



525 Veterans Blvd.
Redwood City, CA 94063

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A G E N D A
SEQUOIA HEALTHCARE DISTRICT
BOARD OF DIRECTORS MEETING
4:30, Wednesday, August 1, 2012, Conference Room
525 Veterans Boulevard
Redwood City, CA 94063

Director Shefren will be participating via teleconference from 76 Schimke Road, Bear Valley, CA

1. Call To Order And Roll Call
2. Public Comment On Non-Agenda Items*
- ACTION 3. Consent Calendar - President Griffin
 - a. Approve June 6, 2012 Regular Meeting Minutes
 - b. Accept May and June 2012 Financial Statements
 - c. Biennial Review of Conflict of Interest Code
4. CEO & Staff Reports - Mr. Michelson
 - Healthy Schools - Ms. Kurtzman
 - HeartSafe - Mr. Nielsen
5. New Business
 - a. Report: Final Grant Summary 2011-2012 - Mr. Michelson
 - b. Report: Final 2011-2012 Fiscal Year Budget - Mr. Michelson
 - c. Consider Proposals to Provide Custodial Services - Mr. Michelson
- ACTION 6. Adjourn to Closed Session For The Purpose Of
 - a. Under Government Code Sections 54957 and 54957.6 for the following purposes:
PUBLIC EMPLOYEE PERFORMANCE EVALUATION (54957)
Title: Chief Executive Officer of Sequoia Healthcare District
CONFERENCE WITH LABOR NEGOTIATOR (54957.6)
Agency Designated Representative: Kimberly Griffin, Board President & Kathleen Kane, Secretary/Treasurer
Unrepresented Employee: Chief Executive Officer of Sequoia Healthcare District
- ACTION 7. Reconvene To Open Session: Announce Any Reportable Actions Taken In Closed Session
8. Adjourn. The Next Regular Meeting Of The Board Of Directors Of Sequoia Healthcare District Is Scheduled For 4:30 PM, Wednesday, October 10, 2012, District Conference Room, 525 Veterans Blvd., Redwood City, CA 94063

*Public comment will be taken for each agenda item prior to the board's consideration on that item.

Any writings or documents provided to a majority of the Board of Directors regarding any item on this agenda will be made available for public inspection at the District office, 525 Veterans Blvd., Redwood City, CA, during normal business hours. Please telephone 650-421-2155 to arrange an appointment.

If you are an individual with a disability and need an accommodation to participate in this meeting, please contact Sequoia Healthcare District at least 48-hours in advance at 650-421-2155.


Kim Griffin, Board President

<p style="text-align: center;">MINUTES OF REGULAR MEETING BOARD OF DIRECTORS SEQUOIA HEALTHCARE DISTRICT June 6, 2012 Conference Room, 525 Veterans Boulevard Redwood City, CA 94063</p>		
<p><u>Directors Present</u> Director Faro Director Griffin Director Hickey Director Kane Director Shefren</p>	<p><u>Directors Excused</u></p>	<p><u>Also Present</u> Mr. Michelson, CEO Mr. Willig, Legal Counsel Ms. Johnson, Recorder</p>
<p style="text-align: center;"><u>1. Call to Order</u></p> <p>By: President Griffin Time: 4:30pm</p>		
<p style="text-align: center;"><u>2. Public Comment/Non-Agenda Items</u></p> <p>Keith Cosbey of Choicelunch thanked the Board for their support of the Healthy Schools Initiative and stated he would like to participate in the program.</p> <p>Jennifer Gabet thanked the Board for their support of the 1-2-3 Grow garden project which is part of the Healthy Schools program. She introduced Karen Chmielewski of Hidden Villa, Khris Jensen of Collective Roots and Marilyn Johns of UC Co-Op Extension.</p> <p>President Griffin announced that she, Directors Kane and Faro and staff members Michelson, Kurtzman and Gabet attended the recent ACHD Annual Meeting. It was very informative and Ms. Kurtzman and Ms. Gabet gave an excellent presentation on the District's Healthy Schools program at ACHD's request.</p>		
<p style="text-align: center;"><u>3.a. - 3.c. Consent Calendar</u></p> <p>Motion: To approve the Consent Calendar. By: Director Kane Seconded by: Director Griffin Vote: 5-0 Motion Passed</p>		
<p style="text-align: center;"><u>4. CEO & Staff Reports</u></p> <p>In addition to the report in the packet, Mr. Michelson provided the Board with a community health overview of health indicators provided by Sustainable San Mateo County.</p> <p>Healthy Schools Initiative: Ms. Kurtzman reported that HSI recently granted a total of \$275,000 to 13 organizations and the new Healthy Schools website is due to launch on June 30.</p> <p>In addition to Ms. Kurtzman's written report, a presentation will be made later in the meeting.</p> <p>HeartSafe: Mr. Nielsen's report was included in the Board packet for review.</p>		
<p style="text-align: center;"><u>5.a Resolution 12-1 Adopting Provisions For Healthcare District General Election</u></p> <p>Mr. Willig noted that this is standard information to be provided to the county's Election Department.</p>		

Motion: To adopt Resolution 12-1 setting forth provisions for 2012 District's General Election

By: Director Kane

Seconded by: Director Griffin

Director Hickey asked that the motion be amended to allow the District pay for candidate's statements. The maker of the motion, Director Kane, was not in favor of such an amendment and her motion stood.

Roll Call Vote: 5-0-0

Motion Passed

DRAFT

5.b Consider Grant to Ravenswood Family Health Center for \$500,000 for Three Years

Ms. Luisa Bauda presented a summary of the presentation made to the Board in May. The current cost for RFHC to provide comprehensive health care to District residents is \$1.8 million of which \$1.1 million is to uninsured District Residents. RFHC's grant request represents only 45% of the total cost of care for uninsured District residents. The proposed grant will allow the number of District residents who receive medical services to increase from 2,400 to at least 3,000 patients over three years and integrate a full time bilingual staff pharmacist to the clinic.

Motion: To approve a grant of \$500,000 to the Ravenswood Family Health Center for three years 2012/13 to 2014/15.

By: Director Shefren

Seconded by: Director Faro

Vote: 4-1 with Director Hickey opposed

Motion Passed

5.c Healthy Schools Gardner Center Update

Ms. Kurtzman introduced Lisa Westrich from the John Gardner Center at Stanford University. Ms. Westrich reported that the Center is in year two of a three year study partnering with the Healthcare District and four local school districts to study the Healthy Schools Initiative which seeks to improve the coordination and accessibility of health and wellness programs provided to students. During the first year of the study, JGC worked with the District to develop a logic model and needs assessment. The next step is a qualitative data analysis and interim findings will be reported in fall 2012.

5.d Consider New Board Policy Regarding Capital Projects

Director Shefren reported that he and Director Faro worked on the proposed capital projects policy. The District's main focus has been to grant funds to nonprofits to provide health-related services to District residents and not for capital improvements which could introduce an element of risk if the grantee were not able to fulfill their financial obligations. The proposed guideline is meant to inform grantees as to the current Board's point of view regarding capital grants.

Motion: To adopt the proposed guideline for large capital grants in excess of \$100,000.

By: Director Shefren

Seconded by: Director Hickey

After discussion, Director Shefren agreed to amend the motion so that the policy will apply only to capital grants in excess of \$250,000.

Motion: To adopt the proposed guideline for large capital grants in excess of \$250,000.

By: Director Shefren

Seconded by: Director Hickey

Vote: 5-0

Motion Passed

5.e Consider Proposal to Provide Additional Accounting Services

In the absence of a CFO or finance committee, Mr. Michelson said this proposal from Vavrinek, Trine and Day is to provide additional accounting audit services on a quarterly basis to insure proper internal controls are in place.

Motion: To accept the proposal from Vavrinek, Trine, Day to provide additional accounting services for one year with the stipulation that agreement could be cancelled with appropriate notice.

