(1,371.47)
Total Other Current Liabilities	48,294.99	49,666.46	(1,371.47)
Total Current Liabilities	72,615.33	73,567.94	(952.61)
Total Liabilities	72,615.33	73,567.94	(952.61)

**FALLBROOK REGIONAL HEALTH DISTRICT
BALANCE SHEET COMPARISON**

Comparison of October 2017 to September 2017

	Oct 31, 17	Sep 30, 17	\$ Change
Equity			
300 · Unrestricted Operations Fund	1,904,473.14	1,904,473.14	0.00
302.2 · Community Investment Fund	9,837,855.82	9,837,855.82	0.00
Net Income	(544,750.05)	(587,337.90)	42,587.85
Total Equity	11,197,578.91	11,154,991.06	42,587.85
TOTAL LIABILITIES & EQUITY	11,270,194.24	11,228,559.00	41,635.24

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

	Oct 17	Jul - Oct 17
Ordinary Income/Expense		
Income		
400. · District		
402 · Property tax revenue	89,729	156,478
403 · Interest / Dividends	9,539	24,912
406 · Unearned Inc(Loss) - Cal Trust	(8,500)	(12,756)
Total 400. · District	90,768	168,635
450. · Properties		
460 · Lease Income		
460.01 · A+ Urgent Care	9,600	24,000
Total 460 · Lease Income	9,600	24,000
450.001 · Hospital Building Sale		4,500,000
450.02 · Costs of Hospital Property Sale	(1,877)	(236,951)
450.01 · Hospital Property Cost Basis		(4,427,825)
Total 450. · Properties	7,723	(140,776)
Total Income	98,491	27,859
Gross Profit	98,491	27,859
Expense		
500 · Administrative Expenses		
500.36 · Accrued Vacation & Sick Leave		(2,393)
500.10 · Salaries	17,870	71,480
500.12 · Payroll Taxes	1,459	5,958
500.14 · W/C Insurance	152	608
500.15 · Employee Health & Welfare	781	3,775
500.16 · Board Stipends	1,200	6,400
500.17 · Education & Conferences	(50)	4,984
500.18 · Dues & Subscriptions		8,217
500.19 · Insurance - General	3,746	14,984
500.20 · Independent Accounting Services	850	3,400
500.21 · Annual Independent Audit	852	8,834
500.23 · General Counsel	6,624	52,453
500.25 · Office Expense		
01 · Communications	314	1,308
02 · I.T. and Website services	253	1,821
03 · Refreshments	450	1,359
04 · Office Expenses	535	1,363
05 · Admin fees	34	1,009
06 · Independent Contract Services	3,629	13,059
Total 500.25 · Office Expense	5,216	19,919

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

	Oct 17	Jul - Oct 17
500.27 · Depreciation	52	208
500.29 · Dist Promotions & Publications	1,666	19,896
500.32 · Consultant Fees	4,600	29,603
500.33 · Copier Lease	873	3,422
500.45 · Community Garden	274	274
Total 500 · Administrative Expenses	46,165	252,021
590 · Management & Maintenance		
590.02 · Gas & Electric	3,555	25,530
590.03 · Water	538	6,188
590.04 · Waste Management	74	421
590.05 · Security	720	4,020
590.06 · Landscape - Grounds Environment	1,600	6,400
590.07 · Custodial Services	300	1,200
590.08 · Elevator	182	719
590.10 · Maintenance Services & Repairs	250	1,723
590.11 · Medical Records Store & Service	2,355	9,387
590.12 · Fire Alarm System	165	495
Total 590 · Management & Maintenance	9,738	56,084
600 · Community Health Contracts		
600.02 · Fbk Citizens Crime Prevention		2,500
600.59 · Palomar Health Foundation		(5,000)
600.58 · Michelle's Place		6,000
600.54 · Healthy Adventures Foundation		2,250
600.53 · Jeremiah's Ranch		3,688
600.04 · Boys & Girls Club		20,000
600.07 · Fbk Senior Citizens Srvc Club		31,350
600.08 · Fallbrook Smiles Project		17,875
600.11 · Palomar Family Counseling Srvc		19,750
600.14 · Fbk Family Health Center		25,000
600.17 · Foundation for Senior Care		52,279
600.18 · Fallbrook Food Pantry		18,000
600.19 · Live Oak Park Coalition		10,000
600.33 · REINS Therapeutic Prgm		16,250
600.37 · Trauma Intervention Prgm of SD		2,250
600.46 · Mental Health Systems, Inc.		2,312
Total 600 · Community Health Contracts		224,504
800 · District Direct Care Services		
800.02 · A+ Urgent Care		40,000
Total 800 · District Direct Care Services		40,000
Total Expense	55,903	572,609
Net Ordinary Income	42,588	(544,750)
Net Income	42,588	(544,750)

FALLBROOK REGIONAL HEALTH DISTRICT
Profit & Loss Actual vs Budget

July through October 2017

	Jul - Oct 17	Budget	\$ Over B...
Ordinary Income/Expense			
Income			
400. · District			
402 · Property tax revenue	156,478	79,601	76,878
403 · Interest / Dividends	24,912	20,000	4,912
406 · Unearned Inc(Loss) - Cal Trust	(12,756)	0	(12,756)
Total 400. · District	168,635	99,601	69,034
450. · Properties			
460 · Lease Income			
460.01 · A+ Urgent Care	24,000	19,200	4,800
Total 460 · Lease Income	24,000	19,200	4,800
450.001 · Hospital Building Sale	4,500,000		
450.02 · Costs of Hospital Property Sale	(236,951)		
450.01 · Hospital Property Cost Basis	(4,427,825)		
Total 450. · Properties	(140,776)	19,200	(159,976)
Total Income	27,859	118,801	(90,942)
Gross Profit	27,859	118,801	(90,942)
Expense			
500 · Administrative Expenses			
500.36 · Accrued Vacation & Sick Leave	(2,393)	0	(2,393)
500.10 · Salaries	71,480	82,224	(10,744)
500.12 · Payroll Taxes	5,958	5,923	35
500.14 · W/C Insurance	608	608	(0)
500.15 · Employee Health & Welfare	3,775	4,167	(392)
500.16 · Board Stipends	6,400	6,000	400
500.17 · Education & Conferences	4,984	5,833	(849)
500.18 · Dues & Subscriptions	8,217	9,138	(921)
500.19 · Insurance - General	14,984	8,333	6,651
500.20 · Independent Accounting Servi...	3,400	3,400	0
500.21 · Annual Independent Audit	8,834	8,600	234
500.23 · General Counsel	52,453	30,000	22,453
500.25 · Office Expense			
01 · Communications	1,308	1,333	(26)
02 · I.T. and Website services	1,821	2,000	(179)
03 · Refreshments	1,359	2,167	(807)
04 · Office Expenses	1,363	4,333	(2,970)
05 · Admin fees	1,009	0	1,009
06 · Independent Contract Services	13,059	20,000	(6,941)
Total 500.25 · Office Expense	19,919	29,833	(9,914)
500.27 · Depreciation	208	400	(192)
500.29 · Dist Promotions & Publications	19,896	7,333	12,562
500.32 · Consultant Fees	29,603	44,250	(14,648)
500.33 · Copier Lease	3,422	3,333	89
500.45 · Community Garden	274	2,000	(1,726)
Total 500 · Administrative Expenses	252,021	251,377	645

FALLBROOK REGIONAL HEALTH DISTRICT
Profit & Loss Actual vs Budget

July through October 2017

	Jul - Oct 17	Budget	\$ Over B...
590 · Management & Maintenance			
590.02 · Gas & Electric	25,530	2,500	23,030
590.03 · Water	6,188	2,000	4,188
590.04 · Waste Management	421	142	279
590.05 · Security	4,020	5,672	(1,652)
590.06 · Landscape - Grounds Environ...	6,400	4,000	2,400
590.07 · Custodial Services	1,200	2,336	(1,136)
590.08 · Elevator	719	672	47
590.09 · Vehicle Expenses	0	100	(100)
590.10 · Maintenance Services & Repairs	1,723	1,200	523
590.11 · Medical Records Store & Servi...	9,387	13,667	(4,280)
590.12 · Fire Alarm System	495	733	(238)
590.13 · Renovations / Improvements	0	12,500	(12,500)
Total 590 · Management & Maintenance	56,084	45,522	10,561
600 · Community Health Contracts			
600.02 · Fbk Citizens Crime Prevention	2,500	2,500	0
600.59 · Palomar Health Foundation	(5,000)	0	(5,000)
600.58 · Michelle's Place	6,000	6,000	0
600.54 · Healthy Adventures Foundation	2,250	2,250	0
600.53 · Jeremiah's Ranch	3,688	3,688	0
600.04 · Boys & Girls Club	20,000	20,000	0
600.07 · Fbk Senior Citizens Srvc Club	31,350	31,350	0
600.08 · Fallbrook Smiles Project	17,875	17,875	0
600.11 · Palomar Family Counseling Srvc	19,750	19,750	0
600.14 · Fbk Family Health Center	25,000	25,000	0
600.17 · Foundation for Senior Care	52,279	52,279	0
600.18 · Fallbrook Food Pantry	18,000	18,000	0
600.19 · Live Oak Park Coalition	10,000	10,000	0
600.33 · REINS Therapeutic Prgm	16,250	16,250	0
600.37 · Trauma Intervention Prgm of SD	2,250	2,250	0
600.46 · Mental Health Systems, Inc.	2,312	2,312	0
Total 600 · Community Health Contracts	224,504	229,504	(5,000)
800 · District Direct Care Services			
800.02 · A+ Urgent Care	40,000	0	40,000
Total 800 · District Direct Care Services	40,000	0	40,000
Total Expense	572,609	526,403	46,206
Net Ordinary Income	(544,750)	(407,602)	(137,148)
Net Income	(544,750)	(407,602)	(137,148)

FALLBROOK REGIONAL HEALTH DISTRICT
Profit & Loss Budget Overview 2017 - 2018
 July 2017 through June 2018

	Jul 17	Aug 17	Sep 17	Oct 17	Nov 17	Dec 17	Jan 18	Feb 18	Mar 18	Apr 18	May 18	Jun 18	TOTAL Jul '17 - Jun 18
Ordinary Income/Expense													
Income													
400. · District													
402 · Property tax revenue	15,065	29,617	9,576	25,343	50,132	600,620	297,496	63,789	458,124	214,331	14,470	21,437	1,800,000
403 · Interest / Dividends	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000
Total 400. · District	20,065	34,617	14,576	30,343	55,132	605,620	302,496	68,789	463,124	219,331	19,470	26,437	1,860,000
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	24,865	39,417	19,376	35,143	59,932	610,420	307,296	73,589	467,924	224,131	24,270	31,237	1,917,600
Gross Profit	24,865	39,417	19,376	35,143	59,932	610,420	307,296	73,589	467,924	224,131	24,270	31,237	1,917,600
Expense													
500 · Administrative Expenses													
500.36 · Accrued Vacation & Sick Leave	0	0	0	0	0	0	0	0	0	0	0	20,700	20,700
500.10 · Salaries	19,408	20,665	19,928	22,222	22,222	22,222	22,222	22,222	22,222	22,222	22,222	22,222	260,000
500.12 · Payroll Taxes	1,327	1,455	1,381	1,760	1,760	1,760	1,760	1,760	1,760	1,760	1,760	1,760	20,000
500.14 · W/C Insurance	152	152	152	152	152	152	152	152	152	152	152	152	1,825
500.15 · Employee Health & Welfare	1,042	1,042	1,042	1,042	1,042	1,042	1,042	1,042	1,042	1,042	1,042	1,042	12,500
500.16 · Board Stipends	1,300	1,700	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
500.17 · Education & Conferences	1,458	1,458	1,458	1,458	1,458	1,458	1,458	1,458	1,458	1,458	1,458	1,458	17,500
500.18 · Dues & Subscriptions	8,471	667	0	0	5,272	110	880	0	0	100	0	0	15,500
500.19 · Insurance - General	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	25,000
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	8,600	0	0	0	0	0	0	0	0	0	0	8,600
500.23 · General Counsel	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	90,000
500.25 · Office Expense													
01 · Communications	333	333	333	333	333	333	333	333	333	333	333	333	4,000
02 · I.T. and Website services	500	500	500	500	500	500	500	500	500	500	500	500	6,000
03 · Refreshments	542	542	542	542	542	542	542	542	542	542	542	542	6,500
04 · Office Expenses	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083	13,000
06 · Independent Contract Services	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000
Total 500.25 · Office Expense	7,458	7,458	7,458	7,458	7,458	7,458	7,458	7,458	7,458	7,458	7,458	7,458	89,500
500.27 · Depreciation	100	100	100	100	100	100	100	100	100	100	100	100	1,200
500.29 · Dist Promotions & Publications	1,833	1,833	1,833	1,833	1,833	1,833	1,833	1,833	1,833	1,833	1,833	1,833	22,000
500.32 · Consultant Fees	11,063	11,063	11,063	11,063	11,063	11,063	11,063	11,063	11,063	11,063	11,063	11,063	132,750
500.33 · Copier Lease	833	833	833	833	833	833	833	833	833	833	833	833	10,000
500.45 · Community Garden	0	0	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	10,000
Total 500 · Administrative Expenses	64,880	67,460	58,182	60,855	66,127	60,965	61,735	60,855	60,855	60,955	60,855	81,555	765,275
590 · Management & Maintenance													
590.02 · Gas & Electric	625	625	625	625	625	625	625	625	625	625	625	625	7,500
590.03 · Water	500	500	500	500	500	500	500	500	500	500	500	500	6,000
590.04 · Waste Management	71	0	71	0	71	0	71	0	72	0	70	0	425
590.05 · Security	1,424	1,416	1,416	1,416	1,416	1,416	1,416	1,416	1,416	1,416	1,416	1,416	17,000
590.06 · Landscape - Grounds Environment	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
590.07 · Custodial Services	587	583	583	583	583	583	583	583	583	583	583	583	7,000
590.08 · Elevator	174	166	166	166	166	166	166	166	166	166	166	166	2,000
590.09 · Vehicle Expenses	25	25	25	25	25	25	25	25	25	25	25	25	300
590.10 · Maintenance Services & Repairs	300	300	300	300	300	300	300	300	300	300	300	300	3,600
590.11 · Medical Records Store & Service	3,417	3,417	3,417	3,417	3,417	3,417	3,417	3,417	3,417	3,417	3,417	3,417	41,000
590.12 · Fire Alarm System	183	183	183	183	183	183	183	183	183	183	183	183	2,200
590.13 · Renovations / Improvements	0	0	0	12,500	12,500	12,500	12,500	0	0	0	0	0	50,000
Total 590 · Management & Maintenance	8,306	8,215	8,286	20,715	20,786	20,715	20,786	8,215	8,286	8,215	8,284	8,215	149,025

FALLBROOK REGIONAL HEALTH DISTRICT
Profit & Loss Budget Overview 2017 - 2018
 July 2017 through June 2018

	Jul 17	Aug 17	Sep 17	Oct 17	Nov 17	Dec 17	Jan 18	Feb 18	Mar 18	Apr 18	May 18	Jun 18	TOTAL Jul '17 - Jun 18
600 · Community Health Contracts													
600.02 · Fbk Citizens Crime Prevention	2,500	0	0	0	2,500	0	0	2,500	0	0	2,500	0	10,000
600.58 · Michelle's Place	6,000	0	0	0	6,000	0	0	6,000	0	0	6,000	0	24,000
600.54 · Healthy Adventures Foundation	2,250	0	0	0	2,250	0	0	2,250	0	0	2,250	0	9,000
600.53 · Jeremiah's Ranch	3,688	0	0	0	3,688	0	0	3,688	0	0	3,688	0	14,750
600.04 · Boys & Girls Club	20,000	0	0	0	10,000	0	0	10,000	0	0	10,000	0	50,000
600.07 · Fbk Senior Citizens Srvc Club	31,350	0	0	0	18,750	0	0	18,750	0	0	18,750	0	87,600
600.08 · Fallbrook Smiles Project	17,875	0	0	0	17,875	0	0	17,875	0	0	17,875	0	71,500
600.11 · Palomar Family Counseling Srvc	19,750	0	0	0	19,750	0	0	19,750	0	0	19,750	0	79,000
600.14 · Fbk Family Health Center	25,000	0	0	0	25,000	0	0	25,000	0	0	25,000	0	100,000
600.17 · Foundation for Senior Care	52,279	0	0	0	52,278	0	0	52,278	0	0	52,278	0	209,113
600.18 · Fallbrook Food Pantry	18,000	0	0	0	18,000	0	0	18,000	0	0	18,000	0	72,000
600.19 · Live Oak Park Coalition	10,000	0	0	0	10,000	0	0	10,000	0	0	10,000	0	40,000
600.33 · REINS Therapeutic Prgm	16,250	0	0	0	16,250	0	0	16,250	0	0	16,250	0	65,000
600.37 · Trauma Intervention Prgm of SD	2,250	0	0	0	2,250	0	0	2,250	0	0	2,250	0	9,000
600.46 · Mental Health Systems, Inc.	2,312	0	0	0	2,312	0	0	2,312	0	0	2,312	0	9,249
600.48 · UCSD Eye Mobile for Children	0	0	0	0	2,500	0	0	3,000	0	0	3,000	0	8,500
Total 600 · Community Health Contracts	229,504	0	0	0	209,403	0	0	209,903	0	0	209,903	0	858,712
Total Expense	302,690	75,675	66,468	81,570	296,315	81,680	82,521	278,972	69,141	69,170	279,042	89,770	1,773,012
Net Ordinary Income	(277,825)	(36,258)	(47,092)	(46,427)	(236,383)	528,740	224,776	(205,383)	398,783	154,962	(254,772)	(58,533)	144,588
Net Income	(277,825)	(36,258)	(47,092)	(46,427)	(236,383)	528,740	224,776	(205,383)	398,783	154,962	(254,772)	(58,533)	144,588

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

www.treasurer.ca.gov/pmia-laif/laif.asp
November 06,
2017

FALLBROOK HEALTHCARE DISTRICT

ADMINISTRATOR
P.O. BOX 2587
FALLBROOK, CA 92088

[PMIA Average Monthly Yields](#)

Account Number:

[Tran Type Definitions](#)

October 2017 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
10/13/2017	10/12/2017	QRD	1551702	SYSTEM	3,929.45

Account Summary

Total Deposit:	3,929.45	Beginning Balance:	1,451,823.14
Total Withdrawal:	0.00	Ending Balance:	1,455,752.59



CalTRUST
 c/o Gemini Fund Services LLC
 PO Box 541150
 Omaha, NE 68154-9150
 www.caltrust.org
 Email: CalTRUSTSupport@thegeminicompanies.com
 Fax: 402-963-9094
 Phone: 833-CALTRUST (225-8787)

Investment Account Summary

10/01/2017 through 10/31/2017

SUMMARY OF INVESTMENTS

Fund	Account Number	Total Shares Owned	Net Asset Value per Share on Oct 31 (\$)	Value on Oct 31 (\$)	Average Cost Amount (\$)	Cumulative Unrealized Gain/(Loss) (\$)
FALLBROOK REGIONAL HEALTH DISTRICT						
CalTRUST Medium Term Fund		425,569.747	10.01	4,259,953.17	4,277,769.28	(17,816.11)
Portfolios Total value as of 10/31/2017				4,259,953.17		

DETAIL OF TRANSACTION ACTIVITY

Activity Description	Activity Date	Amount (\$)	Amount in Shares	Balance in Shares	Price per Share (\$)	Balance (\$)	Average Cost Amt (\$)	Realized Gain/(Loss) (\$)
FALLBROOK REGIONAL HEALTH DISTRICT								
CalTRUST Medium Term Fund							Account Number:	
Beginning Balance	10/01/2017			425,009.315	10.03	4,262,843.43		
Accrual Income Div Reinvestment	10/31/2017	5,609.92	560.432	425,569.747	10.01	4,259,953.17	0.00	0.00
Closing Balance as of	Oct 31			425,569.747	10.01	4,259,953.17		

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.

