



## MINUTES

### REGULAR BOARD MEETING

Wednesday, October 10, 2018, 6:00 p.m.

#### NEW MEETING LOCATION

Fallbrook Wellness Center, 1636 E. Mission Rd., Fallbrook

Board Members present: Directors Howard Salmon, Stephen Abbott, William Leach and Barbara Mroz

Board Members absent: Director Gordon Tinker

Also present: Chief Executive Officer Bobbi Palmer and Legal Counsel Blaise Jackson

Attending via teleconference for the Audit Report only was Craig Fechter, Owner of Fechter & Company.

#### A. CALL MEETING TO ORDER – PLEDGE OF ALLEGIANCE

Vice-President Howard Salmon called the meeting to order at 6:06 p.m. and led the Pledge of Allegiance.

#### B. ADDITIONS TO AGENDA

None

#### C. BOARD MEMBER AND PUBLIC COMMENTS

Mr. Armando Telles introduced himself and stated he is a candidate for the FRHD Board of Directors in the upcoming November election. He noted the presence of the other candidates.

Director William Leach recognized the FRHD staff and thanked them for all their efforts in doing a good job for the District.

#### D. CONSENT ITEMS

D1. Approval of August 2018 Financial Statements

D2. Minutes of September 5, 2018 Finance Committee Meeting

D3. Minutes of September 12, 2018 Regular Board Meeting

There were no items requested to be pulled for further discussion.

**Action:** It was moved by Director Abbott, seconded by Director Mroz to approve the Consent Items as presented.

Motion carried 4-0. 1 Absent

#### E. REPORTS

E1. Finance Committee – Committee of the Whole, Chair: Director Mroz

Committee Chair Barbara Mroz provided the report for the Finance Committee meeting of October 3, 2018. She said the financial reports were through August of 2018. She noted that the American Express expenditure had increased prior to the groundbreaking for the new property on East Mission Road. Discussion ensued regarding reasons for the expenditures and limits on credit cards. There was also discussion regarding the use of temporary employees for special projects. Bobbi Palmer shared there will be a workshop on the second Saturday in January 2019 and representatives from the Blue Zones Project can be here again during that time.

The LAIF account balance was \$1,472,559 as of the end of August 2018. The balance in the CalTRUST account was \$6,751,576. Property tax revenue for the month of August

totaled \$11,304 and fiscal year-to-date it was \$40,338. CEO Bobbi Palmer said an anticipated eight percent increase in property taxes is projected. Regarding revenue, it is also expected that a cell phone tower will be installed and camouflaged on the 1636 E. Mission Road property for which the District will receive \$20,000. There was a question regarding a possible holiday event at the wellness center property. It was noted that the District will participate in the holiday parade again this year. There was also discussion regarding the installation of a fence, gate and lighting for the island dividing the entrance/exit to the Wellness Center.

Lastly, the final draft of the 2018-2019 Independent Audit was reviewed. It will go to the full Board of Directors meeting for action.

- E2. Gov't/Public Relation/Community Relations Committee – Directors Salmon and Tinker  
Director Salmon said he had no report at this time. ACHD will be monitoring the November mid-term election as it impacts the direction for the future. He also reminded everyone to turn back their clocks one hour this weekend.
- E3. Facilities/Strategic Planning Committee – Directors Abbott and Salmon  
Director Abbott had no report, just a suggestion to replace the existing clock in the Community Room. He said there is a need to evaluate the many ideas and plans for the development of the Wellness Center, and the new board will be making those decisions.
- E4. Chief Executive Officer – Bobbi Palmer MBA MSW  
CEO Bobbi Palmer discussed the Wellness Advisory Committee and how it will assist the Board of Directors in making decisions about implementation of ideas and plans for the Wellness Center. She said we have now moved into Phase II of the Conceptual Framework from Stanford Social Innovation. In past meetings, the CEO explained that the Stanford University Collective Impact Strategy Model was being used as a guide to assure community input as the Wellness Center is developed.
- E5. General Counsel – Blaise Jackson  
Counsel Jackson said he had shared with Directors via e-mail information regarding Assembly Bill 3239. He said effective January 2019, the Board, with justification, can pass a resolution allowing a stipend for up to 6 days and up to \$600 per month. A mechanism will also then be in place for an ordinance, as outlined in the Water Code, allowing for up to a five percent annual increase in the base compensation or stipend per day. He can discuss this further when the new Board is seated.

