



**Sequoia
Healthcare
District**

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Redwood City, CA 94063

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**A G E N D A
SEQUOIA HEALTHCARE DISTRICT
BOARD OF DIRECTORS ANNUAL ORGANIZATIONAL MEETING
4:30, Wednesday, February 5, 2014
Conference Room, 525 Veterans Boulevard, Redwood City, CA 94063**

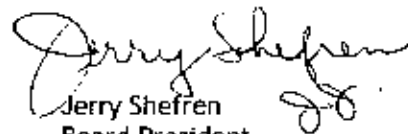
1. Call To Order And Roll Call
2. Public Comment On Non-Agenda Items*
- ACTION** 3. Consent Calendar - President Shefren
 - a. Approve December 4, 2013 Regular Meeting Minutes
 - b. Accept November And December 2013 Financial Statements
4. CEO/Staff Reports
 - a. State Of The District - Mr. Michelson
 - b. Healthy Schools - Ms. Kurtzman
 - c. HeartSafe - Mr. Nielsen
5. New Business
 - a. Fiduciary Investment Report - Mr. Jeff MacDonald
 - b. Report Update On San Mateo Medical Center - Dr. Susan Ehrlich
 - ACTION** c. Consider Request From Children's Health Initiative To Extend Funding For An Additional Three Years At \$1,350,000 Per Year - Ms. Srija Srinivasan
 - d. Report Update On Mission Hospice - Dwight Wilson, RN
 - ACTION** e. Proposal To Provide Audit Services From Vavrinek, Trine, Day For 2013-14, 2014-15 & 2015-16 - Mr. Michelson
 - f. EBIDA Update - President Shefren
- 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: Gerald Shefren, Board President & Kathleen Kane, Secretary/Treasurer
Unrepresented Employee: Chief Executive Officer of Sequoia Healthcare District
 - b. Reconvene To Open Session
- ACTION** 7. Consider amendment to Chief Executive Officer's Employment Agreement

8. **Adjourn. The Next Regular Meeting Of The Board Of Directors Of Sequoia Healthcare District Is Scheduled For 4:30 PM, Wednesday, April 2, 2014 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.


Jerry Shefren
Board President

MINUTES OF REGULAR MEETING
BOARD OF DIRECTORS
SEQUOIA HEALTHCARE DISTRICT
December 4, 2013

Conference Room, 525 Veterans Boulevard, Redwood City, CA 94063

Directors Present

Director Faro
Director Griffin
Director Hickey
Director Kane
Director Shefren

Directors Excused

Also Present

Mr. Michelson, CEO
Mr. Hudak, Legal Counsel
Ms. Johnson, Recorder

1. Call to Order

By: President Shefren
Time: 4:30 pm

2. Public Comment/Non-Agenda Items

President Shefren asked if there was any public comment on non-agenda items. There was none. He announced that public comment would be taken on each agenda item.

3.a. - 3.b. Consent Calendar

President Shefren reported that counsel was asked to listen to the tape of the August 21st meeting and has confirmed that the written version presented herein for approval is correct.

Motion: To approve the Consent Calendar

By: Director Faro

Seconded by: Director Kane

Vote: 5-0

Motion Passed

4. CEO/Staff Reports

President Shefren asked if there was public comment on agenda item 4. There was none.

Mr. Michelson noted that a new report is included with the financial section presenting budget year-to-date to actual and projected income and expenditures.

The public grand opening for the South County Clinic in North Fair Oaks is scheduled for Saturday, February 1st and Sequoia Hospital's Grand Opening will be held March 6-8, 2014.

Healthy Schools Initiative: Ms. Kurtzman said she will be making a presentation later in the meeting and asked if there were questions on her written report. There were none.

HeartSafe: There were no questions on Mr. Nielsen's report of recent activities.

5.a Accept The District's Annual Audit For The Period Ending June 30, 2013

President Shefren asked if there was public comment on agenda item 5.a. There was none.