By: Director Shefren

Seconded by: Director Faro

Vote: 5-0

Motion Passed

5.f. Consider Grant Request from Sequoia Hospital Foundation for New Community Based Partnership

JoAnn Kemist introduced Sherie Hickman, Chief Operating Officer of Sequoia Hospital. Ms. Hickman described the purpose of the Sequoia Community Continuing Care Program (SCCCP) that will assist physicians, community organizations, hospital staff, residents and their families to coordinate efforts through a range of services and programs from early identification to post acute care services. Program objectives include expanding outreach coordination; improving patient referral process; developing electronic connectivity between the program and referral sources; and developing a sustainable, cost effective program that is replicable.

Motion: To approve a grant not to exceed \$236,500 for the Sequoia Hospital Homecoming Program and a grant not to exceed \$368,666 for the Sequoia Community Continuing Care Program. The District will have two representatives on the program design committee. The grant period is July to December 2012.

By: Director Faro

Seconded by: Director Kane.

Vote: 4-1 with Director Hickey opposed

Motion Passed

5.g. Consider Adoption of Proposed Budget for Fiscal Year Ending June 30, 2013

Mr. Michelson reviewed the revenue and expense projections and major differences in the proposed versus current budget. Director Hickey questioned ongoing expense of the HeartSafe Program. Ms. Kurtzman explained that although there are fewer AED installations now, maintenance of the units has increased. Mr. Michelson will review the AED agreements to insure that if an organization is fiscally able to pay for maintenance of the units that they do so.

Motion: To approve the budget for fiscal year ending June 30, 2013.

By: Director Faro

Seconded by: Director Kane.

Vote: 4-1 with Director Hickey opposed

Motion Passed

Ms. Johnson noted for the record that the Board approved the following additions to the draft budget: \$10,000 for additional accounting services, \$500,000 for Ravenswood-BelleHaven clinic and \$630,166 for a 6 month grant to Sequoia Hospital Foundation resulting in a projected net loss of approximately \$379,000.

The Board noted that reserves would be drawn on as necessary to find this loss.

5.h Ratification of 2011-12 Grant to Pathways

Director Shefren reported that his wife is employed with Pathways and last year when the grant request from Pathways was presented to the Grants Committee, he recused himself from that discussion and vote. However, a month later when Community Grants (including the grant to Pathways) came before the Board he voted for approval and realizes now, that he should not have done so. He apologized for any inconvenience caused to the Board and left the room so the matter of ratification could be openly discussed.

Motion: To ratify the 2011-2012 grant to Pathways.

By: Director Faro

Seconded by: Director Griffin

Vote: 3-1 with Director Hickey opposed and Director Shefren absent from the room for the vote.

Motion Passed

Director Shefren returned to the room and was informed of the vote.

6. Adjourn

Motion: At 6:45 adjourn meeting.

By: Director Griffin

Seconded by: Director Faro

Vote: 5-0

Motion Passed

The next regular meeting of the Board of Directors of Sequoia Healthcare District is scheduled for 4:30 PM, Wednesday, August 1, 2012, District Conference Room, 525 Veterans Blvd., Redwood City, CA.

Respectfully Submitted,

Kathleen Kane, Secretary

SEQUOIA HEALTHCARE DISTRICT
Balance Sheet

	July	August	September	October	November	December	January	February	March	April	May	June
ASSETS												
Current Assets												
Cash (WFMMA)	1,559,267.00	2,184,975.87	1,485,584.27	1,236,003.40	2,686,884.27	4,687,778.98	3,688,976.08	3,790,013.08	3,481,082.52	4,897,012.14	4,673,433.51	4,079,634.40
Cash (WFF)	73,107.80	68,080.49	48,975.62	2,238,528.70	408,450.37	1,156,975.20	55,771.93	124,784.91	82,989.25	128,946.77	44,072.78	25,572.38
Cash from Investments	220,467.70	220,467.70	220,467.70	220,467.70	651,040.70	651,040.70	651,040.70	651,040.70	651,040.70	651,040.70	651,040.70	651,040.70
Cash Equivalents	15,840,570.19	14,354,447.17	14,304,248.17	14,370,322.17	13,932,124.42	13,962,618.42	14,032,816.42	14,040,284.42	14,043,319.42	14,067,692.09	14,054,752.18	14,064,340.90
Accounts Receivable	975.43	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	257,318.53
Due From Other Governments	622,336.00	622,336.00	622,336.00	622,336.00	622,336.00	622,336.00	622,336.00	622,336.00	622,336.00	622,336.00	622,336.00	622,336.00
Total Current Assets	18,316,724.12	17,450,307.23	16,681,611.76	18,687,657.97	18,300,835.76	21,080,749.30	19,050,941.13	19,228,459.11	18,880,767.89	20,367,027.70	20,045,635.17	19,700,242.91
Property, Plant & Equipment												
Land	138,927.00	138,927.00	138,927.00	138,927.00	138,927.00	138,927.00	138,927.00	138,927.00	138,927.00	138,927.00	138,927.00	138,927.00
Land Improvements	144,158.05	144,158.05	144,158.05	144,158.05	144,158.05	144,158.05	144,158.05	144,158.05	144,158.05	144,158.05	144,158.05	144,158.05
Buildings	1,249,382.30	1,249,382.30	1,249,382.30	1,249,382.30	1,249,382.30	1,249,382.30	1,249,382.30	1,249,382.30	1,249,382.30	1,249,382.30	1,249,382.30	1,249,382.30
Building Improvements	517,457.57	517,457.57	517,457.57	517,457.57	514,274.57	514,274.57	514,274.57	514,274.57	514,274.57	514,274.57	514,274.57	514,274.57
Tenant Improvements	216,105.29	216,105.29	216,105.29	216,105.29	215,113.29	215,113.29	215,113.29	215,113.29	215,113.29	215,113.29	215,113.29	215,113.29
Equipment	64,237.05	64,237.05	64,237.05	64,237.05	63,107.05	63,107.05	63,107.05	63,107.05	63,107.05	63,107.05	63,107.05	67,667.05
Furniture	34,019.47	36,737.91	37,187.91	37,187.91	31,428.91	31,428.91	31,428.91	31,428.91	31,428.91	31,428.91	31,428.91	31,428.91
Accumulated Depreciation	(1,412,058.96)	(1,419,512.96)	(1,426,966.96)	(1,434,420.96)	(1,441,874.96)	(1,449,328.96)	(1,456,782.96)	(1,464,236.96)	(1,464,236.96)	(1,479,144.96)	(1,486,598.96)	(1,494,052.96)
Net Property/Plant/Equipment	952,227.77	947,492.21	940,488.21	933,034.21	914,516.21	907,062.21	899,608.21	892,154.21	892,154.21	877,246.21	874,352.21	866,898.21
Total Assets	19,268,951.89	18,397,799.44	17,622,099.97	19,620,692.18	19,215,351.97	21,987,811.51	19,950,549.34	20,120,613.32	19,765,468.10	21,244,273.91	20,919,987.38	20,567,141.12
LIABILITIES & FUND BALANCE												
Current Liabilities												
Accounts Payable	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12,660.66
Deposit Payable	3,165.00	3,165.00	3,165.00	3,165.00	3,165.00	3,165.00	3,165.00	3,165.00	3,165.00	3,165.00	3,165.00	3,165.00
Grants Payable	1,943,138.32	1,475,080.00	850,080.00	850,080.00	849,743.76	849,743.76	32,243.76	32,243.76	32,243.76	32,243.76	0.00	1,719,708.49
Deferred Revenue	622,336.00	622,336.00	622,336.00	622,336.00	622,336.00	622,336.00	622,336.00	622,336.00	622,336.00	622,336.00	622,336.00	622,336.00
Total Current Liabilities	2,568,639.32	2,100,581.00	1,475,581.00	1,475,581.00	1,475,244.76	1,475,244.76	657,744.76	657,744.76	657,744.76	657,744.76	625,501.00	2,357,870.15
Fund Balances												
Depreciation Fund	7,825,944.00	7,825,944.00	7,825,944.00	7,825,944.00	7,825,944.00	7,825,944.00	7,825,944.00	7,825,944.00	7,825,944.00	7,825,944.00	7,825,944.00	7,825,944.00
Invested in Capital Assets	564,506.84	564,506.84	564,506.84	564,506.84	564,506.84	564,506.84	564,506.84	564,506.84	564,506.84	564,506.84	564,506.84	564,506.84
Fund Balance	56,406,511.00	56,406,511.00	56,406,511.00	56,406,511.00	56,406,511.00	56,406,511.00	56,406,511.00	56,406,511.00	56,406,511.00	56,406,511.00	56,406,511.00	56,406,511.00
Surplus/Loss	(46,002,863.84)	(46,002,863.84)	(46,002,863.84)	(46,002,863.84)	(46,002,863.84)	(46,002,863.84)	(46,002,863.84)	(46,002,863.84)	(46,002,863.84)	(46,002,863.84)	(46,002,863.84)	(46,002,863.84)
Net Surplus/Loss	(2,092,191.43)	(2,495,285.56)	(2,645,985.03)	(647,392.82)	(1,053,990.79)	1,718,468.75	498,706.58	668,770.56	313,625.34	1,792,431.15	1,500,388.38	(584,827.03)
Total Fund Balance	16,701,906.57	16,298,812.44	16,148,112.97	18,146,705.18	17,740,107.21	20,512,566.75	19,202,804.58	19,462,868.56	19,107,723.34	20,586,523.15	20,294,486.38	18,209,270.97
Total Liabilities & Fund Balance	19,270,545.89	18,399,393.44	17,623,693.97	19,622,286.18	19,215,351.97	21,987,811.51	19,050,941.13	20,120,613.32	19,765,468.10	21,244,273.91	20,919,987.38	20,567,141.12