FALLBROOK REGIONAL HEALTH DISTRICT
Property Tax Revenue - Fiscal Year to Date
 July 2017 through June 2018

Type	Date	Name	Amount	Balance
400. · District				
402 · Property tax revenue				
General Jou...	07/31/17	County of SD-pro...	29,432.21	29,432.21
General Jou...	08/31/17	County of SD-pro...	14,327.35	43,759.56
General Jou...	09/30/17	County of SD-pro...	22,989.72	66,749.28
General Jou...	10/31/17		89,729.00	156,478.28
Total 402 · Property tax revenue			156,478.28	156,478.28
Total 400. · District			156,478.28	156,478.28
TOTAL			156,478.28	156,478.28

FALLBROOK REGIONAL HEALTH DISTRICT
Check Detail Report - October 2017

Type	Date	Num	Name	Memo	Amount
102.2 · Cash in Bank - Operating					
Bill P...	10/04/17	9354	American Express - Credit ...	0-41007	-1,764.35
Bill P...	10/04/17	9355	AT&T U-Verse - computer	146524365	-69.00
Bill P...	10/04/17	9356	Karn Engineering & Survey...	Boundary adjustments and "resulta...	-810.00
Bill P...	10/04/17	9357	Kathleen Bogle		-1,150.00
Check	10/08/17			Service Charge	-33.91
Bill P...	10/11/17	9358	Fallbrook Waste - FHD 44...	20-T1 441078	-73.50
Bill P...	10/11/17	9359	Fallbrook Waste - Hospital...	20-T3 439928	-92.70
Bill P...	10/11/17	9360	FPUD - Hospital 2 008757	008757	-117.49
Bill P...	10/11/17	9361	Iron Mountain-153	CHSRM	-1,015.80
Bill P...	10/11/17	9362	Iron Mountain SX-302	SX302/Fallbrook Hosp.	-888.40
Bill P...	10/11/17	9363	Mike Ready	Harvest Faire table and chairs set up	-60.00
Bill P...	10/11/17	9364	Palomar Mountain Premiu...	45919	-18.36
Bill P...	10/11/17	9365	Scott & Jackson Esq.	Professional services 2017 Septe...	-13,632.50
Bill P...	10/11/17	9366	Streamline	Website monthly fee October 2017...	-200.00
Bill P...	10/11/17	9367	TRL Systems, Inc.	FAL004	-165.00
Bill P...	10/11/17	9368	Trupiano's	Hospital sale celebration at 10/11 ...	-450.00
Bill P...	10/13/17	9369	Ascent Elevator Services, l...	Elevator Service - Inv. 29293	-182.00
Bill P...	10/13/17	9370	Aztec Cleaning & Maintena...	Office cleaning - Inv. 033708	-150.00
Bill P...	10/13/17	9371	Cal State University-San M...	VOID: Paint supplies for communit...	0.00
Bill P...	10/13/17	9372	Galvanized strategies form...	Retainer - Community engagement...	-4,000.00
Bill P...	10/13/17	9373	Glennie's Office Products, ...	6493	-39.86
Bill P...	10/13/17	9374	Ramirez Landscaping & Tr...	Landscape maintenance Septemb...	-1,600.00
Bill P...	10/13/17	9375	Termin-8 Pest Control		-250.00
Bill P...	10/13/17	9376	That's Great news	VOID: Ambulance publication plaq...	0.00
Bill P...	10/13/17	9377	Joes Hardware	Paint supplies for community garde...	-274.29
Bill P...	10/18/17	9378	Fallbrook Chamber of Co...	Christmas in the Village Pole Banner	-125.00
Bill P...	10/18/17	9379	Profile Display	Billing for Period Ending 9/21/17; A...	-99.00
Bill P...	10/18/17	9380	SDG&E FHD - 6994	40605976994	-1,053.44
Bill P...	10/18/17	9381	TJ Technologies	20% deposit for video intercom sys...	-720.13
Bill P...	10/20/17	9382	County of San Diego	Inv. 2078083-D-05063-0917; Rese...	-1,958.80
Check	10/25/17	9383	Pamela Knox	REIMBURSEMENT FOR COSTC...	-219.30
Bill P...	10/25/17	9384	CalPERS	1559595490	-781.02
Bill P...	10/25/17	9385	Touchbase	344664	-56.12
Bill P...	10/27/17	9386	AT&T - phone lines	7607318344-481 5	-187.98
Bill P...	10/27/17	9387	Aztec Cleaning & Maintena...	Office cleaning - Inv. 033710	-150.00
Bill P...	10/27/17	9388	Fechter & Company, CPA's	2016-17 Audit completion expenses	-852.00
Bill P...	10/27/17	9389	FPUD - FHD 1 007721	007721-000	-84.22
Bill P...	10/27/17	9390	FPUD - FHD 2 007720-001	007720-001	-130.95
Bill P...	10/27/17	9391	Konica Minolta Leasing - qds	061-0116888-000	-915.76
Bill P...	10/27/17	9392	SDG&E- Hospital - 8171 / ...	Billing period ending 10/19/17 - Ac...	-14.66
Total 102.2 · Cash in Bank - Operating					-34,385.54
TOTAL					-34,385.54

REVIEW OF ANNUAL AUDIT DRAFT

**FALLBROOK REGIONAL
HEATH DISTRICT
FINANCIAL STATEMENTS
JUNE 30, 2017**

FALLBROOK REGIONAL HEALTH DISTRICT

Financial Statements
For the Year Ended June 30, 2017

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of the Fallbrook Regional Health District
Fallbrook, California

Report on Financial Statements

We have audited the accompanying financial statements of the Fallbrook Regional Health District (the "District"), which comprise the statement of net position as of June 30, 2017, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

To the Board of Directors
of the Fallbrook Regional Health District
Fallbrook, California

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District, as of June 30, 2017, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 9 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Fechter & Company
Certified Public Accountants



Sacramento, California
October 11, 2017

FALLBROOK REGIONAL HEALTH DISTRICT

Management's Discussion and Analysis For the Year Ended June 30, 2017

The Fallbrook Regional Health District (District) has issued its financial statements for the fiscal year ended June 30, 2017 in conformity with the format prescribed by the provisions of Government Accounting Standards Board Statement No. 34 (GASB 34). This report, Management's Discussion and Analysis, is an overview of the financial activities for the fiscal year and is an integral part of the accompanying Basic Financial Statements.

ACCOUNTING METHOD

The District's operations are accounted for as an Enterprise Fund. Enterprise Funds are used by government agencies to account for operations which are financed and managed in a similar manner to private business enterprises, where the costs and expenses (including depreciation) of providing services to the public on a continuing basis are recovered primarily through user charges. The District receives property tax revenues. The District's revenues and expenses are recognized on a full accrual basis; revenues are recognized in the period incurred. All assets and liabilities associated with the activity of the enterprise are included on the Statement of Net Position.

THE BASIC FINANCIAL STATEMENTS

The District has only one fund, therefore the Basic Financial Statements do not reflect the activities of multiple funds. The Basic Financial Statements include the Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position (Income Statement), and Statement of Cash Flows. Together with this report, the Basic Financial Statements provide information about the significant events, assumptions, and decisions resulting in the financial performance reflected in those statements.

The Statement of Net Position provides information regarding the financial position of the District, including its capital assets and debts.

The Statement of Revenues, Expenses, and Changes in Net Position (Income Statement) provides information regarding the revenues received by the District, and the expenses incurred in carrying out the District's programs. The ultimate focus of the income statement is the balance of effective current use of funds and planning for the future, as reflected by the amount of net income generated for the fiscal year.

The Statement of Cash Flows provides information regarding the sources and uses of the cash which flowed into and out of the District as a result of its operations and financing decisions.

FINANCIAL ACTIVITIES & FISCAL YEAR 2017 HIGHLIGHTS

Statement of Net Position

The District is a government entity operating under the Local Health Care District Law. In 1950, the residents of the area voted to establish, build, and operate Fallbrook Hospital. In 1971, the hospital was enlarged to its present 47-bed capacity.

FALLBROOK REGIONAL HEALTH DISTRICT

Management’s Discussion and Analysis
For the Year Ended June 30, 2017

Since November 1998, the hospital has been leased under a 30-year agreement to Community Health Systems (CHS). The transaction was approved overwhelmingly by over 95% of District voters. A condensed version of the Statement of Net Position is presented in Table A below and the changes which occurred between Fiscal Year ended 2017 and 2016.

TABLE A

	2017	2016	Change
Assets:			
Cash and investments	\$ 6,789,887	\$ 6,319,945	\$ 469,942
All other assets	5,072,913	5,208,356	(135,443)
Total Assets	<u>11,862,800</u>	<u>11,528,301</u>	<u>334,499</u>
Liabilities:			
Current liabilities	94,177	59,142	(35,035)
Long-term liabilities	20,687	4,457	(16,230)
Total Liabilities	<u>114,864</u>	<u>63,599</u>	<u>(51,265)</u>
Net Position:			
Net investment in capital assets	292,910	291,601	1,309
Unrestricted	11,455,026	11,173,101	281,925
Total Net Position	<u>\$ 11,747,936</u>	<u>\$ 11,464,702</u>	<u>\$ 283,234</u>

The \$283,234 increase in Total Net Position reflects the change in net position for the year.

Statement of Revenues, Expenses, and Changes in Net Position

The District’s business is comprised of three major segments:

- *Grant Program* – The District administers a grant program, giving a portion of the District’s annual property tax revenues to non-profit health-related programs serving residents of the Fallbrook, Bonsall, Rainbow, and De Luz areas of northern San Diego County.
- *Community Health Fair* – The purpose of the Fair is to provide health screenings and access to information to residents that are readily accessible in the District for the entire community.
- *Community Collaboratives* – Representatives of the District’s healthcare organizations and interested community members meet to network their programs, and identify, develop, and initiate District sponsored health related community programs and address concerns. Additional education opportunity for guest presentations relative to health, health services and conditions; ranging in scope from Aids and Alzheimer’s to Suicide, Drug Abuse, and Legislative issues impacting health and well-being.

FALLBROOK REGIONAL HEALTH DISTRICT

Management's Discussion and Analysis For the Year Ended June 30, 2017

Table B, below, is a condensed version of the Income Statement; it summarizes the District's revenue and expenses, and compares Fiscal Year 2017 results to Fiscal Year 2016.

TABLE B

	<u>2017</u>	<u>2016</u>	<u>Change</u>
Revenues:			
Property tax revenue	\$ 1,793,446	\$ 1,693,339	\$ 100,107
Total Revenues	<u>1,793,446</u>	<u>1,693,339</u>	<u>100,107</u>
Expenses:			
Community healthcare programs	708,686	643,231	(65,455)
Direct care services	99,000	294,000	195,000
Administrative services	360,580	339,490	(21,090)
Salaries and benefits	273,976	249,556	(24,420)
Management and maintenance	279,284	303,453	24,169
Depreciation	564	1,661	1,097
Total Expenses	<u>1,722,090</u>	<u>1,831,391</u>	<u>109,301</u>
Operating Income	<u>71,356</u>	<u>(138,052)</u>	<u>209,408</u>
Non-Operating Income (Expenses):			
Other income	211,878	364,362	(152,484)
Other expenses	-	-	-
Total Non-Operating Income	<u>211,878</u>	<u>364,362</u>	<u>(152,484)</u>
Change in Net Position	<u>\$ 283,234</u>	<u>\$ 226,310</u>	<u>\$ 56,924</u>

Property taxes drive the District's operations and are its primary source of revenues. The increase of \$100,107 in property taxes reflects the continuing turnaround in the real estate market and the general state of the economy within the District's service area.

Total non-operating income decreased by \$152,484 due to the decrease in revenues relating to the building sale, as well as the interest earnings available from investments set aside by the District. The subsidy for Direct Care Services was decreased in this fiscal year, with a drop of \$195,000 over the previous year.

The Grant Allocation increased by \$65,455 because the amounts requested and provided through the grant process varies from year to year.

Salaries and benefits increased by \$26,060 due to the change of staff, including a new Executive Director, as the District's role and responsibilities in the community have changed.

Administrative services reflect an overall increase of \$21,090. There was a decrease to general counsel in the amount of \$43,348. Independent contract services increased by \$22,923, due to a

FALLBROOK REGIONAL HEALTH DISTRICT

Management's Discussion and Analysis
For the Year Ended June 30, 2017

change in accounting assistance. Consulting fees increased by \$30,961, due to community engagement services. The amount charged for California mandated reimbursement was reduced by \$13,445. Stipends were reduced by \$4,600, and I.T. and web services reduced by \$7,688, and office expense was reduced by \$5,893.

Direct Care Services, which was the agreement to assist the A+ Urgent Care facility for a period of time, in order to provide the Community with a medical facility to partially replace the hospital services, was in the amount of \$99,000.

CAPITAL ASSETS

At June 30, 2017, the District had \$310,763 in capital assets and \$19,162 accumulated depreciation resulting in \$291,601 net capital assets.

A summary of the activity and balances in capital assets is presented in Table C below.

TABLE C

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
Capital assets, depreciable:				
Buildings and improvements	\$ 291,240	\$ -	\$ -	\$ 291,240
Furniture and fixtures	2,375	-	-	2,375
Equipment	17,148	126	-	17,274
Subtotal	<u>310,763</u>	<u>126</u>	<u>-</u>	<u>310,889</u>
Accumulated depreciation	<u>(19,162)</u>	<u>(1,660)</u>	<u>-</u>	<u>(20,822)</u>
Capital Assets, Net	<u>\$ 291,601</u>	<u>\$ (1,534)</u>	<u>\$ -</u>	<u>\$ 290,067</u>

DEBT ADMINISTRATION

The District has no debt.

ECONOMIC OUTLOOK

The Fiscal Year 2016/2017 budget reflects a minimal increase in revenues, as property values/taxes are not anticipated to change much. Interest income is projected to increase, as funds have been received through the sale of the hospital building. Overhead is expected to remain about the same in the coming fiscal year. Capital expenditures are budgeted at \$0.

FALLBROOK REGIONAL HEALTH DISTRICT

Management's Discussion and Analysis For the Year Ended June 30, 2017

MAJOR INITIATIVES

COMMUNITY HEALTHCARE PROGRAMS 2016-2017

Throughout fiscal year 2016-2017, the District sponsored and/or collaborated with local agencies and providers to identify, develop, support and/or deliver no-cost programs for prevention, education, treatment or services for the health and well-being of the residents of the community. Highlights of the Community Healthcare Programs were:

- The Community Collaborative Committee met each month for networking, identifying, assessing healthcare concerns and issues, and gaining information and resources to facilitate access to healthcare, and health promoting programs and services.
- Programs and events co-sponsored by the District also included the annual Prostate Screening (PSA) event, the Woman of Wellness, "WOW" educational monthly meeting program, and the annual Health and Fitness Fair.

2016-2017 Grant Program

The biggest Community Healthcare Program undertaken each year by FHD is the Grant Program. Only qualified, nonprofit, 501(c)(3), agencies may apply. Those who are awarded funding must meet strict criteria and provide comprehensive financial and service reports periodically throughout the grant year.

The District's focus: Prevention, Education, Treatment, and Ancillary Services

- Amount requested: \$809,069
- Amount funded: \$708,686
- Twenty-one grants awarded:
 - 7 Youth programs
 - 4 Seniors
 - 10 All ages

YOUTH

- Funding for two (2) health and wellness after-school programs provided throughout the elementary and middle school districts.
- Funding for children and youth who do not qualify for Medi-Cal or other public services who suffer from severe mental health disorders.
- Funding to address social and emotional needs of students with Asperger's Syndrome through a designated staff and center.
- Funding to continue a preschool ophthalmic screening and eye care program; inclusive of glasses and/or need treatment and follow-up care for children ages 2 to 6 years.
- Funding to engage youth in proactive prevention of access to and use of alcohol and drugs; and to bring awareness to youth, parents, educators and law enforcement.