Mr. Michelson introduced Ahmad Gharaibeh and Dennis Christian of Vayrinek, Trine and Day. Mr. Gharaibeh reported that the District received an unqualified opinion which is the highest level of assurance and the District is in a very solid financial position. The internal control report noted no compliance issues.

Motion: To accept the June 30, 2013 annual audit.

By: Director Faro

Seconded by: Director Kane

Vote: 5-0

Motion Passed

5.b Sequoia Hospital-To-Home Program (SHHP)

President Shefren asked if there was public comment on agenda item 5.b. Mr. Bart Charlow of Peninsula Volunteers commended Sequoia Hospital on establishing this very cost effective program.

Ms. Marie Violet provided an overview of two District grants awarded last year to Sequoia Hospital Foundation: (1) to provide incubator funding to explore the design and development of a Community Continuing Care program and (2) to expand the Sequoia Hospital Homecoming program. She discussed the accomplishments of the programs to date. An IT solution must be identified, purchased and implemented to allow for efficient communication among providers and a transitional care nurse must be hired to assume leadership and accountability for coordinating the care and services for the beneficiaries who are enrolled in the SCC program. Fundraising is currently being conducted by the Sequoia Hospital Foundation to address these needs.

5.c. Consider Priorities For Community Grants Program

President Shefren asked if there was public comment on agenda item 5.c. There was none.

Ms. Kurtzman presented an overview of the grants committee process. Key consideration for determining priority areas are demographics; areas of greatest need within the District's service area; major health issues and the cause of health issues identified.

The Committee requests approval of the following priority areas: Active and healthy living; preventive healthcare services; treatment of priority health conditions.

Motion: To accept the above priorities for the Community Grants Program.

By: Director Kane

Seconded by: Director Faro

Vote: 4-1 with Director Hickey opposed.

Motion Passed

5.d. Consider HeartSafe Program Options

President Shefren asked if there was public comment on agenda item 5.d. There was none.

Mr. Nielsen presented a three year, \$527,154 budget for the HeartSafe Program based on the following options:

- The program will no longer primarily focus on placing AEDs within the District but will be open to future requests.
- The program will work with local cardiologists and Sequoia Hospitals Health & Wellness Center to develop a support group for the parents of children suffering from abnormal heart conditions with the goal of offering professional and peer-to-peer support for parents and families.
- In addition to currently lending AEDs to groups holding a special event, consideration will be given to lending the units to families with have a family member at home who is susceptible to cardiac arrest.
- Mobile CPR training would take training classes to schools, businesses, and public locations.
- CPR training will be the foundation of the HeartSafe program and promoting of hands-only CPR to existing HeartSafe clients, District grantees, district residents, high school freshman and seventh grade students will become the primary focus over the next three years with a three year goal of training 10,680 people.

The budget amount for 2014-15 of \$218,562 includes \$67,000 estimated construction costs for a CPR training classroom in the Districts storage area.

Motion: To approve the 2014-17 HeartSafe budget of \$527,154 with priorities outlines above.

By: Director Kane

Seconded by: Director Griffin

Vote: 4-1 with Director Hickey opposed.

Motion Passed

DRAFT

5.e. Consider Approval of Strategic Plan 2014-17

President Shefren asked if there was public comment on agenda item 5.e. There was none.

Mr. Michelson reviewed the findings of the Strategic Plan review process. The proposed new Mission Statement is "To improve the health of the District residents by enhancing access to care and promoting wellness."

The proposed new Vision Statement is "To improve the health of our community through responsible stewardship of District taxpayer dollars."

Motion: To approve the 2014-17 Strategic Plan.

By: Director Kane

Seconded by: Director Griffin

Vote: 4-1 with Director Hickey opposed.

Motion Passed

5.f. EBIDA Discussion

President Shefren asked if there was public comment on agenda item 5.e. There was none.

President Shefren noted that when the District entered into the 2007 Development Agreement with CHW (now Dignity Health) the District was to receive payment of 50% of Sequoia Hospital's profit above 9.3%.