SEQUOIA HEALTHCARE DISTRICT
Income Statements

Agenda Item No.3.b
Board of Directors Meeting
8/01/12

	July	August	September	October	November	December	January	February	March	April	May	June	Year to Date	Budget 11-12
INCOME														
Rental Income	3,164.70	3,291.29	3,291.29	3,291.17	3,291.17	3,291.29	6,582.58	0.00	3,291.29	3,291.19	3,291.29	3,291.29	39,368.55	39,490.00
Tax Revenue	0.00	0.95	3,367.65	3,340.78	766,753.58	3,367,066.60	28,229.53	357,986.55	42,573.33	2,656,439.24	40,538.50	999,245.93	8,265,542.64	7,950,000.00
Investment Income	87,043.00	15,377.00	(50,199.00)	66,074.00	(23,137.17)	30,494.00	70,198.00	8,968.00	3,035.00	24,876.00	(2,897.00)	9,593.00	241,134.25	600,000.00
ROI-Sequoia Hospital EBIDA	0.00	0.00	0.00	2,158,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,158,000.00	2,600,000.00
Interest Income	835.61	728.43	617.22	441.50	938.50	905.21	1,203.99	1,039.25	1,071.09	928.23	1,424.42	1,204.39	11,337.84	7,600.00
Pension Income	0.00	0.00	0.00	0.00	2,500,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,500,000.00	2,500,000.00
Total Income	91,043.31	19,397.67	(42,922.84)	2,231,147.45	3,247,846.08	3,401,757.10	106,214.10	367,993.80	49,970.71	2,685,534.66	42,357.21	1,013,334.61	13,215,383.28	13,697,090.00
EXPENSES														
Administrative Expenses														
Admin. Expense	306.76	454.79	593.68	426.80	467.82	468.92	441.34	777.58	686.07	523.22	1,665.08	629.93	7,441.99	12,500.00
Admin. Payroll	13,842.85	25,640.56	22,544.16	14,557.78	14,557.80	14,557.80	17,160.65	15,302.00	23,891.43	15,184.39	15,184.34	18,980.43	211,394.19	197,500.00
Board Health Insurance	2,895.79	2,895.79	7,101.49	2,895.79	2,895.79	2,980.24	10,158.74	5,061.59	2,958.74	3,268.94	3,937.34	11,443.88	58,494.12	72,000.00
Employee Health Insurance	1,996.14	2,660.58	2,550.00	1,996.12	2,660.32	1,223.63	1,637.63	2,264.56	2,046.86	1,677.62	4,829.98	(112.91)	25,430.53	29,000.00
Employee Retirement Benefit	1,051.33	2,207.02	1,760.28	1,157.10	1,288.16	1,266.00	1,266.00	1,266.00	1,954.61	1,270.62	981.40	1,226.73	16,695.25	15,000.00
Investment Fees	0.00	1,500.02	13,246.59	0.00	(1,709.42)	12,204.79	0.00	1,500.00	12,252.81	503.33	8,333.49	12,321.96	63,572.41	60,000.00
Office Supplies/Equip Maint	71.04	1,013.40	356.95	631.97	689.41	608.00	107.37	311.40	418.56	553.86	1,752.05	1,943.47	8,457.48	7,500.00
Purchase Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,500.00
Accounting fees	0.00	0.00	8,000.00	0.00	0.00	0.00	9,000.00	0.00	0.00	0.00	0.00	0.00	17,000.00	17,500.00
Board Expense	0.00	52.05	0.00	160.00	0.00	14.30	475.18	21.32	0.00	309.27	3,320.67	450.65	4,803.44	10,000.00
Associations/Membership	0.00	15,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	300.00	0.00	15,300.00	16,000.00
Communications	0.00	500.00	500.00	5,285.25	14,278.01	500.00	500.00	1,242.40	500.00	500.00	745.73	500.00	25,051.39	20,000.00
Public Relations	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00	4,599.00	4,200.00	4,200.00	50,799.00	50,000.00
Web Site/IT	865.00	700.02	365.00	365.00	365.00	365.00	365.00	365.00	14,865.00	730.00	125.00	365.00	19,840.02	15,000.00
Pension Plan	0.00	0.00	0.00	0.00	2,500,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,500,000.00	2,500,000.00
Insurance/D&O	26,587.04	(9,762.44)	100.00	0.00	1,658.58	1,022.43	(504.71)	1,278.57	0.00	0.00	1,108.86	0.00	21,488.33	23,000.00
Election Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-
LAFCO fees	0.00	0.00	0.00	0.00	0.00	5,988.00	0.00	0.00	0.00	0.00	0.00	0.00	5,988.00	8,000.00
Legal Fees	0.00	509.50	2,536.65	555.75	2,131.00	2,389.95	3,548.25	483.00	1,527.75	1,048.00	1,353.50	7,792.00	23,875.35	30,000.00
Bank Fees	0.00	10.00	0.00	0.00	0.00	0.00	0.00	31.00	0.00	(10.02)	0.00	0.00	30.98	100.00
Total Admin. Expenses	51,815.95	47,581.29	63,854.80	32,231.56	2,543,482.47	47,789.06	48,355.45	34,104.42	65,291.83	30,158.23	47,837.44	59,741.14	3,075,662.48	3,085,600.00
Property Expenses														
Maintenance	125.00	1,445.00	2,542.81	1,100.00	1,829.59	1,453.86	2,424.31	1,004.99	1,745.64	2,708.21	2,139.48	5,294.90	23,813.79	25,000.00
Utilities	0.00	2,137.37	2,250.64	2,130.34	1,895.48	1,816.91	1,577.82	1,626.36	2,194.08	1,736.08	2,570.88	3,389.19	23,325.15	20,000.00
Property Insurance	1,454.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,454.00	2,000.00
Depreciation	7,454.00	7,454.00	7,454.00	7,454.00	7,454.00	7,454.00	7,454.00	7,454.00	7,454.00	7,454.00	7,454.00	7,454.00	89,448.00	100,000.00
Total Property Expenses	9,033.00	11,036.37	12,247.45	10,684.34	11,179.07	10,724.77	11,456.13	10,085.35	11,393.72	11,898.29	12,164.36	16,138.09	138,040.94	147,000.00