FALLBROOK REGIONAL HEALTH DISTRICT

Management's Discussion and Analysis For the Year Ended June 30, 2017

- Funding to provide a K-12 Safety Program to educate and inspire students to make life-saving choices regarding drugs and alcohol; car, bicycle, water safety and violence.

SENIORS

- Funding to evaluate and assist senior citizens with healthcare and home safety management through in home evaluations, safety checks and resource availability as well as assessments to help guide seniors to keep them living at home, independently.
- Funding to provide a program for senior and disabled residents and their caregivers that provides a secure and safe environment for activities and respite.
- Funding to provide senior and disabled citizens free transportation to medical and dental appointments, physical therapy, grocery stores and pharmacies which assists also in maintain budgets to ensure that medical care and food are accessible priorities.
- Funding to provide nutrition to needy seniors who have mobility and activities of daily living challenges through a home delivered meal program. Program through which needs can be assessed and referral to support programs can be made as identified.
- Volunteers dispatched through the 911 system at request of emergency responders.

ALL AGES

- Funding to increase access to psychiatric care for persons afflicted with biological brain disorders, behavioral/mental conditions that require medication and/or counseling treatment.
- Funding to provide a wide range of primary care, dental care and prevention services to underserved person of the District population.
- Funding to support the vision of nutritionally balanced supplemental food to those whose income is below the Federal guideline for poverty level.
- Funding to recruit, train, monitor and schedule the volunteer base that provides assistance with over 200 weekly therapy sessions for children and adults; also to fund Speech Therapy to increase receptive and expressive communication capabilities.
- Funding to facilitate a nutrition/diabetes/health education program at the community clinic and to continue health education and diabetes screening services in district schools as well as for seniors.
- Funding to continue and to expand dental care program for restorative and preventive services; and to screen children in local schools for existing or potential decay.
- Funding to continue development and implementation of community outreach to establish appropriate housing and support programs to provide a quality, safe living environment for special needs citizens.
- Funding to support courier program of transportation of District residents to healthcare provider appointments. Only program that will take persons to appointments out of the immediate Fallbrook community.
- Funding to facilitate Homecare Services for low and moderate income seniors and handicapped individuals to assist them to continue to live within their own homes.

FALLBROOK REGIONAL HEALTH DISTRICT

Management's Discussion and Analysis For the Year Ended June 30, 2017

- Funding of program to provide emotional and practical support to victims experiencing a trauma and to first responders.

During the fiscal year 2016-2017, the District received a total of \$809,069 in grant requests and approved distribution of \$708,686 to qualified applicants. This brings the total amount granted by the District since June 1999 to \$7,912,234.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

Fallbrook Regional Health District
138 South Brandon Road
Fallbrook, CA 92028
(760) 731-9187 Office
(760) 731-9131 Fax
Email: fallbrookbealthcare@earthlink.net
Website: www.fallbrookhealthcaredistrict.org

FINANCIAL STATEMENTS

**FALLBROOK HEALTHCARE DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2017**

ASSETS

Current Assets:	
Cash and cash equivalents	\$ 2,542,642
Investments	4,247,245
Reimbursement receivable	-
Taxes receivable	14,050
Interest receivable	7,817
Prepaid expenses	<u>46,776</u>
Total current assets	<u>6,858,530</u>
Non-current assets:	
Assets held for resale (Note 10)	4,711,360
Capital assets, net of accumulated depreciation	<u>292,910</u>
Total non-current assets	<u>5,004,270</u>
TOTAL ASSETS	<u><u>\$ 11,862,800</u></u>

LIABILITIES AND NET POSITION

Current liabilities:	
Accrued liabilities	<u>94,177</u>
Total current liabilities	<u>94,177</u>
Compensated absences	<u>20,687</u>
Total liabilities	114,864
Net Position	
Invested in capital assets, net	292,910
Unrestricted	<u>11,455,026</u>
Total net position	<u>11,747,936</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 11,862,800</u></u>

The accompanying notes are an integral part of these financial statements

FALLBROOK HEALTHCARE DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2017

Operating revenues:	
Property taxes	\$ 1,793,446
	<u>1,793,446</u>
Total operating revenues	<u>1,793,446</u>
Operating expenses:	
Community healthcare programs	708,686
Direct care services	99,000
Administrative services	360,580
Salaries and benefits	273,976
Management and maintenance	279,284
Depreciation	564
	<u>1,722,090</u>
Total operating expenses	<u>1,722,090</u>
Operating income (loss)	<u>71,356</u>
Non-operating revenues and (expenses):	
Interest and investment income	21,248
Lease income	57,600
Gain on disposal of assets	133,030
	<u>211,878</u>
Total non-operating revenues and (expenses)	<u>211,878</u>
Change in net position	283,234
Beginning net position	<u>11,464,702</u>
Ending net position	<u><u>\$ 11,747,936</u></u>

The accompanying notes are an integral part of these financial statements

**FALLBROOK HEALTHCARE DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2017**

Cash flows from operating activities:

Cash received from County of San Diego for property taxes	\$ 1,779,396
Cash payments to vendors for goods and services	(709,356)
Cash payments to employees for services	(257,746)
Cash payments to grantees for programs	(705,629)
	<u>106,665</u>
Net cash provided by operating activities	<u>106,665</u>

Cash flows from capital and related financing activities:

Proceeds from lease of property	57,600
	<u>57,600</u>
Net cash provided by (used in) capital and related financing activities	<u>57,600</u>

Cash flows from capital and related financing activities:

Post-lease termination settlement activities (Note 10)	291,012
	<u>291,012</u>
Net cash provided by (used in) capital and related financing activities	<u>348,612</u>

Cash flows from investing activities:

Fixed asset additions	(4,472)
Interest revenue	10,042
	<u>10,042</u>
Net cash provided by investing activities	<u>5,570</u>

Net increase (decrease) in cash and cash equivalents	460,847
Cash and cash equivalents, beginning of year	2,081,795
	<u>2,081,795</u>
Cash and cash equivalents, end of year	<u>\$ 2,542,642</u>

Reconciliation of operating income (loss) to net cash provided by (used) by operating activities:

Operating income	\$ 71,356
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	564
Changes in operating assets and liabilities:	
Tax receivable	(14,050)
Prepaid items and deposits	(2,470)
Accrued liabilities	35,035
Compensated absence	16,230
	<u>16,230</u>
Net cash provided (used) by operating activities	<u>\$ 106,665</u>

The accompanying notes are an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

FALLBROOK REGIONAL HEALTH DISTRICT

Notes to the Financial Statements
For the Year Ended June 30, 2017

Note 1: Summary of Significant Accounting Policies

The financial statements of the Fallbrook Regional Health District (the “District”) have been prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”) as it applies to government units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District’s accounting policies are described below.

A. Reporting Entity

The District, formerly known as the Fallbrook Hospital District, is organized under the provisions of the Health and Safety Code of the State of California to provide and operate health care facilities in Fallbrook, California, an unincorporated area within the County of San Diego, California (“County”).

B. Basis of Accounting and Measurement Focus

The financial statements include a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Net Position, and a Statement of Cash Flows.

The Statement of Net Position reports separate sections for Deferred Outflows of Resources and Deferred Inflows of Resources, where applicable.

Deferred Outflows of Resources represent outflows of resources (consumption of net position) that apply to future periods and that, therefore, will not be recognized as an expense until that time.

Deferred Inflows of Resources represent inflows of resources (acquisition of net position) that apply to future periods and that, therefore, are not recognized as revenue until that time.

These financial statements are accounted for using the “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all of the District’s assets and liabilities, including capital assets, are included in the accompanying Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position presents the change in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. The Statement of Revenues, Expenses, and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position. Operating revenues are those revenues that are generated from property tax only. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the District. All other expenses are reported as non-operating expenses.

FALLBROOK REGIONAL HEALTH DISTRICT

Notes to the Financial Statements
For the Year Ended June 30, 2017

Note 1: **Summary of Significant Accounting Policies** - continued

C. Investments

Investment Valuation

Highly liquid investments with maturities of one year or less at the time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

State Investment Pool

The District participates in the Local Agency Investment Fund (LAIF), an investment pool managed by the State of California. LAIF has invested a portion of the pool funds in Structured Notes and Asset-Backed Securities. These Structured Notes and Asset-Backed Securities are subject to market risk as a result of changes in interest rates. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments.

CalTrust Investment

The District also participates in CalTrust, which is a pool of diversified marketable bonds; including federal, federal agency, corporate, and California municipal bonds. The bonds are pooled in a Medium Term account and the pool is managed by Nottingham Investment Administration. CalTrust investments are subject to market risk as a result of changes in interest rates.

D. Property Taxes

Property taxes are levied on March 1 and are payable in two installments: November 1 and February 1 of each year. Property taxes become delinquent on December 10 and April 10, for the first and second installments, respectively. The lien date is March 1. The County of San Diego, California ("County") bills and collects property taxes and remits them to the District according to a payment schedule established by the County.

The County is permitted by State law to levy on properties at 1% of full market value (at time of purchase) and can increase the property tax rate at no more than 2% per year. The District receives a share of this basic tax levy proportionate to what it received during the years 1976-1978.

Property taxes are recognized in the fiscal year for which the taxes have been levied. No allowance for doubtful accounts was considered necessary.

FALLBROOK REGIONAL HEALTH DISTRICT

Notes to the Financial Statements
For the Year Ended June 30, 2017

Note 1: **Summary of Significant Accounting Policies** - continued

E. Assets Held for Resale

The District's assets held for resale are stated at the lower of fair market value or cost. These assets consist of a hospital building and a wellness center building and were acquired as part of the lease termination settlement with Fallbrook Hospital Corporation (Note 10). At June 30, 2017, the balance of assets held for resale was \$4,711,360.

F Capital Assets

The District's capital assets are stated at cost. Depreciation has been provided over the estimated useful lives of the assets using the straight-line method, generally 3-10 years. The capitalization threshold is \$500.

G. Compensated Absences

It is the District's policy to permit contract employees to accumulate earned but unused vacation leave time. Non-contract employees may accumulate earned but unused vacation leave time up to a maximum of thirty (30) days. All employees may accrue unused sick leave time up to a maximum of thirty (30) days. Upon termination, all employees are entitled to a lump sum payment of 25% of accrued sick leave, not to exceed fifteen (15) days. At June 30, 2017, compensated absences balance was \$22,327.

H. Net Position

Net position represents the difference between all other elements in the statement of net position and should be displayed in the following three components:

Net Investment in Capital Assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

At June 30, 2016, the District had no restricted component of net position.

FALLBROOK REGIONAL HEALTH DISTRICT

Notes to the Financial Statements
For the Year Ended June 30, 2017

Note 1: **Summary of Significant Accounting Policies** - continued

H. **Net Position** - continued

Use of Restricted and Unrestricted Net Position

When an expense is incurred for purposes for which both restricted and unrestricted component of net position is available, the District's policy is to apply restricted component of net position first.

I. **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Note 2: **Lease Agreement with Fallbrook Hospital Corporation**

Effective November 1, 1998, the District entered into a Lease Agreement ("Agreement") with Fallbrook Hospital Corporation ("Corporation"), a healthcare system located in the County to operate the Fallbrook Hospital for the benefit of District residents. While the hospital license remains in the name of the District, the Corporation has the responsibility of maintaining the license, maintaining the hospital in good condition, maintaining appropriate accreditations and adequate insurance, and providing quarterly status reports to the District. In connection with the Agreement, the District entered into a 30-year Transfer and Lease Agreement with the Corporation, whereby the District's assets and liabilities, except land, investment funds, debt established pursuant to certain loan agreements, and the deferred compensation program, were transferred to the Corporation. In November 1998, the District exercised its option to have the Corporation prepay the receivable to the District. Rental income to the District from the Corporation for the remaining term of the Agreement is \$1 per year.

At the end of the Agreement's 30-year term, the Corporation will transfer back to the District all assets and liabilities pursuant to terms substantially identical to those of the Transfer and Lease Agreement.

On March 31, 2015, the District and the Corporation entered into a Lease Termination Settlement Agreement to early terminate the Agreement. See Note 10 for further details.

FALLBROOK REGIONAL HEALTH DISTRICT

Notes to the Financial Statements
For the Year Ended June 30, 2017

Note 3: Cash and Cash Equivalents

The following is a summary of cash and cash equivalents at June 30, 2017:

Table with 2 columns: Description and Amount. Rows include Bank deposits, LAIF, and Total Cash and Cash Equivalents.

A. Cash Deposits

The carrying amount of the District's cash deposits was \$1,094,155 as of June 30, 2016. Bank balances before reconciling items were \$1,096,751 at that date, which were fully insured or collateralized with securities held by the pledging financial institutions in the District's name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure the District's cash by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash is considered to be held in the District's name. The market value of pledged securities must equal at least 110% of the District's cash. California law also allows financial institutions to secure the District's cash by pledging first trust deed mortgage notes having a value of 150% of the District's total cash.

B. Local Agency Investment Funds

The District's deposit with LAIF at June 30, 2017, includes a portion of the pool funds invested in structured notes and asset-backed securities and similar transactions. These investments may include the following:

Structured Notes - Debt securities (other than asset-backed securities) whose cash-flow characteristics (coupon rate, redemption amount, or stated maturity) depend on one or more indices and/or that have imbedded forwards or options.

Asset-Backed Securities - Generally, mortgage-backed securities entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (for example, collateralized mortgage obligations) or credit card receivables.

As of June 30, 2017, the District had \$1,448,487 invested in LAIF, which had invested 0% of the pool investment funds in Structured Notes and Asset-Backed Securities. The reported value of the pool is the same as the fair value of the pool shares.

FALLBROOK REGIONAL HEALTH DISTRICT

Notes to the Financial Statements
For the Year Ended June 30, 2017

Note 4: **Investments**

The District is generally authorized under state statutes to invest in:

- Obligations of the U.S. Government, its agencies, and instrumentalities
- Certificates of deposit and other evidences of deposit at commercial banks and savings and loan institutions
- Prime bankers acceptances
- Prime commercial paper
- Negotiable certificates of deposit
- Repurchase agreements
- Money market funds
- State of California Local Agency Investment Fund
- Medium-term notes

The following is summary of investments at June 30, 2017:

	<u>Credit Rating</u>	<u>Amount</u>
Investments:		
CalTrust	Not Rated	\$ 4,247,245
Total Investments		<u>\$ 4,247,245</u>

Investments held by the District, grouped by maturity date at June 30, 2017, were as follows:

	<u>Amount</u>
Investments:	
CalTrust	\$ 4,247,245
Total Investments	<u>\$ 4,247,245</u>

FALLBROOK REGIONAL HEALTH DISTRICT

Notes to the Financial Statements
For the Year Ended June 30, 2017

Note 5: **Capital Assets**

Capital assets activities for the year ended June 30, 2016, are as follows:

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
Capital assets, depreciable:				
Buildings and improvements	\$ 291,240	\$ -	\$ -	\$ 291,240
Furniture and fixtures	2,375	-	-	2,375
Equipment	17,148	126	-	17,274
Subtotal	<u>310,763</u>	<u>126</u>	<u>-</u>	<u>310,889</u>
Accumulated depreciation	<u>(19,162)</u>	<u>(1,660)</u>	<u>-</u>	<u>(20,822)</u>
Capital Assets, Net	<u>\$ 291,601</u>	<u>\$ (1,534)</u>	<u>\$ -</u>	<u>\$ 290,067</u>

Note 6: **Commitment and Contingencies**

Earthquake Retrofit

Senate Bill 1953 imposes certain requirements that acute care hospitals would be required to meet within a specified time. These requirements include conducting seismic evaluations. Hospitals determined to pose certain risks shall only be used for non-acute care purposes after January 1, 2008. After January 1, 2030, all hospitals must be in compliance. The District is not liable for compliance with Senate Bill 1953 in accordance with the Agreement with the Fallbrook Hospital Corporation.

Note 7: **Insurance**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the District carries insurance through Special District Risk Management Authority (“SDRMA”). SDRMA is a risk pooling joint powers authority formed under the California Government Code to provide insurance coverage for SDRMA’s member districts. SDRMA purchases excess insurance from commercial carriers to reduce its exposure to large losses.

There were no instances in the past three years where a settlement exceeded the District’s coverage provided through SDRMA.

FALLBROOK REGIONAL HEALTH DISTRICT

Notes to the Financial Statements
For the Year Ended June 30, 2017

Note 8: **Transfers To/From Fallbrook Hospital Corporation**

All property tax revenues, as they are incrementally collected and paid to the District, will remain with the District and will not be shared, except as allocated by separate resolution. During the fiscal year ended June 30, 2017, no transfers were made to the Corporation.

Cost report settlements for all years prior to the Agreement have been settled.

Note 9: **Defined Contribution Pension Plan**

The District has a Section 408(p) defined contribution pension plan as allowed under the Internal Revenue Code. The plan type sponsored by the District is the Savings Incentive Match Plan for Employees of Small Employers (SIMPLE), which was effective on January 6, 2006. The Plan is a defined contribution retirement plan in which the employer's contribution is nondiscretionary and is based on a formula that is not related to profit. The Plan sponsor guarantees no benefit and bears no investment risk while the Plan participants bear all investment risk and have no guaranteed level of benefits.

Eligible non-contract employees may begin participating in the Pension Plan following a one year probationary employment period. The Administrator may begin participating the first day of the month following the employment date of work. The Plan is entirely funded by District contributions of up to 3% of the participants' gross pay for employees hired on or after March 1, 2006 who contribute up to 3% of their salary to the deferred compensation plan. Participants are fully vested upon joining the plan. Plan provisions and contribution requirements are established and may be amended by the District. Participants are eligible to begin receiving benefits at age 55.

The District's payroll for employees covered by the Plan for the year ended June 30, 2016, was \$0. Total employer contributions paid by the District amounted to \$0.

Funds paid into the Plan by the District are placed in a SIMPLE IRA account at a financial institution determined by the Plan participants. The financial information of the defined contribution pension plan is not in the accompanying financial statements.