Mr. Michelson presented a review the earnings projected by the District's consultant under the Development Agreement. From Year 2008 to 2013 return to the District had been projected to be nearly \$32 million; however, actual received for that timeframe was \$15.3 million.

President Shefren suggested that in order for the Board to understand why the pro forma paid for by the District has not been realized that Mr. Michelson meet with Ms. Vaskelis for her explanation. The District's auditors have agreed to review Sequoia Hospital's financials as it relates to EBIDA at no charge.

President Shefren stated that after Mr. Michelson reports back to the Board a discussion can take place as to how to move forward.

6. Adjourn to Closed Session

Motion: Adjourn to Closed Session.

By: Director Griffin

Seconded by: Director Kane

Roll Call Vote: 5-0-0

Motion Passed

7. Reconvene to Open Session

Reconvene to Open Session.

President Shefren announced that no action was taken and this agenda item is being deferred to the next meeting to allow for additional research and negotiation. Any recommended action will be presented at a public meeting for approval.

8. Adjourn

Motion: At 6:30 PM adjourn meeting.

By: Director Kane

Seconded by: Director Faro

Roll Call Vote: 5-0-0

Motion Passed

DRAFT

The next regular meeting of the Board of Directors of Sequoia Healthcare District is scheduled for 4:30 PM, Wednesday, February 5, 2014, District Conference Room, 525 Veterans Blvd., Redwood City, CA.

Respectfully Submitted,

Kathleen Kane

Secretary

**SEQUOIA HEALTHCARE DISTRICT
Balance Sheet**

Agenda Item No. 3.B
Board of Directors Meeting
2/5/14

	July	August	September	October	November	December	January	February	March	April	May	June
ASSETS												
Current Assets												
Cash (WFF-MWA)	\$ 1,178,273.77	\$ 2,778,833.59	\$ 2,179,314.22	\$ 1,779,741.38	\$ 2,280,141.37	\$ 4,880,813.23						
Cash (WFF)	247,698.23	43,489.47	77,458.67	240,885.27	467,635.17	174,014.89						
Cash from Investments	748,711.70	748,711.70	748,711.70	748,711.70	748,711.70	748,711.70						
Cash Equivalents	14,237,091.51	11,223,661.51	11,260,463.51	11,282,038.57	11,298,743.51	11,279,648.51						