SEQUOIA HEALTHCARE DISTRICT
Income Statements

Agenda Item No.3.b
Board of Directors Meeting
8/01/12

	July	August	September	October	November	December	January	February	March	April	May	June	Year to Date	Budget 11-12
Grant Expenses														
Grant Admin Expenses	898.66	1,035.18	1,320.08	888.99	156.73	154.21	337.24	158.85	15,601.59	147.48	90.81	1,014.68	21,804.50	500.00
Grant Admin Payroll	3,503.54	8,046.91	5,711.10	3,799.99	3,799.00	3,798.04	4,095.12	3,955.14	5,932.77	3,955.27	4,027.29	5,520.50	56,144.67	49,500.00
Children's Health Initiative	675,000.00	0.00	0.00	0.00	0.00	0.00	675,000.00	0.00	0.00	0.00	0.00	0.00	1,350,000.00	1,350,000.00
SFSU Nursing Program	0.00	0.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	1,000,000.00
Samaritan House Grant	153,174.00	0.00	0.00	153,174.00	0.00	0.00	153,174.00	0.00	0.00	153,174.00	0.00	0.00	612,696.00	612,000.00
Other Grants	0.00	123.89	300.00	2,000.00	2,399.85	1,180.00	2,618.77	3,438.63	2,436.79	4,641.84	2,098.06	4,426.29	25,664.12	50,000.00
Sequoia Hospital Foundation	1,250,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,250,000.00	1,250,000.00
San Mateo Medical Ctr.	0.00	0.00	0.00	0.00	0.00	500,000.00	0.00	0.00	0.00	500,000.00	0.00	1,000,000.00	2,000,000.00	2,000,000.00
Ravenswood-Belle Haven Clinic	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	125,000.00	0.00	125,000.00	250,000.00	250,000.00
Community Grants Program	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,340,000.00	1,340,000.00	1,250,000.00
Total Grant Expenses	2,082,576.20	9,205.98	7,331.18	159,862.98	1,006,355.58	505,132.25	835,225.13	7,552.62	23,971.15	786,918.59	6,216.16	2,475,961.47	7,906,309.29	7,812,000.00
Program Expenses														
HeartSafe Program	858.66	1,893.67	998.28	6,713.40	17,872.11	128.74	5,525.95	3,326.65	1,369.11	178.23	68,254.94	8,430.49	115,550.23	140,000.00
HeartSafe Payroll	4,168.61	11,124.65	6,849.19	4,566.14	3,774.78	4,140.40	4,332.70	4,292.69	6,134.54	4,264.58	4,264.58	5,330.73	63,822.08	60,000.00
School Health Initiative	26,381.72	324,362.31	1,417.54	8,444.71	61,134.38	51,328.34	410,546.48	128,323.20	281,407.60	363,257.13	183,971.25	518,524.37	2,359,099.03	2,250,000.00
School Health Payroll	8,400.60	17,287.53	15,078.19	10,052.11	10,645.66	10,054.00	10,534.43	10,244.89	15,547.98	10,053.80	9,981.83	14,423.73	141,726.26	130,000.00
Total Program Expenses	39,809.59	354,668.16	24,343.20	29,776.36	93,426.93	65,651.48	430,939.56	146,187.43	304,459.23	377,753.74	266,472.60	546,709.32	2,680,197.60	2,580,000.00
Total Expenses	2,183,234.74	422,491.80	107,776.63	232,555.24	3,654,444.05	629,297.56	1,325,976.27	197,929.82	304,459.23	1,206,728.85	332,690.56	3,098,550.02	13,800,210.31	13,624,600.00
Net Surplus/Loss	(2,092,191.43)	(403,094.13)	(150,699.47)	1,998,592.21	(406,597.97)	2,772,459.54	(1,219,762.17)	170,063.98	(355,145.22)	1,478,805.81	(290,333.35)	(2,085,215.41)	(584,827.03)	63,057.00



Agenda Item No. 3. C

Board of Directors Meeting

Date 8-1-12

DATE: July 10, 2012
TO: All Filing Officials
FROM: Mark Church, Assessor-County Clerk-Recorder
SUBJECT: **Conflict of Interest Code (COI) Biennial Review Notice**

This is to remind you that Government Code §87306.5 requires each local agency to review its Conflict of Interest Code biennially to determine if it is accurate or, alternatively, if it must be amended. To assist you in making that determination, please review the attached "How to amend a Conflict of Interest Code" and "How to review a Conflict of Interest Code" documents. The attached "2012 Local Biennial Notice" form must be **returned to our office no later than September 1st**. Your agency must review its Conflict of Interest Code and submit a completed notice to:

Juliet Fernandez
San Mateo County Clerk's Office
555 County Center
Redwood City, CA 94063

Our office will then submit the completed notice to the code reviewing body for approval. **Please note that your agency's amended code is not effective until it has been approved.**

Accordingly, we request your agency to:

- a) **Review** its Conflict of Interest Code and, if a change in the agency's code is necessitated by changed circumstances (events such as organizational changes, changes in staff duties and/or titles, the use of consultants and/or interim staff members), **indicate the changes on the notice and return the notice to us no later than September 1st**.
- b) **If a change in the agency's code is necessary**, submit the amended code adopted by your Board to our office within 90 days of the date of the completed notice.
- c) **If no change** in the agency's code is required, indicate this on the notice form and forward it to our office **no later than September 1st**.

Our office also requests that your agency send a ***copy of your most current Conflict of Interest Code*** so that we may update our files.

If you have any questions, please do not hesitate to contact me at (650) 363-4988.

Current Code
12-1-04

**RESOLUTION 04-9
SEQUOIA HEALTHCARE DISTRICT
BOARD OF DIRECTORS**

RESOLUTION AMENDING CONFLICT OF INTEREST CODE

RESOLVED by the Board of Directors, Sequoia Healthcare District, County of San Mateo, State of California, that

WHEREAS, by letter dated September 17, 2004, the Assessor-County Clerk-Recorder of San Mateo County notified Sequoia Healthcare District ("District") that contrary to previous information from the County, the office of the County Clerk will continue to act as the filing officer for Statement of Economic Interests forms (FPPC Form 700) for all special districts and that the recent amendment to the District's Conflict of Interest Code to the contrary should be reversed.

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that:

1. The District's Conflict of Interest Code, adopted June 25, 1986, by Resolution No. 86-12, as amended August 19, 1998, and August 4, 2004, be and hereby is amended to reinstate the County Clerk as the filing officer.

2. As amended, the District's Conflict of Interest Code (other than the Appendix) shall read as follows:

**"CONFLICT OF INTEREST CODE OF THE
SEQUOIA HEALTHCARE DISTRICT**

The Political Reform Act, Government Code Section 81000, *et seq.*, requires state and local government agencies to adopt and promulgate Conflict of Interest Codes. The Fair Political Practices Commission has adopted a regulation, Title 2 California Code of Regulations Section 18730, which contains the terms of a standard Conflict of Interest Code, which can be incorporated by reference, and which may be amended by the Fair Political Practices

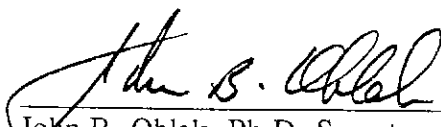
Commission to conform to amendments in the Political Reform Act after public notice and hearings. Therefore, the terms of Title 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commissioner are hereby incorporated by reference and, along with the attached Appendix in which officials and employees are designated and disclosure categories are set forth, constitute the Conflict of Interest Code of the Sequoia Healthcare District ("District").

Pursuant to Title 2 California Code of Regulations Section 18730(b)(4), all designated employees shall file statements of economic interests with the County Clerk of San Mateo County, who shall be the filing officer. As directed by Government Code Section 82011, the code reviewing body is the Board of Supervisors for the County of San Mateo."

3. The existing Appendix of Designated Officials and Employees, attached to the main body of the District's Conflict of Interest Code, shall remained unchanged.