Note 10: **Lease Termination Settlement**

The District leased the Fallbrook Hospital to the Fallbrook Hospital Corporation (the "Corporation") pursuant to a 30 year lease (the "Lease") in November 1998, which was set to terminate on its own terms in November 2028. Upon the expected termination of the Lease in 2028, the District was to absorb significant financial responsibilities, including, but not limited to, the repurchase of termination assets, reimbursement of prepaid rent (if any), and the need for working capital to keep the Fallbrook Hospital operating.

FALLBROOK REGIONAL HEALTH DISTRICT

Notes to the Financial Statements
For the Year Ended June 30, 2017

Note 10: **Lease Termination Settlement** - continued

In order to ensure that the District had sufficient resources to accommodate the upcoming financial obligations, on December 14, 2011, the District's Board voted unanimously in favor of creating a lease termination contingency reserve which was expressly dedicated to address those expenses required of the District at the time that the lease with Fallbrook Hospital Corporation was set to end.

However, in December 2013, the District was presented with a Government Code claim (per section 910 of the California Government Code) from the Corporation. The claim was for the District's "refusal" to reimburse the Corporation for its operating losses for several hospital core services. In February 2014, the District issued a *Notice of Rejection of the First Code Claim* to the Corporation and declined to reimburse the core services losses.

Per the Lease, after notifying the District and providing reasonable supporting documentation substantiating the core service losses, the Corporation is allowed to commence the process of closing the core services that are operating at a loss. The District received notice from the Corporation on May 21, 2014, that the Corporation was initiating the process for closing of many of the core services. On September 11, 2014, the District and the Corporation signed the Agreement Regarding Continuation of Services in which the Corporation agreed to continue to provide certain core services through November 17, 2014. The District agreed to pay the Corporation \$711,000 for these services which was actually paid out during the 2014/2015 fiscal year.

Finally, on January 29, 2015, the District and the Corporation signed the *Settlement Agreement/Termination Agreement and Mutual Release* ("Settlement Agreement") in order to terminate the Lease Agreement and Operating Agreement effective March 31, 2015. The District agreed to pay the Corporation \$5 million by February 11, 2015. The Settlement Agreement released the District from the Corporation's previous breach of contract and operating loss coverage claims. It also released the District from any obligations under any repurchase agreements related to "Termination Assets" in the original Lease Agreement in 1998.

The District regained use rights for the Fallbrook Hospital Building, the Wellness Center Building, and the Urgent Care Building. At June 30, 2016, the Urgent Care building was being leased to a third party operator. The District is holding the other properties for sale or for lease. The District recorded the \$5 million settlement fee to these repurchased "Termination Assets" as follows:

FALLBROOK REGIONAL HEALTH DISTRICT

Notes to the Financial Statements
For the Year Ended June 30, 2017

Note 10: **Lease Termination Settlement** - continued

Address	<u>Description</u>	<u>Sq. Feet</u>	<u>Allocation %</u>	<u>Termination Fee Allocation*</u>
Assets Held for Resale:				
624 E. Elder	Fallbrook Hospital	75,840	88.35%	\$ 4,417,520
138 Brandon	Wellness Center	<u>5,000</u>	<u>5.83%</u>	<u>291,240</u>
		80,840	94.18%	4,708,760
 Building and Improvements:				
617 Alvarado	Urgent Care Building	<u>5,000</u>	<u>5.82%</u>	<u>291,240</u>
		<u>85,840</u>	<u>100.00%</u>	<u>\$ 5,000,000</u>

* Schedule pertains to allocation of settlement payment under Termination and Settlement Agreement and is neither reflective of nor intended to represent the fair market value of the entire real property and improvements thereon.

Note 11: **Subsequent Events**

Subsequent events have been evaluated through October 11, 2017. On September 29, 2017 the District was able to sell the former hospital building located at 624 East Elder Street, Fallbrook, CA 92028 for the amount of \$4,265,053 to Fallbrook Partners, LLC located at 520 Capitol Mall, Suite 800, Sacramento, CA.

**FALLBROOK REGIONAL
HEALTH DISTRICT
MANAGEMENT REPORT
FOR THE YEAR ENDED JUNE 30, 2017**

FALLBROOK REGIONAL HEALTH DISTRICT

Management Report
For the Year Ended June 30, 2017

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Board of Directors of the
Fallbrook Regional Health District
Fallbrook, California

In planning and performing our audit of the financial statements of the Fallbrook Regional Health District for the year ended June 30, 2017, we considered the District's internal control structure to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

Our consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce, to a relatively low level, the risk that errors or irregularities in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

We will review the status of these comments during our next audit engagement. We will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. We thank the District's staff for its cooperation on this audit.

Fechter & Company, Certified Public Accountants



October 11, 2017
Sacramento, CA

FALLBROOK REGIONAL HEALTH DISTRICT
Management Report
For the Year Ended June 30, 2016

The Auditor's Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated June 7, 2017, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute assurance that the financial statements are free of material misstatement and are fairly presented in accordance with U.S. generally accepted accounting principles. Because an audit is designed to provide reasonable, but not absolute assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us.

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

As part of obtaining reasonable assurance about whether the District financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit.

Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the District during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Internal Control Related Matters

In any smaller entity, whether private enterprise or a governmental agency, the lack of segregation of duties can present potential issues in regards to the perpetuation and concealment of fraud. Even with a perfect segregation of duties frauds can be perpetuated and concealed. The District can perform some specific control procedures to help reduce the risk of fraud, however. Some of the controls would include:

- Having someone independent of the bank reconciliation function review the bank statements on a monthly basis. At this District it would mean someone independent of the accounting function reviewing the county reports and multitude of bank accounts and bank reconciliations.
- Examining a budget to actual report on a frequent basis.
- Comparing the financial statements on a detailed level to the prior year on a frequent basis.
- Requiring someone independent of the payroll process review payroll on a bi-weekly basis, checking for accuracy of pay rates, paid time off recorded, etc.

FALLBROOK REGIONAL HEALTH DISTRICT
Management Report
For the Year Ended June 30, 2016

- Verifying that a second person is approving all disbursement activity and that an individual independent of the accounting function is signing checks and asking questions about invoices presented for payment.
- Frequently displaying “professional skepticism” when considering staff responses on District finances.

California Government Code Section 12422.5 requires the State Controller’s office to develop internal control guidelines applicable to each local agency by January 1, 2015. The intent of the legislation is to assist local agencies in establishing a system of internal control to safeguard assets and prevent and detect financial errors and fraud. To this end, the State Controller’s Office has produced a draft of control guidelines for local Agencies. As the District contemplates changes to its system of internal control, we advise in utilizing these guidelines when developing internal procedures to assist with your internal control processes.

The State Controller’s office has defined internal controls into five components that work together in an integrated framework. Their guidelines were adopted from the definitions and descriptions contained in *Internal Control – Integrated Framework*, published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The components are:

- Control Environment
- Risk Assessment
- Control Activities
- Information and Communication
- Monitoring Activities

The objective of *control environment* is the set of standards, processes, and structures that provided the basis for carrying out internal control across the entity. The governing board and management establish the “tone at the top” regarding the importance of internal control, including expected standards of conduct which then cascade down through the various levels of the organization and have a strong effect on the overall system of internal control.

A District’s *Risk Assessment* process includes how management identifies risks (including fraud risk) relevant to the preparation and fair presentation of the financial statements in accordance with the District’s applicable financial reporting framework. In addition, this would also involve areas of business and operational risk which could potentially affect the District’s finances on a go-forward basis.

The District’s risk assessment process is an extremely important activity the board and management should undertake. Every organization, public or private, faces business risks on a day to day basis. Identifying those risks and then acting on them in a timely manner may prevent future problems from becoming completely unmanageable.

Management should consistently attempt to identify risks that exist and then present those risks to the board for action. It is impossible for us to identify every potential risk that exists but either way, management and the board should proactively attempt to identify risks that could adversely affect the District’s operations.

FALLBROOK REGIONAL HEALTH DISTRICT
Management Report
For the Year Ended June 30, 2016

Control Activities are in reference to establishing policies and procedures that achieve management directives and respond to identified risks in the internal control system. These are specific procedures designed to perform a secondary review of internal processes that will allow for segregation of duties and a management level review of processed transactions.

Information and Communication are the District's methods of identifying what information is relevant to present to management and the board to assist the District in making the correct decisions. It also is in reference to the District's internal processes of gathering and summarizing that information.

Monitoring involves evaluating the effectiveness of controls on an on-going basis and taking remedial actions when necessary when identified by the other control procedures in place. On-going monitoring activities often are built into the normal recurring activities of a local government and include regular management and supervisory activities.

There is no catch-all for finding all instances of fraud within any entity, whether public or private. One of the key factors in helping prevent fraud is to encourage ethical behavior at all levels of the organization, i.e., "tone at the top". Another key would be to note instances of abnormal behavior of finance or accounting staff when questioned about District financial matters.

The District should remember that they have outside resources available in the case of fraud – they are able to contact District auditor, their attorney, or county auditor-controller should anyone feel there is a chance of fraud or abuse.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the financial statements were:

- Accrual and disclosure of compensated absences
- Capital asset lives and depreciation expense

Audit Adjustments

For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on the District's financial reporting process (that is, cause future financial

FALLBROOK REGIONAL HEALTH DISTRICT
Management Report
For the Year Ended June 30, 2016

statements to be materially misstated). The following audit adjustments, in our judgment, indicate matters that could have a significant effect on the District's financial reporting process:

- Posting of all GASB 34 entries on behalf of the district

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Consultations with Other Independent Auditors

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing our audit.

REVIEW OF RFP FOR URGENT CARE SERVICES



REQUEST FOR PROPOSAL URGENT CARE SERVICES

Fallbrook Regional Health District is requesting proposals from medical providers within and adjacent to the communities it serves, regarding the provision of extended hours Urgent Care services the greater Fallbrook Community.

Therefore, the Board is interested in receiving proposals from both current and prospective providers of Urgent Care services. The proposal shall contemplate providing Urgent Care services from 8am to 10 pm weekdays and 8 hours on weekends and holidays.

The Proposal should address all of the following elements:

- A. Introductory materials identifying the entity, its tenure and experience within the community, the range of services which it currently offers, including any affiliations with similar medical facilities outside of Fallbrook, Bonsall, Rainbow, and southern DeLuz;
- B. A brief narrative discussing the proposing entity's assessment of the community's need (and the proponent's vision) for the providing of Urgent Care services on an extended hours basis;
- C. The lead time that proposing entity would need to bring such services on line, if a new service or facility, and detailed costs associated with start up as well as the ongoing provision of extended hours coverage;
- D. For proposing entities with existing medical practices in the community, a discussion of how urgent care services would be integrated into the existing service, with a view toward compliance with ethical rules and statutes governing conflicts and referrals.
- E. A specific notation of how the proposing entity would address and provide ancillary services including, without limitation wellness screenings, vaccinations, breathing treatments, physical exams, radiological and lab services in support of the urgent care operations.

- F. Discussion of care to be provided for Medi-Cal patients, including a definitive statement of the proposing entity's intentions regarding acceptance of Medi-Cal patients.
- G. Any specific additional information the entity wished to present to demonstrate commitment and quality service to the community;

All proposals received will be evaluated based upon:

1. The submitting entity's demonstrated record of success and experience providing medical/urgent care services to the community;
2. The qualifications and experience of the key personnel for submitting entity;
3. The submitting entity's willingness to commit to providing services on an indefinite basis beyond the defined period of temporary support;
4. The District Board may wish to conduct interviews with submitting entities as part of its review process.

ABOUT THE DISTRICT

Fallbrook Regional Health District was formed in 1950 as a hospital district, and was charged with the construction and operation of Fallbrook Hospital. The District provides services to an area of approximately 110 Square miles consisting of the unincorporated communities of Fallbrook, Bonsall, Rainbow, and the southern portion of DeLuz, a community of nearly 57,000 residents.

In November, 1998, the District Board, with voter approval, signed a 30-year lease agreement with Community Health Systems, Inc., to operate Fallbrook Hospital. Shortly thereafter, the District reorganized as a "Healthcare District" to reflect the changing reality of its mission and essential functions. Following several years of declining performance and increased competition from more modern facilities, the long term lease came to a premature end in July, 2015, and the Hospital was closed at that time.

Despite the closure of the Hospital, the District is and has remained committed to promoting the health of the people of the District and enhancing access to sustainable, quality healthcare services.

DUE DATE

All Proposals should be submitted to the District no later than 5pm on Friday, November 30, 2017.

Bobbi Palmer, MBA, MSW

Executive Director

Fallbrook Regional Health District

bpalmer@fallbrookhealth.org

138 S. Brandon Road

Fallbrook, CA 92028

Proposals may also be submitted via e-mail or digital media to:

lbannerman@fallbrookhealth.org

pknox@fallbrookhealth.org

DRAFT

**INFORMATION REGARDING
LAFCO RECOMMENDED
BOUNDARY CHANGE**

RESOLUTION NO. 787

RESOLUTION OF APPLICATION TO SAN DIEGO LOCAL AGENCY FORMATION COMMISSION FROM THE BOARD OF DIRECTORS OF TRI-CITY HEALTHCARE DISTRICT FOR THE ANNEXATION OF TERRITORY & AMENDMENT OF TRI-CITY HEALTHCARE DISTRICT'S SPHERE OF INFLUENCE

WHEREAS, TRI-CITY HEALTHCARE DISTRICT is a California healthcare district duly organized and existing under the laws of the State of California, particularly the Local Health Care District Law, constituting Division 23 of the Health and Safety Code of the State of California, and more particularly, Health and Safety Code §§ 32000 *et seq.*;

WHEREAS, the Board of Directors of the Tri-City Healthcare District desire to initiate proceedings pursuant to the Cortese/Knox/Hertzberg Local Government Reorganization Act of 2000, Division 3, commencing with Section 56000 of the California Government Code, for the reorganization of the Tri-City Healthcare District;

WHEREAS, the proposal is made pursuant to Sections 56650, 56700, 56653, and 56654 of the California Government Code for a resolution of application for reorganization; specifically, the annexation of certain territories and for an amendment of Tri-City Healthcare District's sphere of influence;

WHEREAS, the nature of the proposed reorganization includes the following boundary changes:

1. The de-annexation of, generally, the territory in Camp Pendleton that is currently in the Tri-City Healthcare District's boundaries (Camp Pendleton) as described herein and the territory in San Marcos that is currently in the Tri-City Healthcare District's boundaries (San Marcos) as described herein;
2. The annexation of, generally, the remaining territory in the City of Vista that is not currently in the Tri-City Healthcare District's boundaries (Shadowridge) as described herein, the remaining territory in the City of Carlsbad that is not currently in the Tri-City Healthcare District's boundaries (South Carlsbad) as described herein, and the remaining territory in the City of Oceanside that is not currently in the Tri-City Healthcare District's boundaries (Oceanside) as described herein; and
3. Amendment of the Tri-City Healthcare District's sphere of influence to exclude the Camp Pendleton and San Marcos areas and to include the Shadowridge, South Carlsbad, and Oceanside areas;

WHEREAS, a description of the boundaries of the affected territory of Camp Pendleton, and a map showing the boundaries of the affected territory, are attached to this Resolution as **Exhibit "A"** ("Camp Pendleton");

WHEREAS, a description of the boundaries of the affected territory of Shadowridge, and a map showing the boundaries of the affected territory, are attached to this Resolution as **Exhibit “B”** (“Shadowridge”);

WHEREAS, a description of the boundaries of the affected territory South Carlsbad and a map showing the boundaries of the affected territory, are attached to this Resolution as **Exhibit “C”** (“South Carlsbad”);

WHEREAS, a description of the boundaries of the affected territory Oceanside and a map showing the boundaries of the affected territory, are attached to this Resolution as **Exhibit “D”** (“Oceanside”);

WHEREAS, a description of the boundaries of the affected territory San Marcos and a map showing the boundaries of the affected territory, are attached to this Resolution as **Exhibit “E”** (“San Marcos”);

WHEREAS, Tri-City acknowledges that it has no Master Property Exchange Agreement with the County of San Diego, and therefore, there shall be no reallocation of property tax revenue between San Diego County and Tri-City Healthcare District under Revenue and Taxation Code § 99;

WHEREAS, in accordance with Government Code section 56653, Tri-City Healthcare District hereby submits the following plan for providing services and reasons for this proposal:

1. The Camp Pendleton area has been included in Tri-City Healthcare District’s sphere of influence to be coterminous with the Oceanside Unified School District boundary, which extends into Camp Pendleton because the School District operates three schools in the Camp Pendleton area. Tri-City Healthcare District, unlike the Oceanside Unified School District, does not currently operate facilities or provide healthcare programs within the Camp Pendleton area.
2. The San Marcos area consists of a small portion of the City of San Marcos. As the majority of the City of San Marcos is currently located within the Palomar Healthcare District service area and sphere, the San Marcos area should be de-annexed from the Tri-City Healthcare District and consolidated within the Palomar Healthcare District in accordance with the principal act, specifically, Health and Safety Code § 32001, which specifically states that the territory of a municipal corporation shall not be divided.
3. The 2015 San Diego County Health Care Services and Sphere Review (“2015 Study”) recommended Tri-City Healthcare District consider annexation of the Shadowridge area. The Shadowridge area consists of approximately 2,500-acres that is primarily located with the City of Vista’s incorporated territory. The Shadowridge area is not presently served by any healthcare district service area, but is surrounded by Tri-City Healthcare District and Palomar Healthcare District service areas and spheres.