Accounts Receivable	0.00	0.00	0.00	0.00	0.00	0.00		0.00				
Total Current Assets	16,411,765.21	14,794,696.27	14,265,948.10	14,051,376.86	14,795,231.75	17,083,168.33	0.00	0.00	0.00	0.00	0.00	0.00
Property, Plant & Equipment												
Land	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						
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						
Building Improvements	513,129.57	513,129.57	513,129.57	513,129.57	513,129.57	513,129.57						
Tenant Improvements	215,113.29	215,113.29	215,113.29	215,113.29	215,113.29	215,113.29						
Equipment	60,169.05	60,169.05	60,169.05	60,169.05	60,169.05	60,169.05						
Furniture	28,259.91	28,259.91	28,259.91	28,259.91	28,259.91	28,259.91						
Accumulated Depreciation	(1,585,644.62)	(1,592,035.28)	(1,598,433.94)	(1,604,828.60)	(1,611,223.26)	(1,617,617.92)						
Net Property/Plant/Equipment	763,494.55	757,098.89	750,705.23	744,310.57	737,915.91	731,521.25	0.00	0.00	0.00	0.00	0.00	0.00
Total Assets	17,175,259.76	15,551,795.16	15,016,653.33	14,795,687.43	15,533,147.66	17,814,709.58	0.00	0.00	0.00	0.00	0.00	0.00
LIABILITIES & FUND BALANCE												
Current Liabilities												
Accounts Payable	\$ 3,750.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00						
Deposit Payable	3,165.00	3,165.00	3,165.00	3,165.00	3,165.00	3,165.00						
Grants Payable	1,817,418.96	1,473,384.96	1,473,384.96	1,473,384.96	1,473,384.96	794,801.96						
Accrued Payroll	0.00	0.00	0.00	0.00	0.00	0.00						
Total Current Liabilities	1,824,333.96	1,476,549.96	1,476,549.96	1,476,549.96	1,476,549.96	797,966.96	0.00	0.00	0.00	0.00	0.00	0.00
Fund Balances												
Invested in Capital Assets	766,724.21	766,724.21	766,724.21	766,724.21	766,724.21	766,724.21						
Fund Balance	16,670,942.38	16,670,942.38	16,670,942.38	16,670,942.38	16,670,942.38	16,670,942.38						
Net Surplus/Loss	(2,086,740.79)	(3,362,420.39)	(3,897,563.22)	(4,118,529.12)	(3,381,068.89)	(420,923.97)						
Total Fund Balance	15,350,925.80	14,075,246.20	13,540,103.37	13,319,137.47	14,056,597.70	17,016,742.62	0.00	0.00	0.00	0.00	0.00	0.00
Total Liabilities & Fund Balance	17,175,259.76	15,551,795.16	15,016,653.33	14,795,687.43	15,533,147.66	17,814,709.58	0.00	0.00	0.00	0.00	0.00	0.00