As the duly elected Secretary of Sequoia Healthcare District, I hereby certify that the above accurately reflects the resolution which has been duly adopted and approved by the Board of Directors of Sequoia Healthcare District at its duly noticed and constituted meeting held on the 1st day of December, 2004, by the following vote:

Ayes: DIRECTORS FARG, HICKEY, KANE, MACNAUGHTON, OBLAK
Nos: NONE
Absent: NONE
Abstain: NONE


John B. Oblak, Ph.D, Secretary
SEQUOIA HEALTHCARE DISTRICT

**RESOLUTION 04-5
SEQUOIA HEALTHCARE DISTRICT
BOARD OF DIRECTORS**

RESOLUTION AMENDING CONFLICT OF INTEREST CODE

RESOLVED by the Board of Directors, Sequoia Healthcare District, County of San Mateo, State of California, that

WHEREAS, by recently received memorandum dated June 3, 2004, the Assessor-County Clerk-Recorder of San Mateo County has notified Sequoia Healthcare District ("District") that because of the substantial increase in the number of persons filing conflict of interest forms with the County (i) the office of the County Clerk will no longer act as the filing officer for Statement of Economic Interests forms (FPPC Form 700) for all school districts and special districts, beginning with the Form 700s to be filed in April 2005, (ii) such Forms should instead be filed with the District's filing officer at the District's office, and (iii) the District's Conflict of Interest Code should be amended accordingly,

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the District's Conflict of Interest Code, adopted June 25, 1986, by Resolution No. 86-12, as amended August 19, 1998, be and hereby is amended as follows:

1. The phrase "which shall make and retain a copy and forward the originals to the code reviewing body," shall be deleted from the second paragraph of the District's Conflict of Interest Code, and the sentence, "Pursuant to Title 2, Division 6 of the California Administrative Code, Section 18227, the County Clerk for the County of San Mateo shall be the official responsible for receiving and retaining statements of economic interests filed with the Board of Supervisors." shall likewise be deleted from the third paragraph of such Conflict of Interest Code.

2. The text remaining in the two paragraphs shall be combined into one paragraph and restated in the entirety to read as follows: “Pursuant to Title 2 California Code of Regulations Section 18730(b)(4), all designated employees shall file statements of economic interests with the Secretary of the Sequoia Healthcare District, which shall be the filing officer. As directed by Government Code Section 82011, the code reviewing body is the Board of Supervisors for the County of San Mateo.”

3. “Sequoia Hospital District” shall be changed to “Sequoia Healthcare District” in the title and first paragraph of the District’s Conflict of Interest Code and the references in the first paragraph to “2 Cal. Adm. Code” shall be changed to “Title 2 California Code of Regulations.”

4. As amended, the District’s Conflict of Interest Code (other than the Appendix) shall read as follows:

CONFLICT OF INTEREST CODE OF THE SEQUOIA HEALTHCARE DISTRICT

The Political Reform Act, Government Code Section 81000, *et seq.*, requires state and local government agencies to adopt and promulgate Conflict of Interest Codes. The Fair Political Practices Commission has adopted a regulation, Title 2 California Code of Regulations Section 18730, which contains the terms of a standard Conflict of Interest Code, which can be incorporated by reference, and which may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act after public notice and hearings. Therefore, the terms of Title 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commissioner are hereby incorporated by reference and, along with the attached Appendix in which officials and employees are designated and disclosure categories are set forth, constitute the Conflict of Interest Code of the Sequoia Healthcare District (“District”).

Pursuant to Title 2 California Code of Regulations Section 18730(b)(4), all designated employees shall file statements of economic interests with the Secretary of the Sequoia Healthcare District, which shall be the filing officer. As directed by Government Code Section 82011, the code reviewing body is the Board of Supervisors for the County of San Mateo."

5. The existing Appendix of Designated Officials and Employees, attached to the main body of the District's Conflict of Interest Code, shall remained unchanged.

As the duly elected Secretary of Sequoia Healthcare District, I hereby certify that the above accurately reflects the resolution which has been duly adopted and approved by the Board of Directors of Sequoia Healthcare District at its duly noticed and constituted meeting held on the 4th day of August, 2004, by the following vote:


Directors Faro, Kane, Hickey, MacNaughton

Ayes: Directors Faro, Kane, Hickey, MacNaughton

Nos: None

Absent: None

Abstain: None


Kathleen M. Kane, Secretary
SEQUOIA HEALTHCARE DISTRICT

SEQUOIA HOSPITAL DISTRICT
County of San Mateo, State of California

Current code
8-7-00

RESOLUTION NO. 86-12

ADOPTING REVISED CONFLICT OF INTEREST CODE
FOR THIS HOSPITAL DISTRICT

RESOLVED by the Board of Directors, SEQUOIA HOSPITAL DISTRICT,
County of San Mateo, State of California, that

WHEREAS the Political Reform Act, Government Code Section 81000,
et seq., requires state and local government agencies to adopt and promulgate
Conflict of Interest Codes, and

WHEREAS the Fair Political Practices Commission has adopted a
regulation, 2 Cal. Adm. Code Section 18730, which contains the terms of a standard
Conflict of Interest Code,

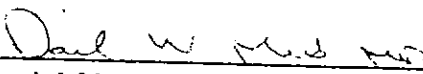
NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED
that a Revised Conflict of Interest Code, in the form set forth in Exhibit I, attached
hereto, be adopted for SEQUOIA HOSPITAL DISTRICT, to become effective upon
approval thereof by the Board of Supervisors of San Mateo County.

PASSED AND ADOPTED by the Board of Directors, SEQUOIA HOSPITAL
DISTRICT, this 25th day of June, 1986, by the following vote:

AYES: Directors Meub, Fritz, Marchasin, Stuart, Hamilton

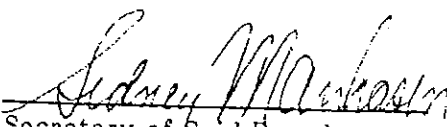
NOES: None

ABSENT: None



Daniel W. Meub, M.D.
President, Board of Directors

ATTEST:



Secretary of said Board

EXHIBIT I

CONFLICT OF INTEREST CODE OF THE
SEQUOIA HOSPITAL DISTRICT

County of San Mateo, State of California

Adopted on the 25th day of June, 1986
Approved by the Code Reviewing Body
on the ____ day of _____, 1986

The Political Reform Act, Government Code Section 81000, et seq., requires state and local government agencies to adopt and promulgate Conflict of Interest Codes. The Fair Political Practices Commission has adopted a regulation, 2 Cal. Adm. Code Section 18730, which contains the terms of a standard Conflict of Interest Code, which can be incorporated by reference, and which may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act after public notice and hearings. Therefore, the terms of 2 Cal. Adm. Code Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference and, along with the attached Appendix in which officials and employees are designated and disclosure categories are set forth, constitute the Conflict of Interest Code of the SEQUOIA HOSPITAL DISTRICT. (Hereafter "Agency.")

Pursuant to Section 18730(b)(4)(B) of the Standard Code, all designated employees shall file statements of economic interests with the agency, which shall make and retain a copy and forward the originals to the code reviewing body, which shall be the filing officer.

As directed by Government Code Section 82011, the code reviewing body is the Board of Supervisors for the County of San Mateo. Pursuant to Title 2, Division 6 of the California Administrative Code, Section 18227, the County Clerk for the County of San Mateo shall be the official responsible for receiving and retaining statements of economic interests filed with the Board of Supervisors.

DESIGNATED OFFICIALS AND EMPLOYEES

+ Designated Positions

Member, Board of Directors

Category

1. 2. 3. 4

Chief Executive Officer

1, 2, 3, 4

Consultants *

1, 2, 3, 4

* With respect to Consultants, the President of the Board of Directors may determine in writing that a particular consultant is hired to perform a range of duties that are limited in scope and thus he is not required to comply with the disclosure requirements described in these categories. Such determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The President of the Board of Directors shall forward a copy of this determination to the Board of Supervisors for the County of San Mateo. Nothing herein excuses any such consultant from any other provisions of this Conflict of Interest Code.

DESIGNATED CATEGORIES

Category 1. A designated employee assigned to Category 1 is required to disclose investments which may foreseeably be materially affected by any decision made or participated in by the designated employee.

Category 2. A designated employee assigned to Category 2 is required to disclose interests in real property which may be materially affected by any decision made or participated in by the designated employee.

Category 3. A designated employee assigned to Category 3 is required to disclose income which may be materially affected by any decision made or participated in by the designated employee.

Category 4. A designated employee assigned to Category 4 is required to disclose any business entity in which the designated employee is a director, officer, partner, trustee, or holds any position of management which may be materially affected by any decision made or participated in by the designated employee.

"Designated Employee," as stated above, shall include designated officials, board members, and consultants.