4. As the majority of the City of Vista is currently located within the Tri-City Healthcare District service area and sphere, the 2015 Study recommended the Shadowridge area should be consolidated within Tri-City Healthcare District in accordance with the principal act, specifically, Health and Safety Code § 32001, which specifically states that the territory of a municipal corporation shall not be divided.
5. The 2015 Study also identified and recommended Tri-City Healthcare District consider annexation of a southern portion of Carlsbad's incorporated territory. This South Carlsbad area consists of approximately 5,600 acres entirely located within Carlsbad. Like Shadowridge, this area is not currently served by any healthcare district service area. The Tri-City Healthcare District service area and sphere includes the majority of the City of Carlsbad's incorporated territory. Accordingly, the 2015 Study concluded that Tri-City Healthcare District should consider annexation of this South Carlsbad area and evaluate whether inclusion of this area would benefit Tri-City Healthcare District and the South Carlsbad area in accordance with the principal act, specifically, Health and Safety Code § 32001, which specifically states that the territory of a municipal corporation shall not be divided.
6. The 2015 Study also identified and recommended Tri-City Healthcare District consider annexation of a small portion of the City of Oceanside's incorporated territory. This area is currently served by the Fallbrook Healthcare District service area. The Tri-City Healthcare District service area and sphere includes the majority of the City of Oceanside's incorporated territory. Accordingly, the 2015 Study concluded that Tri-City Healthcare District should consider annexation of this Oceanside area in accordance with the principal act, specifically, Health and Safety Code § 32001, which specifically states that the territory of a municipal corporation shall not be divided.
7. Tri-City Healthcare District having completed evaluations of the Shadowridge and South Carlsbad areas has determined that their annexation, as well as the annexation of the Oceanside area, into Tri-City Healthcare District would benefit the citizens of these areas, as well as Tri-City Healthcare District, in several ways.
 - a. Incorporating these areas into Tri-City Healthcare District will allow Tri-City Healthcare District to open, market, and expand special operations, host health awareness events, participate in community outreach, and open much needed primary care and specialty care clinics and offices, activities which are currently limited to the physical district boundaries.
 - b. There will be a better accounting of the unique needs of the proposed areas to be annexed. Tri-City Healthcare District is required to submit a significant amount of data to the Office of Statewide Health Planning and Development, and the Department of Healthcare Services. Such reporting

is done annually and is disclosed online. Tri-City Healthcare District also provides standardized reports to the Centers for Medicare & Medicaid Services. In California, since the late 1990s, nonprofit hospitals have been subject to requirements to assess community health needs, and must then respond to those needs on a regular basis. Following the passage of the Affordable Care Act, nonprofit hospitals were required to assess community needs in a robust and data-driven fashion, and articulate how they planned to use their community benefit programs and funds to respond to those needs. As a result, many District Hospital community benefit programs, like those at Tri-City Healthcare District, have caught up to the rest of health philanthropy in terms of best practices related to disease prevention and addressing social detriments of health (such as disease prevention, healthy lifestyles, education, and behavioral health). Including the residents of Shadowridge and South Carlsbad into these measurements and services will provide meaningful outcome data to enhance their health and wellbeing.

- c. The district will be able to engage members of these local communities to better educate their residents on services the district provides. Tri-City Healthcare District will be better able to inform district residents of its goals and accomplishments, emphasizing its work in areas into which private sector and for-profit healthcare systems are unable or unwilling to venture.

WHEREAS, the person designated as chief petitioner is Steve Dietlin, Chief Executive Officer of Tri-City Healthcare District, 4002 Vista Way, Oceanside, California, 92056;

WHEREAS, Tri-City Healthcare District hereby requests that proceedings be taken for the proposal pursuant to Government Code § 56700;

WHEREAS, the proposed reorganization includes the de-annexation of Camp Pendleton and San Marcos, and the areas of Camp Pendleton and San Marcos are within Tri-City Healthcare District's current sphere of influence;

WHEREAS, the proposed reorganization includes the annexation of Shadowridge, South Carlsbad, and Oceanside, and the areas of Shadowridge, South Carlsbad, and Oceanside are not within Tri-City Healthcare District's current sphere of influence;

WHEREAS, this proposal further requests Tri-City Healthcare District's sphere of influence be amended to exclude the de-annexed areas of Camp Pendleton and San Marcos and include the annexed areas of Shadowridge, South Carlsbad, and Oceanside so as to effectuate the reorganization proposed in this Resolution and its related purposes;

WHEREAS, a map of the boundaries of Tri-City Healthcare District's proposed amended sphere of influence is attached to this Resolution as **Exhibit "F"**;

WHEREAS, the proposed reorganization is exempt from the California Environment Quality Act (“CEQA”) under the CEQA Guidelines, Section 15061(b)(3);

NOW, THEREFORE, this Resolution is hereby approved and adopted by the Board of Directors of the Tri-City Healthcare District. The San Diego County Local Agency Formation Commission is hereby requested to take notice of this Resolution and to initiate proceedings for the de-annexation from Tri-City Healthcare District of the two territories described in Exhibits “A” and “E” of this Resolution and the annexations to the Tri-City Healthcare District of the three territories described in Exhibits “B,” “C,” and “D” of this Resolution, pursuant to the Cortese/Knox/Hertzberg Local Government Reorganization Act of 2000, and to amend Tri-City Healthcare District’s sphere of influence to unincorporated and exclude the territory described in Exhibit “A” and incorporate and include the three territories described in Exhibits “B,” “C,” and “D” of this Resolution.

The Chief Executive Officer of the Tri-City Healthcare District is hereby directed to pay such fees and provide such further information as may be required to consider these requests.

PASSED, APPROVED, AND ADOPTED this ___th day of August, 2017, at a regular meeting of the Board of Directors of the Tri-City Healthcare District at which a quorum was present and acting throughout, at Oceanside, California, by the following vote:

AYES:

NOES:

ABSTAIN/ABSENT:

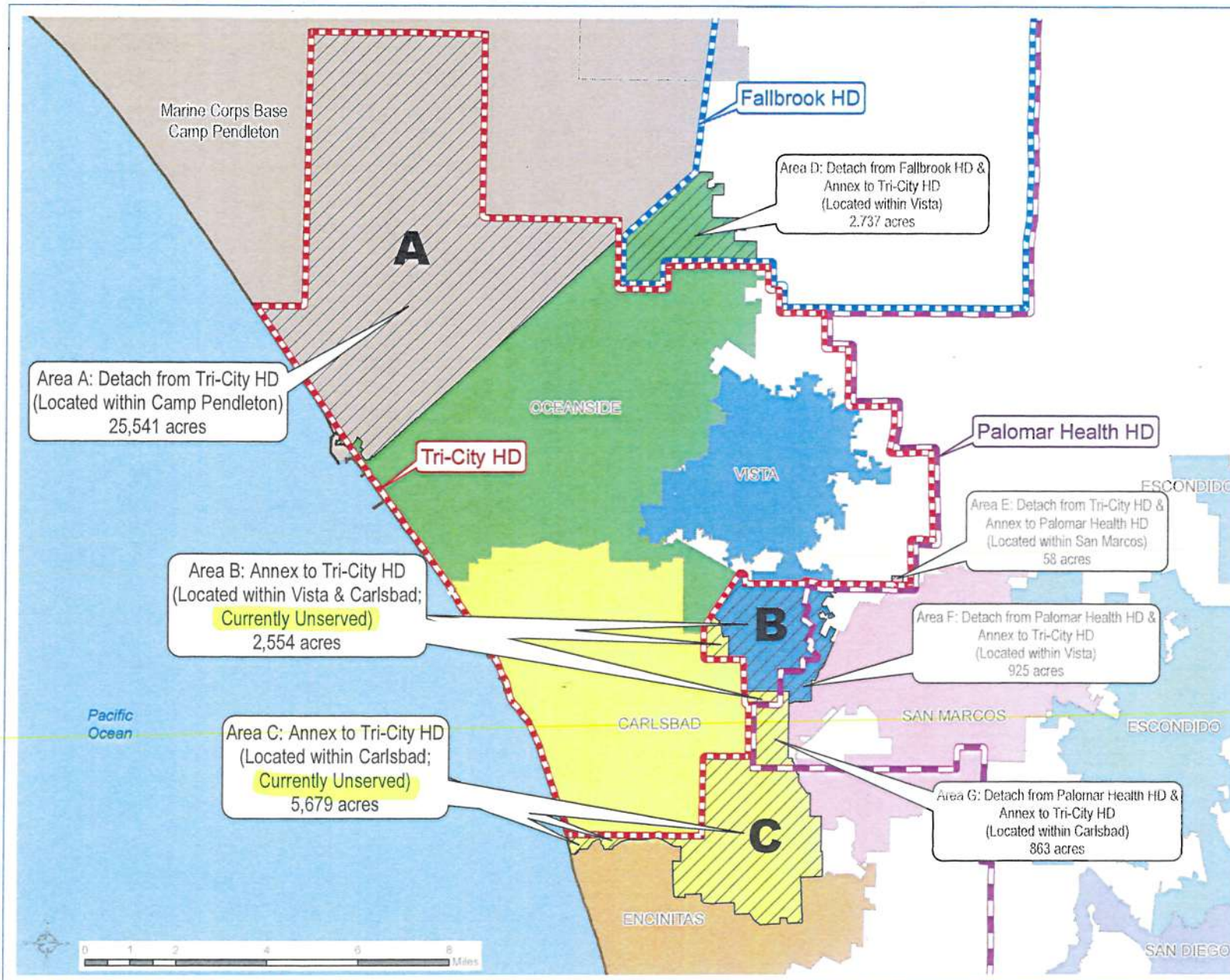
By: _____
Chairperson, Board of Directors
Tri-City Healthcare District

ATTEST:

By: _____
Secretary, Board of Directors
Tri-City Healthcare District

Tri-City HD: Potential Boundary Changes

-  Potential Boundary Changes
-  Tri-City HD
-  Fallbrook HD
-  Palomar Health HD
-  Camp Pendleton
-  HD Hospitals



SAN DIEGO **LAFCO**

SanGIS
We Have San Diego Covered!

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This map has been prepared for descriptive purposes only and is considered accurate according to the GIS and LAFCO data.

File: G:\GIS\vicinity maps\2013\future boundary HD tri city.mxd
Printed March 2016.



FINANCE COMMITTEE

Wednesday, November 1, 2017 at 5:00 P.M.
Board Conference Room, 138 S. Brandon Rd., Fallbrook CA 92028

MINUTES

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

Absent: Bill Leach

Staff Members: Executive Director Bobbi Palmer; Accountant Kathy Bogle, Bookkeeper Wendy Lyon and Administrative Assistant Linda Bannerman.

1. Call to Order/Roll Call
Chairperson Mroz called the meeting to order at 5:00 p.m.
2. Public Comments
None
3. Review of Financial Statements for September 2017
 - 1) Balance Sheet Comparison of September - August
 - 2) Income Statement for September 2017 and fiscal year to date
 - 3) Profit & Loss Actual vs Budget – September
 - 4) Profit & Loss Budget Overview July 2016 – June 2017
The above financial statements for September 2017 were reviewed. It was noted that cash in bank for the operating account increased significantly due to the sale of the old hospital building. It will soon be moved to the Cal-Trust account. What had previously been known as the Contingency Fund will now be known as the Community Investment Fund. The current balance is \$9,837,855.82.
 - 5) LAIF Report
The balance in the LAIF Account was \$1,451,823.
 - 6) Cal-Trust
The Cal-Trust balance was \$4,262,843.
 - 7) Property Tax Revenue – fiscal year-to-date
Current balance is at \$66,749 with anticipated payments coming in near year-end.
 - 8) Check Detail as of September 2017
The check detail was reviewed.

9) Review of Annual Audit Draft

The accountant noted that when the audit indicates “present fairly” it is the equivalent of an A+. There were no recommendations, and the reason the audit report was delayed is due to the consideration in the audit of the sale of the old hospital building. Bobbi Palmer said the Audit Report will be on the agenda as a Discussion/Action item at next week’s regular meeting.

10) Review of RFP for Urgent Care Services

Directors Tinker and Salmon had met with the Executive Director to fully discuss the RFP for Urgent Care Services. It was noted that there is no intention of trying to dismiss any providers. It is an effort to see what is needed to increase the number of hours urgent care services are provided. Responses to the RFP are due by November 30, 2017. Approximately 10 percent of the adult population uses urgent care services during a given year.

There was discussion regarding the request from Tri-City Healthcare District to annex a portion of the Fallbrook Regional Health District to the Tri-City District since the land falls within the Oceanside City boundary. This had been a recommendation from LAFCO in 2015. Bobbi Palmer reiterated that she had suggested that when there is an opening on the LAFCO board, a member of Fallbrook Regional Health District board should consider running for a seat. This topic will be a Discussion/Action item at the next regular board meeting.

4. Adjournment

There being no further business, the meeting was adjourned at 5:54 p.m.

Board Secretary/Clerk

**FALLBROOK REGIONAL HEALTH DISTRICT
REGULAR BOARD MEETING
Wednesday, November 8, 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 6:00 p.m. and led the Pledge of Allegiance.

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

Also Present: Executive Director Bobbi Palmer, Legal Counsel Blaise Jackson and joining the meeting via teleconference was Craig Fechter of Fechter and Company for the purpose of reviewing the 2016-2017 Audit Report.

B. ADDITIONS TO AGENDA

None

C. BOARD MEMBER AND PUBLIC COMMENTS

Ron Stark, Mental Health Systems, North Inland Community Prevention Program Manager said he was contacted by FRHD and asked to provide a program for the November Woman of Wellness event. Since the holidays can be stressful for many, he arranged for Payal Beam, LCSW, to present "Thriving through the Holidays" with tips for making the season less stressful. He said he attended the event and was pleased that her presentation generated a lot of discussion and was appreciated. He noted that Mental Health Systems is a recipient of a Community Health Contract through Fallbrook Regional Health District for which they are very grateful. Mr. Stark said they value their relationship with the District in providing for the wellness needs of our community.

D. CONSENT ITEMS

D1. Approval of September 2017 Financial Statements

D2. Minutes of October 4, 2017 Finance Committee Meeting

D3. Minutes of October 11, 2017 Regular Board Meeting

President Tinker noted the above listed consent items and no further discussion was requested.

Action: It was moved by Director Salmon, seconded by Director Abbott to approve the Consent Items as presented. Motion carried (5-0).

At this time it was recognized that the auditor had conference called in to the meeting for the purpose of reviewing the 2016-2017 Audit Report and answering any questions for the members of the Board. There was consensus to move to agenda item F1 prior to Reports.

F. DISCUSSION/ACTION ITEMS

F1. FY 2016-2017 Independent Auditor's Report – Fechter & Company Certified Public Accountants

It was noted that the Finance Committee had already reviewed the audit report. Mr. Fechter said the audit was very successful. He said the sale of the hospital building was a major event that they determined should be considered during this audit, even though it delayed closing the audit. He discussed pages 1 and 2 of the audit report. He also indicated that it is important that members of the Board understand pages 10 and 11 (the Balance Sheet and Income Statement or Profit & Loss Statement). He said the District has no debt, has assets and is in a very good financial position.

There was discussion regarding the Community Health Contracts. Director Salmon asked if the auditing firm could in the future verify for random contract recipients that the funds were used as they had indicated they would be used. Mr. Fechter said he would further discuss this with Executive Director Bobbi Palmer.

Action: It was moved by Director Salmon, seconded by Director Abbott to approve the 2016-2017 Audit Report as presented. Motion carried (5-0).

E. REPORTS

- E1. Finance Committee – Committee of the Whole, Chair: Director Mroz
Chairperson Mroz said the Finance Committee met on November 1st with all Board members present except Bill Leach, absent due to illness. The Committee reviewed the financial statements through September 2017. There were no areas of concern noted. Cash in the bank had increased due to the sale of the old hospital building. Those proceeds will be transferred to the Cal-Trust account prior to month-end. The 2016-2017 Audit Report was reviewed and the auditors determined the District books were represented fairly in all material respects. An RFP for Urgent Care Services had been issued with a response due date of November 30, 2017. There was discussion regarding the LAFCO recommendation from 2015 that a portion of the Fallbrook Regional Health District be annexed to Tri-City Health District as it is within the Oceanside City boundary. This will be considered by the full Board of Directors.
- E2. Gov't/Public Relation/Community Relations Committee – Directors Salmon and Tinker
No report
- E3. Facilities/Strategic Planning Committee – Directors Abbott and Salmon
Director Salmon said the committee had met to review the District's Mission and Vision and recommended a workshop prior to year-end to focus on priorities for the next year. Discussion ensued regarding the best date for the workshop and a photo for the Sourcebook. The Board determined that Saturday, December 9th would work best. It will begin at 8:00 a.m. and take place at the FRHD office.
- E4. Executive Director – Bobbi Palmer
Bobbi Palmer thanked Ron Stark and his organization for the presentation at Woman of Wellness in November.
She discussed the upcoming free mammograms offered by Michelle's Place on Saturday, November 18, at the Fallbrook Family Health Center. FRHD awarded Community Health Contracts to both organizations.
Director Salmon had informed Executive Director Bobbi Palmer that Los Medanos Community Healthcare District is being dissolved by LAFCO. Our Executive Director had served in the same capacity at that District for eight years prior to coming to Fallbrook and she said she was very upset by that news. She reviewed the circumstances which resulted in the closure of three health Districts in that area of Northern California. She said Districts are not dissolved without considerable conversation and notice, e.g. a Municipal Services Report. With so many District hospitals having closed and healthcare in general being in a state of flux, healthcare districts must continue to reinvent themselves to fill the unmet healthcare needs in the communities they represent. She reiterated that at the last meeting, she recommended that one of our Board members consider seeking a seat on the LAFCO Board. Without community support for the value of services directly or indirectly provided by a health district, health districts are at risk for dissolution and the property tax revenue would be rerouted to the County or other districts. Since we are in an unincorporated area of the County that would leave our area without direct representation by a locally elected board to assure we have a voice in our communities health needs.
- E5. General Counsel – Blaise Jackson
Legal Counsel Blaise Jackson discussed a California Supreme Court case related to the Public Records Act; ACLU vs. Superior Court of L.A. County. In question was whether a

very large recognition software database maintained by police/sheriff departments (LAPD/LASO) to identify license plates of vehicles suspected in a crime was subject to the Public Records Act and available to the public (noting that the information available would not be for those identified in a crime, but all others with private information redacted). The departments rejected the PRA request, and the lower courts had agreed with LAPD/LASO. The Supreme Court reversed, holding that much of the information was not necessarily immune from public disclosure. Legal Counsel said he brought this up to illustrate that the court continues to narrowly construe the exceptions to the Public Records Act and give precedence to the public's right to know.