SEQUOIA HEALTHCARE DISTRICT
Income Statements

Agenda Item No.3.b
Board of Directors Meeting
2/5/14

	July	August	September	October	November	December	January	February	March	April	May	June	Year to Date	Budget 13-14
INCOME														
Rental Income	3,422.94	3,559.86	3,559.86	3,559.86	3,559.86	3,559.86							21,222.24	42,700.00
Tax Revenue	9,599.00	0.00	6,907.63	14,492.95	859,450.80	3,790,804.81							4,681,255.19	8,900,000.00
Investment Income	34,307.00	(13,430.00)	36,802.00	21,575.00	16,785.00	(19,095.00)							76,864.00	150,000.00
ROI-Sequoia Hospital ES&DA	0.00	0.00	0.00	127,000.00	0.00	0.00							127,000.00	-
Interest Income	574.56	569.44	481.78	428.63	404.98	677.92							3,137.31	7,600.00
Pension Income	0.00	0.00	0.00	0.00	0.00	2,800,000.00							2,800,000.00	2,800,000.00
Total Income	47,903.50	(9,300.70)	47,751.27	167,056.44	880,120.64	6,575,947.59	0.00	0.00	0.00	0.00	0.00	0.00	7,709,478.74	11,900,300.00
EXPENSES														
Administrative Expenses														
Admin. Expense	239.18	573.56	781.38	588.69	707.75	443.49							3,334.05	12,000.00
Admin. Payroll	12,737.46	24,701.76	16,277.27	16,277.26	16,277.26	16,277.26							102,548.27	228,000.00
Board Health Insurance	3,336.75	6,936.75	3,336.75	6,132.39	3,336.75	3,966.15							27,045.54	75,000.00
Employee Health Insurance	1,569.20	3,635.35	3,282.90	2,422.65	3,358.42	3,282.90							17,551.42	48,000.00
Employee Retirement Benefit	1,026.95	2,073.66	1,402.96	1,402.96	1,402.96	1,402.96							8,712.45	17,000.00
Investment Fees	0.00	0.00	0.00	12,396.99	3,750.00	0.00							16,146.99	65,000.00
Office Supplies/Equip Maint.	125.36	499.12	572.50	304.39	1,201.54	453.60							3,156.51	7,500.00
Accounting fees	0.00	1,405.40	0.00	0.00	0.00	17,000.00							18,405.40	17,000.00
Board Expense	0.00	0.00	0.00	0.00	27.94	46.15							74.09	8,000.00
Associations/Membership	0.00	7,500.00	0.00	0.00	0.00	0.00							7,500.00	10,300.00
Communications	31.71	0.00	152.20	320.10	24,870.45	140.54							25,525.00	25,000.00
Public Relations	4,200.00	4,200.00	4,200.00	4,200.00	5,250.00	5,967.50							28,017.50	50,000.00
Web Site/IT	5,515.00	865.00	500.00	2,647.50	878.17	11,832.95							22,238.62	22,000.00
Insurance/D&O	26,587.04	(2,004.75)	0.00	2,669.00	(2,754.75)	0.00							24,496.54	21,000.00
Election Fees	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	7,527.00							7,527.00	8,000.00
Legal Fees	0.00	89.00	1,648.50	0.00	624.00	535.00							2,896.50	25,000.00
Bank Fees	0.00	0.00	0.00	3.00	0.00	33.00							36.00	100.00
Total Admin. Expenses	55,368.65	50,474.85	32,164.46	49,364.93	58,930.49	68,908.50	0.00	0.00	0.00	0.00	0.00	0.00	315,211.88	638,900.00
Pension Plan Expense	0.00	0.00	0.00	0.00	0.00	2,800,000.00	0.00	0.00	0.00	0.00	0.00	0.00	2,800,000.00	2,800,000.00
Total Admin. With Pension Plan	55,368.65	50,474.85	32,164.46	49,364.93	58,930.49	2,868,908.50	0.00	0.00	0.00	0.00	0.00	0.00	3,115,211.88	3,438,900.00
Property Expenses														
Maintenance	2,160.10	2,546.57	737.50	2,314.16	1,434.23	1,210.83							10,403.39	25,000.00
Utilities	1,188.69	2,499.73	2,606.64	2,096.46	1,630.11	3,717.91							13,739.54	20,000.00
Property Insurance	1,844.32	0.00	0.00	0.00	0.00	0.00							1,844.32	2,000.00
Depreciation	6,394.66	6,394.66	6,394.66	6,394.66	6,394.66	6,394.66							38,367.96	85,000.00
Total Property Expenses	11,587.77	11,440.96	9,738.80	10,805.28	9,459.00	11,323.40	0.00	0.00	0.00	0.00	0.00	0.00	64,355.21	132,000.00