He said he continues to work with the attorney for Community Health Systems (CHS) the operator of the hospital until it closed, regarding medical records and patients' access to them.

## F. DISCUSSION/ACTION ITEMS

- F1. FY 2017-2018 Independent Auditor's Report – Fechter & Company Certified Public Accountants (*item called after Item C on the agenda, as auditor was on phone standby*)  
Craig Fechter joined the meeting via telephone and reviewed the 2017-2018 Independent Auditor's Report. He said all information was verified and noted that the District had major events to consider including following up and verification of the transactions on the sale of the hospital and the purchase of new property. There was also verification of the Community Health Contracts transactions. There were no negative findings on any of the transactions. It was a clean audit with no recommendations to the District for changes in internal controls. Mr. Fechter offered at no additional charge, a workshop for board members to discuss the audit process and recommended internal controls. The CEO suggested that might take place near the end of our fiscal year – perhaps in May as we will have new members on our board and it will be just prior to the next audit. Lastly, Director Salmon asked Director Abbott to discuss the reason for our current large balances in our bank accounts. Director Abbott said that up until the end of 2014, the

District leased the operations of the hospital to a separate entity. The District realized the need for monies to be available for a lease termination contingency fund, or what would be needed during the negotiated settlement for undepreciated assets. He commended Legal Counsel Blaise Jackson for a successful negotiation. The next Board of Directors will be tasked with determining what is spent for the new Wellness Center.

**Action:** It was moved by Director Leach, seconded by Director Abbott to accept the 2017-2018 Independent Auditors Report as presented.

Motion carried. 4-0. 1 absent.

**G. ITEMS FOR SUBSEQUENT MEETINGS**

G1. Other Director/Staff discussion items

G1a. Item(s) for future board agendas

G1b. Announcements of upcoming events:

- Community Collaborative for Health & Wellness Committee (CCH&W) meeting – 3<sup>rd</sup> Wednesday, October 17, 10:00-11:30am, Fallbrook Wellness Center, Community Room, 1636 E. Mission Rd., Fallbrook
- Fallbrook Harvest Faire 2018 – Sunday, October 28, 2018, 9:00am-4:00pm, Main Avenue, Downtown Fallbrook
- Woman of Wellness – Thursday, November 1, 6pm – Fallbrook Wellness Center, Community Room, 1636 E. Mission Rd., Fallbrook
- NCCCHI meeting – 1<sup>st</sup> Wednesday, November 7, 2:00-3:00pm, Fallbrook Wellness Center, Community Room, 1636 E. Mission Rd. Fallbrook
- Finance Committee of the Whole meeting – 1<sup>st</sup> Wednesday, November 7, 5:00pm Fallbrook Wellness Center, Community Room, 1636 E. Mission Rd. Fallbrook
- Wellness Advisory Committee meeting – 2<sup>nd</sup> Wednesday, November 14, 5:00-6:00pm, Fallbrook Wellness Center, Community Room, 1636 E. Mission Rd., Fallbrook

G2. Next Regular Board meeting – Wednesday, November 14, 2018, Fallbrook Wellness Center, 1636 E. Mission Rd., Fallbrook.

The Board adjourned into Closed Session at 6:47 p.m.

**H. CLOSED SESSION**

H1. Personnel Matters Pursuant to Government Code Section 54957 – Evaluation of Chief Executive Officer

H2. Conference with Legal Counsel Concerning Exposure to Litigation Pursuant to Gov't Code 54956.9(d)(2) – one case

**I. RETURN TO OPEN SESSION**

The meeting was reconvened into Open Session at 7:30 pm. As to Item H1, the Board approved the evaluation template. The Board directed counsel to take appropriate action as to Item H2.

**J. ADJOURNMENT**

There being no further business, the meeting was adjourned at 7:35 pm.



Gordon Tinker, President



Board Secretary/Clerk