+ Amended 8/19/98

CEO Report: August 2012

Senior Health

1. I recently participated on a panel sponsored by Sustainability San Mateo County addressing health issues including senior health. As a follow-up we will be engaging Sustainable to conduct a study providing data on a variety of senior health concerns. This data should be helpful to our grants committee as we review upcoming applications and as we participate in the SHHP planning process with Sequoia Hospital.
2. The chronic conditions workshops continue to be successful. The current class meeting at the San Carlos Senior Center has twelve participants enrolled. Upcoming classes are taking place in August again in San Carlos, in September in RWC and in October in Menlo Park.
3. I was the featured speaker at the Senior Roundtable on July 26. My topic was on the District's support for senior health. See attached.
4. We will be supporting an educational workshop covering a number of health issues at Little House on September 22nd.
5. I continue to serve as an advisor to the Foster City Village as they develop their board and committees.

Grants Administration

1. End of year reports are coming in from 2011-12 grantees and are currently being reviewed. A summary of findings will be mailed to the Board and grants committee by the end of August.
2. Katie Kane will replace Jerry Shefren on the grants committee this coming year and Karen How has had to resign due to new work commitments. Dr. Shefren will be joining me on the combined District/Sequoia Hospital SHHP planning committee.

Financial Management

1. Janeene Johnson and I have begun working with our auditors on our first quarterly review. A report will be made to the Board at the October meeting.
2. I presented a draft of business management policies to the auditors. They are being reviewed with their recommendations. We will share them with the Board in October

Communications

1. Don Shoecraft and I are in the process of planning the annual report that will be mailed in early October. As usual it will describe to our taxpayers how their tax dollars were used to improve health outcomes.

Community Involvement

1. I am now the chair of the Evaluation Committee for First Five San Mateo County.
2. I am serving on the ACHD Education Committee and will play a role in planning the next conference in May which will be held in San Diego.
3. I will be making a presentation to the incoming nursing students on August 3rd.
4. We will be again hosting the San Mateo County Special Districts Association meeting on August 7th.
5. Fall prevention month is in September and there will be a variety of activities going on throughout the District.

Senior Health: District Concerns 2012

Adult Day Care: The District supports the adult day care center operated by Catholic Charities. The program is located in San Carlos. The District support is for scholarships for elderly residents who cannot afford the monthly program fees.

Nutrition: The District is concerned that all seniors have access to quality nutritious food. We support several food programs that provide food to the elderly. In particular we support Meals on Wheels offered by Peninsula Volunteers who provide a daily hot home- delivered meal to residents throughout our District and the senior meals program at San Carlos Senior Center.

Fitness: Support is provided for two senior fitness programs. One is operated by Adaptive Physical education and is located at the Veterans Memorial Senior Center in Redwood City and the other through Peninsula Family Services offered in the North Fair Oaks neighborhood.

Hospice: The District supports a transition to hospice program operated by Mission Hospice for residents throughout our area. Our support is for outreach and patient services.

Caregiver Support: The District is a supporter of the Kinship Program offered by Edgewood Family Center. The purpose of the grant is to assist grandparents who are raising their grandchildren. It is a wellness and health promotion program.

Elder Abuse: Support is provided to Ombudsman Services that allows them to monitor nursing homes and investigate reports of elder abuse by staff and family members.

Chronic Condition Management: The District offers workshops on self-management techniques. This program is offered at a variety of locations throughout the District and was developed at Stanford Medical School.



Healthy Schools Initiative

Activity Summary for June- July 2012

Pamela Kurtzman

Planning retreat: An all-day retreat was held on June 9 with Pamela, Jennifer and the Wellness Coordinators and facilitated by ASR. We began development of our strategic work plans for the 2012/2013 school year giving special attention to the areas of marketing HSI within schools, leveraging resources, and developing collaborations with District Education Foundations and Parent-Teacher Organizations.

Final steps for PE:

- **Training:** Parks and Rec and PCC staff are in the process of writing the training manuals and the schedule for the August training week is set. Along with the PE curriculum training that coaches will receive, Glenn Nielsen helped coordinate volunteer CPR Instructors to provide CPR training to 20 coaches on August 8.
- **Curriculum:** Jennifer is writing nutrition curriculum for the lessons.
- **Recruitment:** PCC and PRCS coaching interviews went very well. The new coaching responsibilities and structure that the expansion brought really attracted a high caliber candidate pool.
- **Program Evaluation:** Pamela is developing assessment tools to evaluate progress and measure quality and impact of the PE Plus Program.
- **Marketing:** The PE Plus program has received much attention in the local media. PCC has recruited a vendor to create a logo for the PE Plus Program and several drafts have been revised, assuring that each organization is represented and given the opportunity to provide feedback. Opportunities are being pursued to incorporate PE+ into the schools' Back-to-School Nights through the parent assembly, in the classrooms, or via a table in the hallways. Andrea Garen (RCSD Wellness Coordinator) is helping with those efforts.

Congrats to Jennifer for a successful first year with Sequoia Healthcare District! Jennifer's annual review was completed by Pamela on July 9 and submitted to her employee file.

Website Update: The newly designed HSI webpage looks terrific! Although it is yet to be live on the SHD website (we anticipate by July 27), we are excited to provide a demonstration of it at the August 1 Board meeting.

Healthy Schools Grantees- Final reports were received from all grantees. A summary of these reports is available for review by email request to Pamela.

Jennifer Gabet

Program Development:

- Assisted with development of the Healthy Schools Initiative website.
- Attended planning retreat. Discussed 1-2-3 Let's Grow! Program and other goals with the Wellness Coordinators, and began development of my work plan for 2012-13 school year.
- Pamela completed MOUs for 1-2-3 Let's Grow! Program and I began to meet with the organizations to review their plans for 2012-13.
- Continued development of the nutrition curriculum for the PE+ program and plan for nutrition training on August 7, 2012.

Presentations:

- San Carlos School District Kindergarten Classes (6/7/12): White Oaks (1), Arundel (1), Heather (3) - Rethink Your Drink/Potter the Otter pilot presentations and book distribution.
- Redwood City Parks and Recreation Summer Staff Training (6/12/12) - Sugar Savvy/Rethink Your Drink.
- Belmont Parks and Recreation Summer Staff Training (6/15/12) - Sugar Savvy/Rethink Your Drink.

Grantee Site Visit & Observation:

- REAL Program Graduation Ceremony in the Redwood High School Garden (6/6/12) - included acknowledgement of the U.C. Master Gardener's revitalization of the school garden, a program supported by the Healthy Schools Initiative.

Other Meetings and Committees:

- San Mateo County Food System Alliance (6/26/12).

Professional Development:

- Chamber Leadership Program and Graduation (6/8/12).
- Bay Area Nutrition and Physical Activity Collaborative (BANPAC) Meeting and Sugar Savvy Leader Training and Certification (6/20/12).

*Due to school closures during the summer months, there are no school district reports at this time.

HeartSafe Program

Activity Summary for June & July 2012

HeartSafe Region Task Force Meetings

Attend and participate in regional planning and support

American Heart Association / "hands-on" regional planning meeting

Maintenance of Existing Units (new batteries, electrodes, etc.)

- 1) Redwood City Police
- 2) Juvenile Hall
- 3) Belmont Parks

New AED Placements

- 1) Woodland School
- 2) St. Francis Center
- 3) Siena Center

AED Placements In-Progress (application stage, site visits, etc)

- 1) The Church of the Epiphany
- 2) Redwood City Fire Department
- 3) Immaculate Heart
- 4) The Bohannon Group *
- 5) Foster City Elementary School

AED / CPR In-Service Trainings

- 1) Dailey Fitness Center *

Scheduled Trainings

- 1) Redwood City School District
- 2) PE Plus Program coaches
- 3) St. Francis Center
- 4) Siena Center

* AED(s) and accessories purchased by client

Community Grants Report: July 2012 for Fiscal Years 2010-11 and 2011-12

Introduction: Annually, Sequoia Healthcare District provides grants ranging from \$10,000- \$100,000 to non-profit organizations to support their health care programs. These grants are specifically used to provide services to the residents living within District boundaries. Grants are distributed in June with the understanding the actual performance of the grant will take place over the next twelve months.