SEQUOIA HEALTHCARE DISTRICT
Income Statements

Agenda Item No.3.b
Board of Directors Meeting
2/5/14

	July	August	September	October	November	December	January	February	March	April	May	June	Year to Date	Budget 13-14
Grant Expenses														
Grant Admin Expenses	76.93	100.00	600.00	500.00	632.06	315.93							2,224.92	6,000.00
Grant Admin Payroll	3,267.86	7,026.03	5,547.80	5,547.82	5,547.82	5,547.82							32,485.15	59,000.00
Children's Health Initiative	675,000.00	0.00	0.00	0.00	0.00	0.00							675,000.00	1,350,000.00
SPSU Nursing Program	0.00	0.00	500,000.00	0.00	0.00	500,000.00							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							306,348.00	612,700.00
Other Grants	4,500.00	1,300.00	0.00	1,500.00	0.00	1,500.00							8,800.00	20,000.00
Sequoia Hospital Foundation	0.00	0.00	0.00	0.00	0.00	0.00							0.00	0.00
San Mateo Medical Ctr. So County	0.00	0.00	0.00	0.00	0.00	0.00							0.00	1,000,000.00
Ravenswood-Selle Haven Clinic	0.00	0.00	0.00	0.00	0.00	0.00							0.00	500,000.00
Community Grants Program	0.00	0.00	0.00	0.00	0.00	0.00							0.00	1,340,000.00
Chronic Disease Management	641.19	429.28	3,408.92	2,540.11	2,525.95	2,347.39							11,892.84	20,000.00
Total Grant Expenses W/O Rebuild	836,659.98	8,855.31	509,556.72	163,261.93	8,705.83	509,711.14	0.00	0.00	0.00	0.00	0.00	0.00	2,036,750.91	5,907,700.00
Program Expenses														
HeartSafe Admin Expense	15,000.00	76.70	77.71	201.03	123.82	189.82							15,669.08	17,000.00
HeartSafe Payroll	3,302.15	6,604.42	4,402.95	4,402.94	4,402.94	4,402.94							27,518.34	28,000.00
HeartSafe Training & Equipment	118.64	126.63	727.12	244.86	0.00	2,000.00							3,217.25	55,000.00
School Health Admin	41.93	415.29	1,133.52	5,013.05	25,310.51	9,109.83							41,024.13	87,000.00
School Health Payroll	7,515.17	15,678.24	10,092.82	10,092.82	10,092.82	10,092.82							63,964.69	131,500.00
School Health Grants	204,650.00	172,706.50	15,000.00	144,462.59	25,868.00	203,061.22							762,691.22	2,611,500.00
Total Program Expenses	231,027.89	195,607.78	31,434.12	164,417.20	65,738.09	225,859.63	0.00	0.00	0.00	0.00	0.00	0.00	914,084.71	2,930,000.00
Total Expenses Without Rebuild	1,134,644.29	266,378.90	582,894.10	387,849.34	142,833.41	3,615,802.67	0.00	0.00	0.00	0.00	0.00	0.00	6,130,402.71	12,408,600.00
Net Surplus/Loss Without Rebuild	(1,086,740.79)	(275,679.60)	(535,142.83)	(220,792.90)	737,287.23	2,960,144.92	0.00	0.00	0.00	0.00	0.00	0.00	1,579,076.03	(508,300.00)
A one time grant of 54.3 million approved 2/3/10 for the rebuild of the South County Health Center will be paid from District reserves & is not included in the operating budget														
San Mateo Medical Ctr. Rebuild	1,000,000.00	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,000,000.00	0.00
Total Expenses With Rebuild	2,134,644.29	1,266,378.90	582,894.10	387,849.34	142,833.41	3,615,802.67	0.00	0.00	0.00	0.00	0.00	0.00	8,130,402.71	
Net Surplus/Loss After Rebuild	(2,086,740.79)	(1,275,679.60)	(535,142.83)	(220,792.90)	737,287.23	2,960,144.92	0.00	0.00	0.00	0.00	0.00	0.00	(420,923.97)	(508,300.00)