Legal Counsel said he had received communication from legal counsel for Community Health Systems in Tennessee (previous operators of the Fallbrook Hospital) asking about putting together language to settle the issue of CHS making repairs to the hospital building. Mr. Jackson said he anticipates bringing a document in that regard to the meeting of the board in December. Any other comments he would confine to Agenda Item F2.

F. DISCUSSION/ACTION ITEMS

F1. This agenda item was already addressed (prior to Reports).

F2. LAFCO Recommended Boundary Change

Legal Counsel said this matter had been discussed at the last meeting and Director Mroz had requested it be postponed to this meeting as Director Abbott had not been present. There was also a question regarding how the affected property owners would be notified. The extent of notification is limited to the posting of the minutes of the boards making the decisions.

In review, Mr. Jackson said that LAFCO had recommended in its 2015 Municipal Services Report that a portion of the Fallbrook Regional Health District be annexed to the Tri-City Healthcare District as it is within the Oceanside City boundary. Tri-City legal counsel had contacted Mr. Jackson to let our District know that Tri-City wants to pursue the recommended annexation. This area includes approximately 2,700 acres, represents 3 percent of our District and a loss of an estimated \$55,000 in property tax revenue at the present time. Discussion ensued during which President Tinker asked if there was a way to verify the amount of property tax revenue and Legal Counsel said he could contact the tax assessor's office for that; however, he does not believe the reduction of that amount of revenue would influence the recommendation by LAFCO. Mr. Jackson said there are three options for FRHD to consider. A motion to support the annexation requested by Tri-City Healthcare District, a motion opposing the annexation or no action, which would then allow Tri-City to move forward with the recommendation by LAFCO. Further discussion ensued.

Action: It was moved by Director Abbott, seconded by Director Salmon to express support for the requested annexation of a portion of the Fallbrook Regional Health District that is within the Oceanside City boundary to Tri-City Healthcare District as recommended by LAFCO. Motion carried (5-0).

G. ITEMS FOR SUBSEQUENT MEETINGS

G1. Other Director/Staff discussion items

G1a. Item(s) for future board agendas

Director Salmon said LYFT had made presentations to the Association of California Health Districts regarding non-emergency transportation of patients and the possibility of insurance paying for it. He said he would like that presentation available to our board members. Executive Director Bobbi Palmer said she has the LYFT presentation and will make it available.

G1b. Announcements of upcoming events:

- Finance Committee meeting – 1st Wednesday, December 6, 5:00pm, Fallbrook Regional Health District Board Room, 138 S. Brandon Rd.
- G2. Next Regular Board meeting – Wednesday, December 13, 2017, Fallbrook Public Utility District Board Room

The Board adjourned to Closed Session at 7:02 p.m.

H. CLOSED SESSION

H1. Personnel Matters Pursuant To Government Code Section 54957 - Evaluation of Executive Director

I. RETURN TO OPEN SESSION

The Board reconvened into Open Session at 7:29 p.m. and directed Legal Counsel to meet with Executive Director Bobbi Palmer to discuss options over a five-year period.

J. ADJOURNMENT

There being no further business, the meeting was adjourned at 7:30 p.m.

Gordon Tinker, President

Stephen Abbott, Secretary

REPORTS

REPORTS
Executive Director – Bobbi Palmer

Fallbrook Regional HEALTH DISTRICT

To: Board of Directors
Fallbrook Regional Health District
From: Bobbi Palmer, MBA, MSW
Executive Director
Re: Monthly Report
Date: December 12, 2017

Community Health

1. Case Study: Driving Population Health

Fallbrook Regional Health District using CentraForce Health data-driven Community Reports provides snapshot of need for Behavioral Health Needs. See attached document. Can be found at

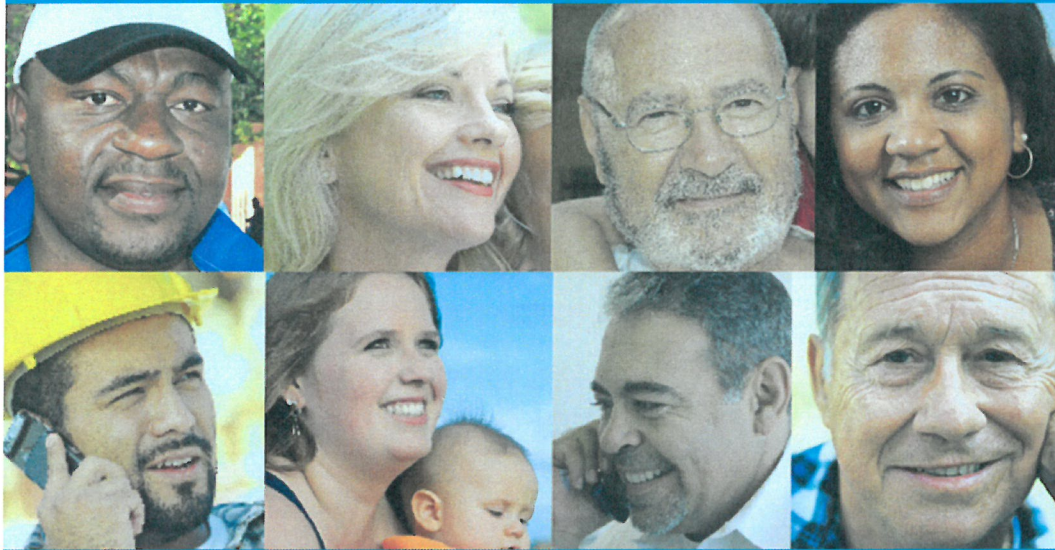
www.fallbrookhealth.org

2. Door-to-Door: Innovative Model for FRHD's funded program, **breaking the cycle of repeated hospitalizations**. "Coming home from the hospital or a stay at a skilled nursing facility should be about healing, not about struggling with lack of food, medicine, equipment or wondering if anyone is coming to help" said Executive Director of the foundation for Senior Care Rachel Mason. Most of the funding for the pilot program, estimated to cost around \$64,000.00, has come from Fallbrook Regional Health District.

Media and Outreach- Community Engagement

1. Participation at the Annual Christmas Parade. See attached pictures and can be found at www.fallbrookhealth.org
2. Press Release regarding FRHD, Village News and found at www.fallbrookhealth.org
3. Institute for Local Government; ILG and **upcoming article in California Special District Association, CSDA magazine showcasing Fall Regional Health District utilizing TIERS as a game changer for community engagement**. "The TIERS structure provided Fallbrook Regional Health District the tools along with Galvanized Strategies to launch our community engagement activities prior to the selling of the hospital building. Says, Executive Director Palmer, "I was able to be proactive to get the word out and through an Advisory Committee and control our message. We are actually looking forward in using this effective and structured tool again as the District anticipates our future for a Wellness Center, Health Under One Roof". Sarah Rubin, Public Engagement Program Director for the INSTITUTE FOR LOCAL GOVERNMENT

Case Study: Driving Population Health



Fallbrook Regional
HEALTH DISTRICT

“I was quickly able to understand the community’s health needs and where the money should be spent”

Health District Need

In early 2016, Bobbi Palmer, MBA, MSW took over the reigns of the Fallbrook Regional Health District (FRHD), a non-enterprise health district supported by taxpayer dollars. Serving approximately 57,000 residents of the Fallbrook, Bonsall, Rainbow and De Luz areas of northern San Diego County, the district’s mission is to “Promote health for the people of the District by reducing the impact of identified major health issues in our District.”

PopulationCentric Solution

Palmer needed a comprehensive picture of the community’s health, quickly, in order to develop programs to reduce the impact of major health issues. In the absence of a hospital within the district, and thus a Community Health Needs Assessment, there was a lack of complete information about the Fallbrook community’s health, health needs and socio-behavioral aspects.

CentraForce Health provided Palmer with **data-driven Community² reports** which profiled the two zip codes of the Fallbrook community on Health Indicators, Health Behaviors, Healthcare Utilization, Adherence, Social and Physical Determinants, Psychosocial and Engagement and Media. These data-driven insights allowed Palmer to immediately understand the needs of the entire Fallbrook community and get plans into action.

Speed and Ease to Actionable Insights

CentraForce Health provides a new kind of intelligence. With our integrated, proprietary dataset, we produce the geospatial intelligence you need on any defined population.

Only CentraForce Health can provide deep **socio-behavioral insights** on populations as broad as the community or as granular as a cohort defined and attributed to a specific geography. With over 8,000 data points, visualizations and interpretive analyses, CentraForce Health helps you drive ROI into your clinical and business strategies.



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HEALTH DISTRICT





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HURST+BROOKS+ESPINOSA

This Week in Sacramento

INFORMATION & INSIGHTS FROM HURST BROOKS ESPINOSA ■ WEEK OF OCTOBER 30, 2017

LAO Calls California Competes Tax Credit “Highly Problematic”

The Legislative Analyst’s Office (LAO) released a [report](#) on the “California Competes” tax credit program this week and finds that the program is not meeting the broad needs of California’s businesses and may, in fact, be harming some of them.

The California Competes program was created in 2013 as part of the legislative package to eliminate the Enterprise Zone program, a program that was widely panned as an ineffective economic development tool that did not increase investment or jobs in the state. California Competes was one of three new economic development programs; its final new tax credits will be awarded in 2017-18. The tax credit may be claimed by businesses that meet certain investment and hiring criteria outlined in written agreements with the Governor’s Office of Business and Economic Development (GO-Biz). The Franchise Tax Board (FTB) is then responsible for ensuring that the businesses have met the criteria outlined in these agreements. About \$780 million was made available for the credits for 2013-14 through 2017-18.

The LAO evaluated the effectiveness of the tax credit for tradable and non-tradable sectors. Non-tradable goods are those produced where they are sold. For this sector, the LAO indicates that the tax credit is a windfall to most businesses, as the credit doesn’t result in an overall increase in economic activity. The LAO goes further in suggesting that credits provided to the non-tradable sector harms the economy by providing state resources for an activity that was either already going to occur or came at the expense of other California businesses. About 15 percent of the dollar value of the California Competes tax credit (about 35 percent of total agreements) was awarded to businesses in the non-tradable sector.

For businesses in the tradable sector, businesses need not come at the expense of other California businesses because these businesses may easily be shipped, downloaded, or otherwise transferred to another part of the world. About 85 percent of the dollar value of the California Competes tax

Worth Noting: Legislature Expected to Focus on Sexual Harassment in Capitol Culture

Over the last several weeks, dozens of women have stepped forward to reveal specific and troubling incidents of sexual abuse and harassment in and around the State Capitol—many reportedly involving members of the Legislature and high-ranking staff. These reports have come in the wake of recent publicity around of high-profile sexual harassment scandals in the entertainment industry.

The Legislature is often criticized for explicitly exempting themselves from rules and standards imposed on other workplaces. With this as a backdrop, it is expected that there will be considerable legislative focus and likely a [series of hearings](#) to examine and address the culture in the State Capitol. Dates for the hearings have yet to be announced.

The *New York Times*’ coverage of these developments can be read [here](#). The *Los Angeles Times* also has [explored](#) allegations of sexual harassment in the Capitol in recent weeks.

credit was provided to the tradable sector. For these businesses, the LAO notes that it is very difficult to ascertain the impact of the tax credit on an individual business's plans to expand in the state.

The LAO recommends ending the California Competes tax credit and, if the Legislature is interested in providing tax relief to California businesses, replacing it with a broad policy change that benefits all California businesses, like reducing the corporate tax rate or reducing the minimum tax. If the Legislature decides to continue with the California Competes tax credit, the LAO suggests (1) more narrowly targeting the program to tradable businesses, (2) refocusing the program on its core mission as a tool for interstate economic development competition, and (3) modifying the small business provisions to eliminate the requirement to set aside 25 percent of the tax credits for small business and instead offering state-provided technical assistance to small businesses.

Governor Brown Weighs in on GOP Tax Plan

Governor Jerry Brown released a statement on the new tax plan released by congressional Republicans today: "The hurried tax proposal unveiled by Congress today transfers income from individuals and families to large and powerful corporate structures. This is bad economic policy and bad for the American people."

The GOP's plan includes reducing the corporate tax rate from 35 to 20 percent; reducing the number of tax brackets from 7 to 4 for individuals and families; doubling the standard deduction for individuals and families; capping local property tax deductions at \$10,000; creating a new family tax credit; maintaining the mortgage interest deduction for home loans up to \$500,000; doubling exemptions for estate taxes on inherited assets; repealing estate taxes after six years; eliminating the electric vehicle tax credit; and allowing small businesses to write off loan interest, among many, many other provisions. The President wants a tax package on his desk by Thanksgiving, while Senate Republicans have said their goal is to complete work on the tax package by the end of the calendar year. (*The Washington Post* put out a handy Q & A on the tax plan [here](#).)

Earlier this week, Governor Brown sent [letters](#) to California's 14 Republican members of Congress, asking them to vote no on provisions in the tax plan to eliminate tax deductibility for state and local taxes.

Pretrial Detention Reform Workgroup Issues Report and Recommendations

In October 2016, Chief Justice Tani Cantil-Sakauye established a 12-member Pretrial Detention Reform Workgroup to assess the current bail system in California and to make recommendations about ways to improve pretrial release decisions. The workgroup issued its report last week, which advances 10 far-reaching recommendations.

First, a few notes about the process. The workgroup was chaired by Ventura County Superior Court Judge Brian Back; other members included 10 additional superior court judges and one court executive. The workgroup's undertaking was guided by a set of principles to help achieve the goal of making release decisions that treat people fairly, protect the public, and ensure court appearances. The workgroup took in-person input from more than 40 speakers from a range of disciplines and perspectives. In addition, members undertook an extensive review of research and policy materials; they also studied the models and considered the experiences of out-of-state jurisdictions that have implemented pretrial reform efforts. The workgroup studied the complex issues associated with the

current pretrial release and detention system in California, ultimately finding that today's system is unfair, does not improve public safety, and exacerbates socioeconomic disparities and racial bias.

These conclusions led to the workgroup's following recommendations, which are meant to be implemented as a whole. The recommendations contemplate sweeping reforms to and a complete rewrite of California's bail system.

1. Implement a robust risk-based pretrial assessment and supervision system to replace the current monetary bail system.
2. Expand the use of risk-based preventive detention.
3. Establish pretrial services in every county.
4. Use a validated pretrial risk assessment tool.
5. Make early release and detention decisions.
6. Integrate victim rights into the system.
7. Apply pretrial procedures to violations of community supervision.
8. Provide adequate funding and resources.
9. Deliver consistent and comprehensive education.
10. Adopt a new framework of legislation and rules of court to implement these recommendations.

The report offers a summary of the historic origins of bail and how it has evolved, more recent pretrial trends, the nationwide conversation about evidence-based risk assessment and detention decisions, the movement away from traditional bail practices, federal litigation regarding the constitutionality of money-based bail systems, and reforms in other states. It then takes a closer look at recent criminal justice reforms as well as the current bail system in California and how it has evolved since the early days of statehood.

The workgroup's fundamental conclusion is that a pretrial system based strictly on a defendant's financial position – rather than the risk he or she poses to community safety – is inherently unfair and unsafe. In presenting its 10 recommendations – which the workgroup exhorts must be implemented as a whole and not individually, the workgroup report asserts that the judicial branch and courts are uniquely qualified to lead bail reform. As it relates to the establishment of pretrial services in every county (recommendation #2), the workgroup specifies that the Judicial Council must establish guidelines for pretrial services to “foster trust and confidence by the courts;” it does not opine further on the structure or governance of county pretrial agencies. It further suggests a direct role for the Judicial Council in a range of other activities, including providing guidance on the proper administration and use of pretrial risk assessments. As for funding, the report highlights the need to provide significant new resources to support the recommended reforms, including an initial investment and ongoing funding. The report outright rejects any funding model that would rely on anticipated savings, predicting reforms will fail if they are not supported by new and adequate resources. Finally, the workgroup envisions a complete and comprehensive statutory rewrite and new rules of court to create the system of release and detention recommended in the report. Sufficient time to develop and implement the new system should also be provided, the workgroup suggests.

The report – which also offers extensive resources in its eight appendices – can be read in its entirety [here](#); additional information on the workgroup can be read at this [link](#).

Universal Health Care Hearings Begin

The Assembly Select Committee on Health Care Delivery Systems and Universal Coverage, co-chaired by Assembly Members Jim Wood and Joaquin Arambula, convened a two-day hearing in Sacramento on October 23 and 24 to discuss health care delivery systems in California and other countries. The committee includes Assembly Members Autumn Burke (D-Inglewood), David Chiu (D-San Francisco), Laura Friedman (D-Glendale), Tom Lackey (R-Palmdale), and Marie Waldron (R-Escondido). The Select Committee focused the October 23 hearing on an overview of California's current health care system. The second day included presentations on universal health coverage provided in other counties and offered an opportunity for public comment. All of the committee's Democratic members attended both days; no Republicans attended. It should be noted that Assembly Members Chiu and Friedman are co-authors of SB 562 (Lara), the single payer measure.

The first day of the hearing highlighted the serious federal challenges to the health care system and the federal resources at risk. While the hearing was framed to help members understand the complexity of the existing health system, members expressed some displeasure about "getting into the weeds." There was some discussion of short-term steps California could take to cover all Californians, including expanding Medi-Cal for undocumented adults or allowing higher income Californians to buy into Medi-Cal. Expanding Medi-Cal to undocumented adults is estimated to cost \$1 billion.

The second day was focused on what other countries' health care systems look like. The presenters talked about both publicly financed health care and publicly financed health insurance models. Of note, none of the other countries discussed provides comprehensive coverage to undocumented individuals. During public comment, many individuals affiliated with the California Nurses Association and supporters of SB 562 expressed frustration with the Assembly's process, making pointed comments about Speaker Rendon who put discussions about the "woefully incomplete" single-payer measure [on hold](#) earlier this year.