1. Grants budget: in fiscal year 2010-11 the District allocated \$1.6 million for grants; in fiscal year 2011-12 the allocation was \$1.3million; and, for this current fiscal year 2012-13, the allocation is again \$1.3 million. The total allocation for the three year period of 2010-2013 is \$4.2 million.
2. Number of grants: in 2010-11 twenty-nine grants were awarded and the average size grant was \$55,000; in 2011-12 twenty-seven grants were awarded and the average size was \$48,000. We will not know until June of 2013 how many grants will be awarded for fiscal year 2012-13 or the average size grant.
3. Twenty-two organizations received funding in 2010-11 and repeated in 2011-12 though the amount granted may be different. Seven organizations received funding in 2010-11 but not in 2011-12 and there were five new organizations that received funding in 2011-12 that were not funded in 2010-11.
4. Focus of grants: in 2010-11 there were eight grants geared to serving children with total spending on children of \$430,000. In 2011-12 there were nine such grants for \$475,000. In 2010-11 there were nine grants focused on senior health totaling \$505,000 but that number declined in 2011-12 to seven grants totaling \$325,000 on senior health.

5. Health concerns: in 2010-11 there were six grants for mental health programs, thirteen for health promotion programs, five addressing food issues, one for chronic condition management programs and four for other concerns. In 2011-12 there were five for mental health programs, fourteen for health promotion programs, five for food issues and three for other concerns.
6. Over the last two years the largest area of funding was for health promotion programs, representing about fifty percent of all spending, followed by food issues, representing twenty percent of spending and then mental health programs, representing sixteen percent of all spending.
7. The non-profits receiving the most money over fiscal years 2010-11 and 2011-12 were: Peninsula Volunteers/Meals on Wheels-\$190,000; Boys and Girls Club of the Peninsula-\$190,000; Second Harvest-\$190,000; Saint. Anthony Padua Dining Hall-\$190,000; CORA-\$180,000; and, Shelter Network-\$175,000.

Budget Report: July 2012

Executive Summary — Sequoia Healthcare District has established a strong financial position predicated upon several principals. First, the district spends every dollar of property tax income and more on health services to all residents of the district. Second, no tax revenues go toward administrative costs, which are supported partially by investment earnings on reserves and partially through a portion of our EBIDA share. Third, tax revenues will not be used to increase reserve funds.

The district continues to successfully implement these financial strategies, remains fiscally sound and is poised to devote increased funds to community services should property tax revenues or EBIDA share increase in the future. The district has one commitment against reserves, a \$4.3 million pledge to the San Mateo Medical Center for the reconstruction of the South County Clinic.

Budget Detail

1. Tax income for 2011-12 was \$8.3 million compared to \$8 million the year before. The increase was due primarily to our receiving a onetime allocation of \$200,000 in redevelopment funds redistributed by the state to local agencies. We have budgeted \$8.6 million in tax income for the current fiscal year, due to the anticipation of receiving \$600,000 from the State of California, monies that were withheld from us as a loan to the state in 2009-10. Property tax income has remained at \$8 million a year for the past several years, a trend that controls our revenue budgets into the foreseeable future.
2. EBIDA income was \$2.2 million in fiscal year 2011-12 compared to \$2.5 million in 2010-11. Sequoia Hospital has estimated EBIDA for the 2012–13 fiscal year at \$2.1 million. The actual amount to be received will be reported to the district in October, 2012. Should EBIDA income be reduced in the future for any reason, reserves will be deployed to maintain the district's \$10 million annual program spending.

3. Total district income was \$13.2 million for fiscal year 2011-12, compared to \$13.5 million for the previous fiscal year. Total income budget for the current fiscal year, 2012–13, will be augmented by the one-time State of California payback of \$600,000, or \$13.7 million in total.
4. Administrative expenses have been stable. Administrative costs in 2011-12 were \$575,000, up \$15,000 compared to the year before. Fiscal year 2012-13 admin budget is \$599,000. A significant variable reflected in each year's administrative budget over which we have no control is election cost. The district incurs election expenses charged by San Mateo County of about \$160,000 in alternate years as board terms expire. The amounts quoted above are less election costs.
5. Grants and program expenses account for the money we invest in our community to improve health. In 2011-12 we spent a record \$10.6 million, \$900,000 more than the previous year. We plan to spend \$10.6 million again this fiscal year, with a slight adjustment in how the allocations will be used. This year the district will spend more money on school health and Ravenswood Health Center and less on the Sequoia Hospital Foundation.
6. Added support for community health accounts for all of the difference in total expenses this year as compared to last. Expenses were \$13.8 million in 2011-12, up \$800,000 when compared to \$13 million in 2010-11. The 2012-13 adopted budget calls for expenditures of \$14.1 million. Election expenses of \$160,000 represent by far the largest portion of the \$300,000 increase.
7. Due to receiving less than budgeted EBIDA and a continued downturn in investment income, the district spent \$540,000 more in 2011-12 than we received in income. The year before 2010-11 our income exceeded expenses by \$470,000. Again, earnings on reserves made up the difference.

Revenue

	2010–11	2011–12	2012–13	2013–14
Property Tax	\$8 M	\$8.1 M	\$8 M	\$8 M
Redevelopment Rebate	\$0	\$200,000	\$0	\$0
Return of State Holdback	\$0	\$0	\$600,000	\$0
Total Tax Revenue	\$8 M	\$8.2 M	\$8.6 M	\$8.0
EBIDA	\$2.5	\$2.3	\$2.1	Unknown*

Administrative Expense

Administration	\$560,000	\$575,000	\$599,000	\$610,000**
Election Costs	\$160,000	\$0	\$160,000	\$0

* Amount to be determined in April, 2013

** Projection

Custodial Account

History: The District has used Fiduciary Investments, a subsidiary of Franklin Templeton for many years to manage our investment portfolio. We have used Bank of New York to be the custodian of our funds--they hold the money, transfer as directed by Fiduciary, etc. Thus the company making the decisions regarding the money and the company holding the money have been separate per Board preference. This has created an additional annual cost to the District of about \$6,000 a year.

Current: The Bank of New York has new policies where their minimum annual fee to be a custodial bank on any account regardless of size is now \$50,000. It is obvious that we must now make changes to move away from Bank of New York.

Options:

1. Franklin Templeton has agreed to be our custodial bank at no charge. They do not believe that there would be any conflicts and our auditors agree with their assessment.
2. We can move the custodial account to Wells Fargo, the bank we use for our cash accounts, for approximately \$5,000 a year thus keeping the transaction company and the custodial company separate.

Recommendation: Moving to Wells Fargo keeps the expense to the District in the same cost range that we usually pay while maintaining a separation between the two entities which was the initial desire of the Board.

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Are My Trust, Fiduciary and Custody Assets Safe?

BACKGROUNDER 2008

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Are My Trust, Fiduciary and Custody Assets Safe?

**Revised June 30, 2009*

Understanding the difference between account types

Many bank customers are confused about the difference between deposit, trust, fiduciary and custodial accounts. Here are some simple answers:

Assets held in **deposit accounts** become liabilities of the bank. As such, deposits create a debtor-creditor relationship between the bank and the depositor. In exchange for the money deposited, a liability of the bank is created which is the bank's contractual promise to repay the amount on deposit plus, where applicable, interest. As a result of a recent change in the law, through December 31, 2013, deposit accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per individual per bank. In addition, through December 31, 2009, the FDIC provides optional insurance for the full amount of funds held in transaction accounts (such as checking accounts) that do not pay interest. *Check with your bank to see if it has opted out of this optional full insurance or visit www.fdic.gov. Importantly, trust and custody transaction accounts that hold available cash for more than one account and sweep these funds into overnight investments are not eligible for this optional coverage.*

Assets, including certificates of deposit, held in **trust and fiduciary accounts** other than cash do not become assets or liabilities of the bank and are, indeed, segregated from the bank's assets. The bank acts as trustee or fiduciary to the account and, in this connection, provides investment management, investment advice and other services to the account. Account ownership remains vested in the individuals or entities for whose benefit the bank is acting as trustee or fiduciary and the assets are not subject to the claims of creditors. Cash in trust and fiduciary accounts that are transaction accounts that do not pay interest may be fully insured by the FDIC. Cash held in the trustee bank in other types of deposit accounts is insured up to \$250,000 and applicable law, such as 12 C.F.R. Part 9, may require that any amount over \$250,000 must be fully collateralized by the trustee.