**SEQUOIA HEALTHCARE DISTRICT
ACTUAL VERSUS BUDGET**

Agenda Item No.3 b
Board of Directors Meeting
2/5/14

	July	August	September	October	November	December	January	February	March	April	May	June	Actual YTD	Six month budget
INCOME														
Rental Income	3,422.94	3,559.86	3,559.86	3,559.86	3,559.86	3,559.86							21,222.24	21,350.00
Tax Revenue	9,599.00	0.00	6,907.63	14,492.55	859,450.80	3,790,804.81							4,681,255.19	4,450,000.00
Investment Income	34,307.00	(13,430.00)	36,802.00	21,575.30	16,795.00	(19,095.00)							76,864.80	75,000.00
RO- Sequoia Hospital EBITDA	0.00	0.00	0.00	127,000.00	0.00	0.00							127,000.00	-
Interest Income	574.56	569.44	481.78	428.63	404.58	677.92							3,137.31	3,800.00
Pension Income	0.00	0.00	0.00	0.00	0.00	2,800,000.00							2,800,000.00	2,800,000.00
Total Income	47,903.50	(9,300.70)	47,751.27	167,056.41	880,120.64	6,575,947.55	0.00	0.00	0.00	0.00	0.00	0.00	7,709,478.74	7,350,150.00
EXPENSES														
Administrative Expenses														
Admin. Expense	239.18	573.56	781.38	588.69	707.75	443.45							3,334.05	6,000.00
Admin. Payroll	12,737.46	24,701.76	16,277.27	16,277.26	16,277.26	16,277.26							102,548.27	114,000.00
Board Health Insurance	3,336.75	6,936.75	3,336.75	6,132.39	3,336.75	3,966.15							27,045.54	37,500.00
Employee Health Insurance	1,569.20	3,635.35	3,282.90	2,422.65	3,358.42	3,282.90							17,951.42	24,000.00
Employee Retirement Benefit	1,026.96	2,073.66	1,402.96	1,402.96	1,402.96	1,402.96							8,712.45	8,500.00
Investment Fees	0.00	0.00	0.00	12,396.99	3,790.00	0.00							16,186.99	32,500.00
Office Supplies/Equip Maint	125.36	499.12	572.50	304.39	1,201.54	453.60							3,156.51	3,750.00
Accounting Fees (1)	0.00	1,405.40	0.00	0.00	0.00	17,000.00							18,405.40	17,000.00
Board Expense	0.00	0.00	0.00	0.00	27.94	46.15							74.09	4,000.00
Associations/Memberships (2)	0.00	7,500.00	0.00	0.00	0.00	0.00							7,500.00	10,300.00
Communications	31.71	0.00	162.20	320.10	24,870.15	140.54							25,525.00	12,500.00
Public Relations	4,200.00	4,200.00	4,200.00	4,200.00	5,250.00	5,967.50							28,017.50	25,000.00
Web Site/IT	5,515.00	865.00	500.00	2,647.50	878.17	11,832.95							22,238.62	11,000.00
Insurance/D&O (3)	26,587.04	(2,004.75)	0.00	2,689.00	(2,754.75)	0.00							24,496.54	21,000.00
Election Fees	0.00	0.00	0.00	0.00	0.00	0.00							0.00	0.00
LAFCD fees (4)	0.00	0.00	0.00	0.00	0.00	7,527.00							7,527.00	8,000.00
Legal Fees	0.00	89.00	1,648.50	0.00	624.00	535.00							2,896.50	12,500.00
Bank Fees	0.00	0.00	0.00	3.00	0.00	33.00							36.00	50.00
Total Admin. Expenses	55,368.65	50,474.85	32,164.46	49,364.93	58,930.49	68,908.50	0.00	0.00	0.00	0.00	0.00	0.00	315,211.88	347,600.00
Pension Plan Expense (5)	0.00	0.00	0.00	0.00	0.00	2,800,000.00	0.00	0.00	0.00	0.00	0.00	0.00	2,800,000.00	2,800,000.00
Total Admin. With Pension Plan	55,368.65	50,474.85	32,164.46	49,364.93	58,930.49	2,868,908.50	0.00	0.00	0.00	0.00	0.00	0.00	3,115,211.88	3,147,600.00
Property Expenses														
Maintenance	2,160.10	2,545.57	737.50	2,314.16	1,434.23	1,210.83							10,403.39	12,500.00
Utilities	1,188.69	2,499.73	2,506.64	2,096.46	1,630.11	3,717.91							13,739.54	10,000.00
Property Insurance (6)	1,844.32	0.00	0.00	0.00	0.00	0.00							1,844.32	2,000.00
Depreciation	6,394.65	6,394.66	6,394.66	6,394.66	6,394.66	6,394.66							38,367.96	42,500.00
Total Property Expenses	11,587.77	11,440.96	9,738.80	10,805.28	9,459.00	11,323.40	0.00	0.00	0.00	0.00	0.00	0.00	64,355.21	67,000.00