The agenda from the hearing can be found [here](#); background materials and speaker presentations can be viewed [here](#).

Future universal health care hearings will examine the following topics:

- Health care systems within American cities and states – both proposed and in operation – and the challenges they have faced in achieving health care for all
- Input from stakeholders on proposed universal coverage systems, including but not limited to ACA expansion, single payer and hybrid systems
- Identified challenges to achieving health care for all in California and what must be done to address them

Opioid Crisis: Trump Administration Declares Public Health Emergency

The Commission on Combatting Drug Addiction and the Opioid Crisis released its final report on November 1. The Commission provided 56 wide-ranging recommendations aimed at addressing the opioid crisis in the United States. The recommendations include expanded use of drug courts at the federal level, educational requirements for prescribers, media campaign to educate the public, stigma reduction, broader reimbursements for alternatives to opioids for pain management, as well

as expanded use and distribution of the opioid overdose reversal drug Naloxone. During an interview regarding the report, when asked what should be the “top thing to tackle,” Commission member Bertha Madras, PhD responded with the notion of offering treatment on demand. The report does not identify additional funding for its recommendations. However, it does recommend block granting several substance use disorder funding streams.

Last week, the Trump Administration declared a public health emergency due to the opioid crisis. While the emergency declaration made by the Department of Health and Human Services makes only \$57,000 available to address the issue, the White House pointed to the budget negotiations in the coming weeks as an opportunity for allocating additional funding. The declaration addresses the following:

- **Telemedicine.** A regulatory change to allow for the prescription of “medicine commonly used for substance abuse or mental health treatment” via telemedicine. It is anticipated that additional telemedicine in rural areas with substance use disorder to access care.
- **Personnel.** The declaration allows HHS, and states with governors who request it, to “make temporary appointments of specialists with the tools and talent needed to respond effectively” to the crisis.
- **Labor grants.** Subject to funding, the Department of Labor will issue “dislocated worker grants” to those displaced from the workforce due to the opioid crisis.
- **HIV/AIDS resource shifts.** The Administration is shifting resources within existing programs aimed at delivering HIV/AIDS care to better serve those with both HIV/AIDS and substance use disorder.

Assembly Discusses Housing Affordability

The Assembly Housing Committee held an informational hearing last week on housing affordability; the agenda can be viewed [here](#). The October 24 hearing – *The Housing Affordability Crisis: Exploring the Effects of Renter Displacement* – was structured into two panels and opened with a speaker sharing her experiences as a tenant in San Francisco and Alameda County. The first panel included the Legislative Analyst’s Office, the director of the UC Berkeley Urban Displacement project, and Alameda County’s Public Health Director and Health Officer. The second panel included representatives from the Campbell Union School District and Asian Pacific Environmental Network and a professor from the California State University Sacramento, Division of Social Work.

The UC Berkeley Urban Displacement speaker offered an overview of strategies to address displacement (see page 4 of this [document](#)) and offered local data, including the following:

- One in 3 displaced households in San Mateo County reported some period of homelessness or marginal housing
- 33 percent of displaced households left the county
- Displaced into worse-off neighborhoods (with fewer economic opportunities)

Dr. Davis from Alameda County presented on the health outcomes affected by high rent, displacement, housing instability, and homelessness; his slides along with other presentation materials and background information can be reviewed [here](#).

California Adaptation Forum Planned for August 2018 – Input Needed

The State of California and Local Government Commission have announced the dates of the 3rd California Adaptation Forum, which is a convening of climate leaders across a range of disciplines. The forum is designed to foster knowledge exchange, innovation, and mutual support to transition from adaptation awareness to planning and action through a series of engaging plenaries, sessions, workshops, and networking activities.

The forum, scheduled for August 28 and 29, 2018 – with pre-forum workshops also planned for August 27 – will be held in Sacramento. The event organizers are asking for input on priority topics. Interested parties can offer ideas for sessions, network meetings and workshop on the survey found at [link](#).

Upcoming Hearings

A number of interim policy hearings on topics of interest have been scheduled through the end of the year and in to 2018. Agendas and materials can generally be found at the sponsoring committee’s website (refer to relevant links for the [Senate](#) and [Assembly](#)).

Date / Location	Committee	Topic
Thursday, November 2 @ 10 a.m. - Pasadena	Assembly Select Committee on Regional Transportation Solutions	Advancing Sustainability in Regional Transportation Projects
@ 4 p.m. - Pomona	Assembly Select Committee on Local Public Safety and Emergency Preparedness	Regional Assessment on Pupil Susceptibility to Internet Abuse and Exploitation
@ 6 p.m. - Fresno	Assembly Select Committee on Diabetes and Heart Disease Prevention	Addressing Health Inequities and Implementing Effective Prevention Programs
Friday, November 3 @ 9 a.m. - Heber	Joint Legislative Committee on Climate Change Policies and Natural Resources	Air Quality in the Border Region
Monday, November 6 @ 11 a.m.	Assembly Select Committee on Asian Pacific Islander Affairs	The Status of Asian American and Pacific Islander Youth
@ 3 p.m. - Seaside	Assembly Select Committee on the Status of Boys and Men of Color	Identifying the Impact of Intersections of Justice, Education, Mental Health on Boys and Men of Color Living on California’s Central Coast
Tuesday, November 7 @ 10 a.m. - Isla Vista	Joint Hearing of the Assembly Select Committee on Wine and the Senate Select Committee on California’s Wine Industry	California Wine Industry: Preliminary Fire Recovery Update and Pest Management Awareness
Thursday, November 9 @ 10 a.m. - San Jose	Senate Transportation and Housing Committee	Jobs and Economy: Pre-apprenticeship and Disadvantaged Business Enterprise Programs for Transportation Infrastructure Projects
@ 10 a.m. - Sacramento	Senate Budget Fiscal Review Subcommittee No. 3 on Health and Human Services	Achieving and Maintaining Adequate Provider Networks in Medi-Cal Managed Care

Date / Location	Committee	Topic
Tuesday, November 14 @ 10 a.m. - Sacramento	Joint Hearing of the Senate Select Committee on Women and Inequality: Strategies to Promote Opportunity and the Senate Labor and Industrial Relations Committee	Implicit Bias and Its Impact on Women in the Workforce: Occupational Segregation
Wednesday, November 15 @ 1:30 p.m. - Long Beach	Joint Legislative Committee on Emergency Management	When Free Speech Crosses the Line: Protecting Public Safety in California
Tuesday, December 5 @ 1:30 p.m. - Sacramento	Assembly Joint Hearing on Higher Education and Education Committees	The Shortfall of Credential Teachers
Wednesday, January 17 @ 9:30 a.m. - Sacramento	Joint Hearing of the Senate Environmental Quality Committee and Senate Budget and Fiscal Review Subcommittee No. 3 on Resources, Environmental Protection, Energy and Transportation	California's Cap-and-Trade Program: the Air Resources Board's 2018 Scoping Plan

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

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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.

REPORTS
Communication Only

Contact Vince Ross, Chair of the Fallbrook Community Forum if you have any questions, suggestions, or ideas for program speakers. Cell: 760-505-0820 or email: vincross55@gmail.com

FALLBROOK COMMUNITY FORUM

October 19, 2017

Fallbrook Regional Health District executive director Bobbi Palmer was the guest speaker for the October meeting. She was accompanied by administrative assistant Linda Bannerman. For the 2017-2018 grant cycle, the district gave out \$858,000 to fund health services, a 33 percent increase over previous years. It cost a lot of money to maintain the hospital property, Palmer said. [With the sale of the property] the money was rolled over into the grant fund.

The district is partnering with groups in the community – at the Harvest Festival, the district teamed with the chamber and Cal State San Marcos to provide 22 student nurses who gave 129 flu vaccines along with other screenings. FRHD is also a partner with Live Well San Diego and is working to help children walk safely to school.

The district's Woman of Wellness (WOW) program is held the first Thursday of each month and is kind of a club with presentations, prizes and gifts. The last three month's programs have been standing room only, Palmer said.

The district is putting together a 2018 calendar all about meditation and wellness. It will give tips to lower anxiety and stress in five minutes. The district's focus this year is on pre-diabetes & diabetes, hypertension, heart disease and behavioral health as education and prevention are less expensive than treating disease. The rates for those conditions here are 30 to 33 percent over the county average.

Crestwood, the company that bought the hospital property, has 19 behavioral health facilities in California. It will have a prelaunch ribbon cutting the beginning of 2018. Patty Blum, VP of operations, has a link to more information about Fallbrook Healing Center on the district's website, fallbrookhealth.org – under Behavioral Health. One of their facilities in Napa Valley caught fire during the recent wildfire; all patients and staff were evacuated and relocated.

Last week, Supervisor Horn's office recognized FRHD, North County Fire and the Foundation for Senior Care for their fall prevention efforts. The district's newest project is a joint effort with Mission Resource Conservation District to revive the community garden at 1717 Alturas Rd. The nursing students will help beautify the space.

ANNOUNCEMENTS

Roy Moosa, for the Fallbrook Community Planning Group, said business is slow except for drug and alcohol rehabilitation homes, that can house up to six patients, are starting to pop up everywhere. A proposed one with up to 16 residents was denied by the planning group. There are 330 of them in Orange County he said.

Jerri Patchett, for Fallbrook Arts Inc., said the Galaxy of Glass Show ends Sunday (Oct. 22). On Nov. 4, the Christmas holiday show starts; it's the biggest show of the year. Re: Railroad Heritage Park, everyone was urged to support the Quick Starter drive which has \$5,160 now with 23 days left to reach the \$20,000 goal.

Kim Murphy of Murphy and Murphy Southern California Realty, said they are looking at gathering signatures to put a measure on the ballot which would improve the ability of seniors to transfer their tax base when selling one house to buy another.

Gordon Tinker, Fallbrook Regional Health District board member, said the sale of the hospital property closed escrow Sept. 29.

Janice Bricker, for Fallbrook Gem & Mineral Society, said the Fall Festival of Gems was very successful. They are getting ready for Christmas and are regrouping after the theft, and are planning on beefing up the museum's security.

Jean Dooley, for the Angel Society, said the thrift store is doing well and now takes credit cards but needs more volunteers. For the Fallbrook Food Pantry, she said the Thanksgiving walk for the hungry is happening Nov. 4 at 9 a.m. if anyone wants to walk.

Jackie Heyneman, about Scarecrow Days, said a lot of new people are doing scarecrows this year. The crew ended its relationship with the high school, losing 30 crows but gaining 30 new ones that are a better quality. They also did a lot of advertising throughout the state. For Save Our Forest, she said that a second major pruning to combat fire blight had to be done in downtown. It was costly but an important step in protecting the evergreen pear trees which are a relative to the rose bush.

Christina, from Assemblymember Marie Waldron's office, said this year's session has ended; Sunday (Oct. 22) is the last day for the Governor to sign bills. The Assemblymember had seven of her bills signed and is taking suggestions for new bills through February.

Candace Yee, from Supervisor Bill Horn's office, gave an update on the Hepatitis A outbreak: the county is actively fighting it out in the community with the homeless, continuing immunizations and setting up hand washing stations. For more information, people can call the county hotline 211.

Jay Johnson, the Marine Corps Base liaison, said that any group that has an event coming up and would like young men to assist them can contact him. The Marines participate in community events like the Christmas Parade, tree lighting, and perform color guard duties. They also do painting and trimming. Jay can be reached at (760) 468-5994.

AnnWade, for Friends of Fallbrook Community Center, said Senator Anderson and Assemblymember Waldron helped honor Leona Crump, a longtime volunteer at the center. The tree lighting is coming Dec.1. Sponsors are still needed. Nonprofits can rent booths for \$20. The free Safe Halloween event is Oct. 31 For JROTC, she said the program is in its second year. It is the largest program on campus with a waiting list. It is getting kids out of gangs. Instead, they might go into the police force, learn decorum. They need \$2,500 in donations to go to their first Marine Ball, Nov.4.

Detective Sgt. Pat Yates said that Operation Double Down was nine months in the making and was very successful. Forty-nine drug sellers were arrested that day, plus six more since then, all in Fallbrook. Drugs lead to other crimes 100 percent of the time, stealing, violence, car thefts and burglary. The state has made it harder to put people away and keep them there. In Operation Double Down, federal charges are being filed which will keep the criminals in jail longer. A lot of stolen goods were recovered. Some of the Gem & Mineral Society's stolen gems have also been recovered. Everyone was reminded to not leave valuables in sight inside cars as more cars have been broken into recently.

Aaron Andrews, from Senator Joel Anderson's office, said the new session starts Jan. 3. The senator's holiday open house will be on Dec. 12. He had several of his bills passed

including SB 152 which helps non-citizens in California's National Guard get citizenship; SB 336 which helps people exonerated of crimes get transitional services when they are released from prison; and SB 81459 which declares unlawful killings of peace officers to be first degree murder. The senator has sent out his legislative update and a fire resources survey.

Will Shakespeare, of Fallbrook Land Conservancy, said Stage Coach Sunday was successful. He thanked those who went and/or volunteered. The Turkey Trot is on Thanksgiving morning starting at 7:30 am at the Grand Tradition.

Lila MacDonald, Fallbrook Chamber of Commerce CEO, attended the North County SBA meeting to remind people that Fallbrook is here. She said the Harvest Faire was a success, bringing people into town. A couple of places ran out of food; even Yogurt Palace was open. She thanked Jackie Heyneman for helping bring people to town. The chamber has made postcards listing the town's activities; they can be picked up at the chamber office.


Noelle Denke, from FPUD, said a public comment forum will be held Nov. 15 at 6 p.m. on the new rate structure. Lila commented on how fast construction on the sewer line is moving and on how great the workers are, helping people around the work.

Chris Hasvold, of Coldwell Banker Village Properties, said home prices are up 6 ½ percent but sales are down. Drug rehab homes do affect property values and some cities are banning vacation home rentals (Air B 'n B's) for the same reason.

Jan Pichel, from Legacy Endowment Community Foundation, said people can start an endowment fund and Legacy protects it, making sure the stipend goes where the person wants it to go. \$350,000 is being given away in an inaugural award ceremony in November.

Lucette Moramarco, from the Village News, said this is the busiest time of year in Fallbrook. The paper has a small staff so everyone is encouraged to get their submissions in early.

Rebecca Diaz, from the D.R. Horton, Horse Creek Ranch development, said that five home communities are being built. They started selling Sept. 30 with between 35 and 40 sales already. The first and second phases are under construction. Everyone is welcome to come out and see the model homes.



REQUEST FOR PROPOSAL URGENT CARE SERVICES

Fallbrook Regional Health District is requesting proposals from medical providers within and adjacent to the communities it serves, regarding the provision of extended hours Urgent Care services the greater Fallbrook Community.

Therefore, the Board is interested in receiving proposals from both current and prospective providers of Urgent Care services. The proposal shall contemplate providing Urgent Care services from 8am to 10 pm weekdays and 8 hours on weekends and holidays.

CONTENT

The Proposal should address all of the following elements:

- A. Introductory materials identifying the entity, its tenure and experience within the community, the range of services which it currently offers, including any affiliations with similar medical facilities outside of Fallbrook, Bonsall, Rainbow, and southern DeLuz;
- B. A brief narrative discussing the proposing entity's assessment of the community's need (and the proponent's vision) for the providing of Urgent Care services on an extended hours basis;
- C. The lead time that proposing entity would need to bring such services on line, if a new service or facility, and detailed costs associated with start up as well as the ongoing provision of extended hours coverage;
- D. For proposing entities with existing medical practices in the community, a discussion of how urgent care services would be integrated into the existing service, with a view toward compliance with ethical rules and statutes governing conflicts and referrals.
- E. A specific notation of how the proposing entity would address and provide ancillary services including, without limitation wellness screenings, vaccinations, breathing treatments, physical exams, radiological and lab services in support of the urgent care operations.
- F. Discussion of care to be provided for Medi-Cal patients, including a definitive statement of the proposing entity's intentions regarding acceptance of Medi-Cal patients.
- G. Any specific additional information the entity wished to present to demonstrate commitment and quality service to the community;

SELECTION CRITERIA

All proposals received will be evaluated based upon:

1. The submitting entity's demonstrated record of success and experience providing medical/urgent care services to the community;
2. The qualifications and experience of the key personnel for submitting entity;
3. The submitting entity's willingness to commit to providing services on an indefinite basis beyond the defined period of temporary support;
4. The District Board may wish to conduct interviews with submitting entities as part of its review process.

ABOUT THE DISTRICT

Fallbrook Regional Health District was formed in 1950 as a hospital district, and was charged with the construction and operation of Fallbrook Hospital. The District provides services to an area of approximately 110 Square miles consisting of the unincorporated communities of Fallbrook, Bonsall, Rainbow, and the southern portion of DeLuz, a community of nearly 57,000 residents. In November, 1998, the District Board, with voter approval, signed a 30-year lease agreement with Community Health Systems, Inc., to operate Fallbrook Hospital. Shortly thereafter, the District reorganized as a "Healthcare District" to reflect the changing reality of its mission and essential functions. Following several years of declining performance and increased competition from more modern facilities, the long term lease came to a premature end in July, 2015, and the Hospital was closed at that time. Despite the closure of the Hospital, the District is and has remained committed to promoting the health of the people of the District and enhancing access to sustainable, quality healthcare services.