Assets, including certificates of deposit, held in **custodial accounts** in the trust department of a bank, other than cash, do not become assets or liabilities of the bank and are segregated from the bank's assets. The bank's role as custodian is to hold the assets for safekeeping, to collect dividends and interest and provide other similar services. Account ownership in the assets, other than cash, remains vested in the individuals or entities for whose benefit the bank is acting as custodian and the assets are not subject to the claims of creditors. Cash in custody accounts that is held in non-interest bearing transaction accounts may be fully insured by the

FDIC. Cash held in the trustee bank in other types of deposit accounts is insured up to \$250,000.

What happens if a bank fails?

Since **deposit accounts** become liabilities of the bank, it follows that the depositor would become a creditor in the event a bank failed. However, the FDIC generally fully insures depositors whose funds are held in non-interest bearing transaction accounts. Other types of deposit accounts are insured for up to \$250,000 per individual per bank.

Since assets held in **trust, fiduciary and custodial accounts** (other than cash) do not become assets or liabilities of the bank (title is held by the account's owner(s)), it follows that none of this property is subject to the claims of the bank's creditors. As a result, a failure of a bank will have no adverse effect on trust, fiduciary or custodial accounts: they remain the property of the account's owner(s).

In the event that a bank with trust, fiduciary or custodial powers fails, the FDIC will seek to transfer responsibility for administration of the accounts to a successor trust institution as quickly as possible. Provided this effort is successful, the account beneficiaries would need to either accept this new arrangement or make provisions with the successor bank for alternative arrangements.

Should the search for a successor trustee to the failed bank be unsuccessful, the FDIC will then promptly notify all affected beneficiaries to either personally reclaim their property or designate an alternate institution to which the trust, fiduciary or custodial property may be conveyed.

Therefore, the safety of trust, fiduciary and custodial assets is not dependent upon whether the bank has assets greater than its liabilities. Property held in these accounts belongs to the owner(s) of the accounts and would be unaffected by a bank failure.

This Backgrounder is provided with the understanding that the American Bankers Association is not engaged in rendering legal, accounting, or other professional services. If legal advice or other expert assistance is required, the services of a competent professional should be sought.

The American Bankers Association brings together banks of all sizes and charters into one association. ABA works to enhance the competitiveness of the nation's banking industry and strengthen America's economy and communities. Its members – the majority of which are banks with less than \$125 million in assets – represent over 95 percent of the industry's \$13.3 trillion in assets and employ over 2 million men and women.

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Brokerage Custody Services and Safeguards

Wells Fargo Securities, LLC, (WFS) offers a full range of reliable, convenient custody services to help WFS and Wells Fargo Institutional Securities, LLC (WFIS) trading customers gain increased control over cash management and reporting and eliminate time-intensive internal tracking. WFS provides numerous safeguards to ensure the security of the assets entrusted to us for custody.

SIPC protection

Assets held in your brokerage custody account are protected against broker-dealer insolvency by the Securities Investor Protection Corporation¹ (SIPC) and the additional coverage we have purchased through Lloyd's of London².

The SIPC protects assets held in a brokerage custody account against broker-dealer insolvency up to a value of \$500,000 per customer (limited to \$250,000 for claims for cash). Lloyd's of London coverage provides additional protection of an aggregate limit of \$1,000,000,000 for all customers combined for securities and \$1,900,000 per customer for cash, which is also included in the overall \$1,000,000,000 aggregate limit for all customers. With the additional protection provided by Lloyd's of London, each of our customers is protected by \$500,000 in individual SIPC coverage (subject to \$250,000 limit on cash) and \$1,000,000,000 in additional aggregate coverage (subject to \$1,900,000 limit on cash).

SIPC funds are used to make investors whole after all customer assets held at the brokerage firm have been recovered. The SIPC limit of \$500,000 per account does not mean that the account will receive only up to \$500,000. Rather, in a SIPC customer proceeding, the account will receive a pro-rata share of all client assets recovered in liquidation and then will receive up to \$500,000 from SIPC to make up any difference that may still exist. Customer securities cannot be subject to claims of creditors of the broker-dealer.

SIPC reports that 99.7 percent of eligible investors have been made whole in the 306 failed brokerage firm cases that it has handled over the past 32 years. None of these cases required a payment under excess SIPC coverage.

Capital adequacy

WFS and WFIS are subject to the Uniform Net Capital Rule 15c3-1 (the Rule) under the Securities Exchange Act of 1934. WFS and WFIS have elected to compute net capital under the alternative provisions of the Rule, which require WFS and WFIS to maintain net capital equal to the greater of \$250,000 or 2 percent of aggregate debit items arising from customer transactions. Go to wellsfargosecurities.com to view our most current Statement of Financial Condition.

Segregation and identification of customer securities

WFS and WFIS are subject to SEC Rule 15c3-3, which requires customer assets to be segregated from a firm's own assets. Also, when customer securities are not in the actual custody of the member firm – for instance, when they are in the physical possession of a correspondent firm – the location of the securities and the means by which they are identified as belonging to each customer, should be indicated on the books and records of the firm carrying the customers' accounts.

Protection from errors, omissions or fraud

As subsidiaries of Wells Fargo & Company, WFS and WFIS are covered by a Professional Liability Insurance policy. In addition, a Financial Institution Bond fidelity insurance policy enables us to comply with FINRA Rule 3020.

Audits and regulatory bodies

The Securities and Exchange Commission (SEC), the Financial Industry Regulatory Authority (FINRA) and the Federal Reserve regularly examine internal controls of WFS and WFIS to ensure they meet federal standards. Wells Fargo internal audit conducts ongoing and thorough examinations of our internal controls to ensure compliance with industry standards and with internal policy and procedure.

Each registered securities broker-dealer is required to obtain an annual audit of the broker-dealer firm. As part of this audit, KPMG, Wells Fargo's independent third party auditor, also must perform annual assessments of the firm's internal control environment.

Finally, as a publicly traded company, Wells Fargo is required to comply with Sarbanes-Oxley requirements.

Wells Fargo Risk Management performs assessments of the internal control environment. If any significant deficiencies are noted they are communicated to the Board of Directors and monitored for resolution.

¹Visit www.sipc.org for complete SIPC coverage details.

²This additional protection does not provide any protection whatsoever against investment risk, including the loss of principal on an investment. This additional protection does not apply to securities held in custody by Wells Fargo Bank, N.A.

Together we'll go far



Safekeeping Your Assets



Protecting Wealth for Generations

Many investors are understandably cautious about where they hold their investments. Fiduciary Trust clients have the comfort of knowing their wealth is in the care of a company that has been safeguarding assets for individuals and families since 1931.

CLIENT ASSETS ARE SEPARATELY HELD

At Fiduciary Trust, client assets are never intermingled with firm assets. Client assets are separately held and belong solely to our clients.

FDIC INSURANCE FOR CASH DEPOSITS

Cash balances on deposit at Fiduciary Trust in interest-bearing accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") to the maximum extent allowed under the FDIC's general deposit insurance rules. Through December 31, 2012, deposits placed in noninterest-bearing transaction accounts, including demand deposit and checking accounts, are fully insured without monetary limit.

THE FIDUCIARY TRUST DIFFERENCE

Perhaps most importantly, Fiduciary Trust is a trust company, not an investment bank or a money center bank with investment banking subsidiaries. We have always been and remain a pure "buy-side" firm, investing and safekeeping client assets. This has enabled us to maintain our objectivity and avoid potential conflicts of interest.

We are conservative in our lending. Our loans are to clients who pledge their marketable securities to us to collateralize those obligations. We do not pledge our clients' assets to third parties as collateral. In addition, our total risk-based capital ratio is approximately 3 to 4 times better than the national average, which is highly conservative by regulatory standards.

PROVIDING 80 YEARS OF STRENGTH AND STABILITY

The tenets upon which Fiduciary Trust was founded—providing stability and sanctuary during a time of economic crisis—are as relevant as ever today. Our services have become more comprehensive and sophisticated over the years, but our core values and mission remain firmly grounded in those same founding principles. We believe our prudent business practices and deep resources position us well to continue to preserve and enhance wealth for generations to come.

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