DUE DATE

All Proposals should be submitted to the District no later than 5pm on Friday, November 30, 2017.
 Bobbi Palmer, MBA, MSW, Executive Director Fallbrook Regional Health District,
 bpalmer@fallbrookhealth.org, 138 S. Brandon Road, Fallbrook, CA 92028
 Proposals may also be submitted via e-mail or digital media to: lbannerman@fallbrookhealth.org
 and pknox@fallbrookhealth.org

138 S. Brandon Rd, Fallbrook, CA 92028
www.fallbrookhealth.org

Fallbrook Regional HEALTH DISTRICT

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- B. A brief narrative discussing the proposing entity's assessment of the community's need (and the proponent's vision) for the providing of Urgent Care services on an extended hours basis;
- C. The lead time that proposing entity would need to bring such services on line, if a new service or facility, and detailed costs associated with start up as well as the ongoing provision of extended hours coverage;
- D. For proposing entities with existing medical practices in the community, a discussion of how urgent care services would be integrated into the existing service, with a view toward compliance with ethical rules and statutes governing conflicts and referrals.
- E. What extended hours can you provide Urgent Services without financial support from the District?
- F. What total hours can you provide Urgent Services without financial help from the District for extended hours beyond this up to 8:00am to 10:00pm weekdays, weekends and holidays.
- G. Discussion of care to be provided for Medi-Cal patients, including a definitive statement of the proposing entity's intentions regarding acceptance of Medi-Cal patients.
- H. An overview of your anticipated marketing efforts to notify local residents of the extension of operating hours.
- I. Any specific additional information the entity wished to present to demonstrate commitment and quality service to the community;

SELECTION CRITERIA

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Local wellness services offered for veterans

FALLBROOK – Many of the services listed in the Fallbrook Wellness Directory help veterans with their health needs. The variety of treatments offered include canine therapy, acupuncture, yoga, neurotransmitter therapy for PTSD and counseling.

K9 Guardians raises and trains German shepherds as service dogs for veterans of foreign or domestic wars who suffer from post-traumatic stress disorder (PTSD), traumatic brain injury (TBI) and other service related disabilities. K9 Guardians aims to reduce the number of veteran suicides. Involving the veterans in the training of their dogs helps in the recovery process.

To donate to this cause or volunteer, or for more information, call (844) 594-8273 or email Leisa@k9guardians.org.

Village Acupuncture is trying to help as many veterans as possible to live a life of health, happiness, and a happier more balanced lifestyle. Acupuncture is a safe and effective way of treating many psychological and physical wounds as well.

Through the Veterans Choice Program, veterans with VA benefits can now receive health care, at no cost to them, that can truly help them break free of pharmaceutical drugs, pain and trauma that have kept many captive for years. Acupuncture can help with pain, and PTS, as well as a wide range of other health issues.

Veterans can schedule an appointment for a complimentary 15 minute consultation with Kristine Vanderstock at Village Acupuncture, (760) 521-3589.

At Straight Nutrition, their neurotransmitter work is designed to remediate PTSD. For more information about this program, visit <http://straightnutrition.com/shop/neurotransmitter-remediation/>.

— Foundation for Senior Care

also works with senior veterans to make sure they are receiving the benefits they are entitled to. It also hosts a representative from the Veterans Administration twice a month so senior or disabled Fallbrook residents can come to get help. The foundation is located at 135 S. Mission Rd., Fallbrook and (760) 723-7570.

The Fallbrook Community Center's First Wednesday Outreach offers easy access to health and VA resources from 10 a.m. to noon, 341 Heald Lane. Onsite assistance for veterans includes free health checks and more as well as healthy meals for seniors 11:15 a.m. to noon, provided by the Fallbrook Senior Center.

Connected Warriors, Inc.'s goal is to support, improve and facilitate the well-being of veterans, service members and their families in communities nationwide and overseas by providing effective wellness programs at no charge, including trauma-conscious yoga. Sage Yoga Studios is now a Connected Warrior Partner and hopes to be offering classes for veterans soon.

The following Fallbrook Wellness Directory members are offering a special discount for their services during the month of November to military veterans and active duty members.

At the Encouragement Factor Counseling Services, Phyllis Sweeney has facilitated a Vietnam Support Group in the past and is a certified grief counselor. She can be reached at (760) 731-3037.

Circles of Healing, Massage & Yoga Therapy is offered by Wendy Hammarstrom, massage therapist, yoga teacher and author of *Circles of Healing, The Complete Guide to Healing with Massage and Yoga*. She can be reached at (951) 303-4508.

Information on more health services can be found at <https://www.fallbrookwellnessdirectory.com/>.

One man's dream for a 'BetterWorld' becomes couple's reality

Kim Harris
Managing Editor

For Fallbrook residents Paul and Diane Garrett, life is pretty simple: "Do what you can, for those you can."

It's a philosophy that the couple have lived by since they began their Temecula based nonprofit The BetterWorld Trust. For Paul Garrett, who is 91, it goes back even further than that.

"He had the idea for The BetterWorld Trust when he was in 20s," Diane Garrett said. "He even got his incorporation."

The BetterWorld Trust is Paul Garrett's lifelong vision of creating a world where everyone has the opportunity to reach their full potential. Focused primarily in the sectors of child development, health and environment, and economic development. The BetterWorld Trust hopes that "by working together, we can make ours a better world now, and for generations to come."

Paul, who was born in Los Angeles in 1926, said that he is the son of a self-made man.

"My dad would say I want you to know that we expect you to do better than us because we didn't have anything, and we are helping you," Paul said. "It's deep in our family, my grandfather, my dad and I have been very impressed by Ralph Waldo Emerson and his way of thinking. It involves doing good for other people."

Paul, who is a self-professed animal lover and a bit of a cowboy, got his first horse at 5 years old. He said from an early age, he set out to be successful. He was an apprentice cattle buyer, before becoming a cattle buyer.

"By the time I was 24, I had made enough to last me all my life," he said. "I thought to myself, 'what do you do? You can't quit at 24,' so I took the money I made in the cattle business and set up four corporations and BetterWorld."

Paul said he wanted to make The BetterWorld Trust happen to make a difference in the lives of others.

"That was what I wanted to do with my life," he said. "I set up the corporations and BetterWorld, and then I went off and bought this big ranch, a 15,000-acre ranch. I am a 24-year-old kid and it's up in northeastern California, a place I never spent any time in. I didn't know as much as I thought I did."

Paul hit some hard times and lost the ranch over a period of three years and the idea of The BetterWorld Trust went dormant.

"I had to start over and came back and went back to work in the packing house as a cattle buyer and ended up getting enough money together to buy a small income property in Los Angeles. I parlayed that one in about three or four years into \$7,500 which I used as a down payment to buy a place in Hemet and that started this," he said.

At the time only 3,000 people lived in Hemet, it was the "big town" in southwest Riverside County. He bought several ranches in the area, jump-starting his next "success." Two of those ranches are now Diamond Valley Lake, Diane said.

Over the years, Paul worked in real estate and as an organic farmer, as well as joining some other people in purchasing the Hollister Ranch, 40,000 acres and seven miles of coastline in Santa Barbara. The idea of BetterWorld remained there, hovering around in the back of his mind.

in foster care and scholarships for high schoolers. They decided that their focus should be on children because they can change the entire path for each child's life if they can help them early on.

"They have their whole life in front of them," Paul said. "You can get more done by helping a young person who really gets it because they can then go out and help others."

Eventually, The BetterWorld Trust branched out to provide services to not only those in need within the local community but to others suffering around the world. The plan was to make the world a better place both now and for future generations.

The geographic focus of the global program is focused upon the countries of sub-Saharan Africa, Southern and Southeast Asia and Latin America. The couple considered India, but eventually decided against it.

"We knew the need, so we went to Africa where we could do so much more," Paul said.

Diane said that her first real experience with poverty literally knocked her over.

"I was raised in a middle-class family," she said. "I come from a humble beginning, so when I first experienced poverty, I could barely get up. It just knocked me down."

Paul said going to Africa then

coming back and having lunch and spending more on that lunch than most in Africa live on in a month, was a real eye-opener.

From there, the mission of BetterWorld blossomed and became what it is today.

"For me fighting poverty is the thing that runs my life right now," Diane said. "How do you fight poverty? You have to be educated and then after education you have to have an opportunity to somehow better your life, but in order to do all of that you have to be healthy."

All of three things fit in with BetterWorld's mission, a mission that Paul said has been impactful on his life as well.

"Interestingly, I found emotionally, one of the biggest impacts on me has been foster kids who do not get a fair shake," he said, adding that he didn't have any personal experience with fostering. "I have an emotional pull. But, foster kids, they get the short end of the stick."

So, what is next for this humble "power couple" whose life focuses on philanthropy and helping others? Only time will tell, but one thing is for certain, Paul and Diane Garrett won't be slowing down anytime soon.

"I think being satisfied is a waste of your life," Paul said. "I call it working on the instrument, I'm constantly working on the instrument and I'm not done yet."



Paul and Diane Garrett show a map of Africa where their nonprofit organization BetterWorld Trust has been completing missions.

Eventually he sold off Hollister Ranch, parcel by parcel; he had a family, traveled, became one of the first organic farmers and helped to start the first farmers market in Southern California, among many other adventures.

"The idea was to be successful again and to use that success to make the world a better place that was the point of it, and it still is," Paul said. "In 91 years, you do a lot of things. It was just a lot of life. I've done a lot of things."

In 2000, nearly 50 years after he first thought of the concept of people helping others to become the best that they can be, Paul's dream of BetterWorld Trust finally became a reality.

"We thought where do we start," Paul said. "I thought this has to start at home."

The couple decided to focus on the area from Fallbrook to San Jacinto.

"So, we got involved in health, housing, hunger, quality of life and education," Diane said. "We have five major areas when we got started."

Paul said some of the areas they work in include Boys and Girls clubs, libraries, schools, children

Learn how to use brain energy to work better and think faster – Part 1

Dr. Terry A. Rondberg
Special to the Village News

Can you tap into your brain to get sharper, smarter and work faster? According to Dave Asprey, a Silicon Valley entrepreneur, founder and CEO of bulletproof.com, and author of "The Bulletproof Diet" and "Head Strong: The Bulletproof Plan to Activate Untapped Brain Energy to Work Smarter and Think Faster — in Just Two Weeks," the answer is a resounding yes.

Dr. Mercola also has a new

book I recommend called "Fat for Fuel." Dave Asprey approaches the subject of optimizing brain function from the perspective of having suffered serious health problems and seeking options for recovery, because the mainstream route simply didn't work. At one point, he weighed 300 pounds, couldn't lose weight, and was suffering the effects of multiple toxic exposures, including Lyme disease. Not a doctor he was still able to read through the medical literature to discover important health truths.

Brain Fog

Dave was a successful Silicon Valley entrepreneur in the early days of the web. Then, he suddenly started gaining a lot of weight, and despite working out every day, six days a week, the weight gain continued. After going on a low-fat diet, he started experiencing severe brain fog — so much so, he feared losing his career.

"I ended up spending \$1 million and 15 years fixing my body and getting all of the data. I lost 100 pounds. I ended up running an anti-aging, non-profit research group. Here I am a formerly obese computer hacker by training, who realized I could hack my own biology.

see **BRAIN**, page B-7

BRAIN from page B-3

"When you're taking over a computer system, you don't know what's inside it. You just need to know enough to change the system. I looked at my body and I said, 'I don't know what's going on in there. The doctors ... barely know what's going on in there.

"Maybe I can use these techniques about managing a system even if you don't know everything." It really changed my life. Years later, I have a deep knowledge of how the system of the body works and how the environment changes it.

"You were one of the first guys to talk about epigenetics — this idea that your environment changes your gene expression. Like, whoa, wouldn't it be easier to just change my environment instead of doing something? That's where I was led to."

Mitochondria

Dave realized health is based on our mitochondria. Both weight loss and improved brain capacity is the result of lifestyle changes that optimize your mitochondria. Mitochondria are tiny organelles in your cells that can be viewed as cellular battery chargers. The mitochondria charge the structured water, which in turn operates much like a battery, thereby producing the energy (ATP) your body needs to function.

Research suggests half of people under the age of 40 have early onset mitochondrial dysfunction, and this phenomenon appears to be at the heart of most illness and chronic disease.

"That means their battery is weak before it's supposed to be weak. Everyone over age 40 has mitochondrial dysfunction. It's called aging," he says.

"If you can hack those little mitochondria to make them leak [fewer] electrons, to make them more effective and efficient in creating energy, to make them [create] less inflammation when they make energy, you're probably going to live a lot longer.

"But however long you live, you're going to ... have more energy every day. That makes you a nicer person because you can regulate your emotions better ... I'm calmer, more grounded and more focused because my battery is fully charged most of the time."

The plan Dave describes in "Head Strong" revolves around reducing exposure to toxins that lower the efficiency of your mitochondria, and increasing exposures and activities that give you energy. As your disease risk goes down, the quality of your thinking goes up, quite literally making you more "headstrong."

"What used to be a struggle stops being a struggle. It just feels kind of effortless and joyful," he says. One aspect of his work that stands out is the importance of

sun exposure. Not only does it provide your body with vitamin D, sun exposure also charges your mitochondria.

Charging your batteries with sunlight

In a nutshell, the near-, mid- and far-infrared light in sunlight can directly add electrons to these internal power plants, your mitochondria.

Infrared light — which is the part that provides warmth — actually changes the structure of the water in your cells, making it more structured, thereby increasing the efficiency of your mitochondria.

In simplified terms, you could say you can actually "charge" yourself with sunlight. In the absence of sunlight, you can also use near- and mid-infrared light bulbs. Groundbreaking science now also shows the near-infrared range is particularly important for your brain function.

Dave explains: "There are basically three different types of beneficial infrared ranges that humans have been able to recreate. There's really a spectrum that's unending

of all these electromagnetic frequencies. We're just talking [about certain ranges].

The near-infrared is one that you hear less about. This is warming, more so than far-infrared, which you oftentimes hear about [in relation to infrared] sauna, where far-infrared heats more deeply and near-infrared heats more of the surface.

You'll find that all three types of infrared light are important, and that you get all three when you get natural sunlight. What I'm recommending in "Head Strong" is to go outside, take off your sunglasses or prescription glasses [because] that UV filter is actually filtering out [light] that your brain needs.

You need a little bit of ultraviolet light even in your eyes. It can help to fix near-sightedness. Take off your hat. You're not going to get wrinkles in 20 minutes of sunshine. It's OK. Don't put on sunscreen. Take off your shirt and go for a walk in the sun."

This article will be continued in next week's paper, Nov. 23.

FRHD considers land purchase

FALLBROOK – On Dec. 1, the Fallbrook Regional Health District held a special meeting to discuss the purchase of land in the district. The board met in closed session to discuss the matter and had no actions to report out to the public.

“We believe we’ve located a great investment for our community that would help us further address health disparities through preventative medicine and wellness,” said Bobbi Palmer, executive director of the Fallbrook Regional Health District. “Through this purchase, we could offer the community direct services in a variety of areas under one roof.”

In October, FRHD sold the former Fallbrook Hospital to private for-profit Crestwood Behavioral Health Inc. The \$4.5 million sale will allow Crestwood to transform the vacant building at 624 East Elder into the Fallbrook Healing Center to deliver behavioral medicine and rehabilitation therapy.

The 50-year-old Fallbrook Hospital closed in November 2014 after soliciting proposals from more than 10 health systems in the region. Several more proposals and offers fell through in the years following as FRHD spent about \$200,000 a year on basic

maintenance and security of the building.

The Fallbrook Hospital was last managed under a 30-year lease agreement by Tennessee-based Community Health Systems. The company closed the hospital’s labor and delivery department in September 2014 and announced it planned to shutter emergency and intensive care departments in November of that year. CHS reported to shareholders it lost nearly \$6 million operating Fallbrook Hospital in 2013 alone.

The project plans to break ground in the coming months and open in 2018.

The voter-approved special district collects roughly \$1.6 million annually to cover health care provider shortages, uninsured Californians, patients with low or fixed incomes, and underserved populations.

Since 2000, the district community health contracts have supported about 300 health programs offering no-cost services for the North San Diego County unincorporated communities of Bonsall, Del Luz, Fallbrook and Rainbow. In the last five years, the district granted more than \$3.5 million in health services benefiting the public.

DISCUSSION/ACTION ITEMS

ACKNOWLEDGEMENT AND RELEASE

RECITALS

On January 29, 2015, Fallbrook Hospital Corporation ("FHC") and Fallbrook Regional Healthcare District, f/k/a Fallbrook Healthcare District ("District") (and other parties) entered into a Settlement Agreement, Termination Agreement and Mutual Release (the "Settlement"). Among other things, the Settlement required FHC to undertake inspections and make certain repairs, as well as set up an escrow to fund such repairs (the "Escrow").

To address the results of the inspection under the Settlement, to disburse funds from the Escrow in lieu of repairs, and to address other matters between FHC and the District, on August 17, 2016, FHC and District (and another party) entered into an Addendum To Settlement Agreement, Termination Agreement and Mutual Release (the "Addendum"). In anticipation of the health facility building (the "Building") owned by District being able to be licensed as an acute facility, the Addendum, among other things, required FHC to apply for and obtain a permit from the California Office of Statewide Health Planning and Development ("OSHPD") and to complete the project set forth on a previously obtained and expired OSHPD permit (OSHPD Project Number S132288-37-00). FHC obtained the new OSHPD permit (OSHPD Project Number S162633-37-00) and was ready, willing and able to complete the improvements required by such permit and the Addendum.

Since execution of the Settlement and the Addendum, District has determined that the Building would not be licensed as an acute care facility and has informed OSHPD and FHC of this fact, resulting in an OSHPD permit being unnecessary. Additionally, District has sold the Building. The new owner of the Building will be conducting substantial renovations on the Building. These renovations have resulted in any repairs to be undertaken by FHC becoming unnecessary.

ACKNOWLEDGEMENT

In light of the foregoing Recitals, FHC has submitted this Acknowledgement and Release, and requests acknowledgement that FHC: (1) has fulfilled all of its obligations under section 2(j) of the Settlement, as well as all of FHC's obligations pursuant to sections 3 and 4 of the Addendum, and, (2) that FHC is released from all future obligations under such sections.

IN WITNESS WHEREOF, District has caused its duly authorized representative to execute this Acknowledgement and Release on the date set forth below.

Fallbrook Regional Health District

By: Bobbi A. Palmer
Its: Executive Director

DATED: _____