**SEQUOIA HEALTHCARE DISTRICT
ACTUAL VERSUS BUDGET**

Agenda Item No.3.b
Board of Directors Meeting
2/5/14

	July	August	September	October	November	December	January	February	March	April	May	June	Actual YTM	Six month budget
Grant Expenses														
Grant Admin Expenses	76.93	100.00	600.00	500.00	632.06	315.93							2,224.92	3,000.00
Grant Admin Payroll	3,267.86	7,026.03	5,547.80	5,547.82	5,547.82	5,547.82							32,485.15	29,500.00
Children's Health Initiative	675,000.00	0.00	0.00	0.00	0.00	0.00							675,000.00	675,000.00
SFSU Nursing Program	0.00	0.00	500,000.00	0.00	0.00	500,000.00							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							306,348.00	306,350.00
Other Grants	4,500.00	1,300.00	0.00	1,500.00	0.00	1,500.00							8,800.00	10,000.00
Sequoia Hospital Foundation	0.00	0.00	0.00	0.00	0.00	0.00							0.00	0.00
San Mateo Med.Ctr. W/O Rebuild (7)	0.00	0.00	0.00	0.00	0.00	0.00							0.00	0.00
Ravenswood-Belle Haven Clinic (8)	0.00	0.00	0.00	0.00	0.00	0.00							0.00	0.00
Community Grants Program (9)	0.00	0.00	0.00	0.00	0.00	0.00							0.00	0.00
Chronic Disease Management	641.19	429.28	3,408.92	2,540.11	2,525.95	2,347.39							11,892.84	10,000.00
Total Grant Expenses	836,659.98	8,855.31	509,556.72	163,261.93	8,705.83	509,711.14	0.00	0.00	0.00	0.00	0.00	0.00	2,036,750.91	2,033,850.00
Program Expenses														
HeartSafe Admin Expense	15,636.00	76.70	77.71	201.03	123.82	189.82							15,669.08	8,500.00
HeartSafe Payroll	3,302.15	6,604.42	4,402.95	4,402.94	4,402.94	4,402.94							27,518.34	14,000.00
HeartSafe Training & Equipment	118.64	126.63	727.12	244.86	0.00	2,600.00							3,217.25	27,500.00
School Health Admin	41.93	415.29	1,133.52	5,013.05	25,310.51	9,109.83							41,024.13	43,500.00
School Health Payroll	7,915.17	15,678.24	10,092.82	10,092.82	10,092.82	10,092.82							63,964.69	65,750.00
School Health Grants	204,653.00	172,706.50	15,000.00	144,462.50	25,808.00	200,054.22							762,691.22	1,305,750.00
Total Program Expenses	231,027.89	195,637.78	31,434.12	164,417.10	65,738.09	225,859.63	0.00	0.00	0.00	0.00	0.00	0.00	914,084.71	1,465,000.00
Total Expenses Without Rebuild	1,134,644.29	266,378.90	582,894.10	387,849.34	142,833.41	3,615,802.67	0.00	0.00	0.00	0.00	0.00	0.00	6,130,402.71	6,713,450.00
Net Surplus/Loss Without Rebuild	(1,086,740.79)	(275,679.60)	(535,142.83)	(220,792.90)	737,287.23	2,960,144.92	0.00	0.00	0.00	0.00	0.00	0.00	1,579,076.03	636,700.00
A one time grant of \$4.3 million approved 2/3/10 for the rebuild of the South County Health Center will be paid from District reserves & is not included in the operating budget														
San Mateo Medical Ctr. Rebuild	1,000,000.00	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,000,000.00	0.00
Total Expenses With Rebuild	2,134,644.29	1,266,378.90	582,894.10	387,849.34	142,833.41	3,615,802.67	0.00	0.00	0.00	0.00	0.00	0.00	8,130,402.71	
Net Surplus/Loss After Rebuild	(2,086,740.79)	(1,275,679.60)	(535,142.83)	(220,792.90)	737,287.23	2,960,144.92	0.00	0.00	0.00	0.00	0.00	0.00	(420,923.97)	

Footnotes

- (1) Accounting fees are a one time expense
- (2) Association/Memberships full 2013 budgeted amount was paid August.
- (3) D&O insurance budget was paid July
- (4) LAFCO is paid in December
- (5) Full pension expense paid in December
- (6) Property insurance was paid July
- (7) SMMC expense paid in January
- (8) No billing from Ravenswood at this time
- (9) No Community Grant payments at this time

State of the District 2014- Lee Michelson, CEO

- Sequoia Healthcare District remains financially strong despite recently using more than \$4 million dollars of reserves to help pay for the rebuilding of the Fair Oaks Clinic. The District still has more than \$14 million in unrestricted reserves.
- An audit of the District's finances resulted in the highest possible rating and all suggestions that were made by the auditors regarding financial management controls have been implemented.
- Spending has been kept within budget and income has exceeded projections due to increased tax receipts. After consideration of the required pension payments that are offset by corresponding income from Sequoia Hospital, the percentage of District dollars spent on community health services remain at 94% and 100% of all current tax income is being used to improve resident health.
- The only true issue of concern is income from Sequoia Hospital EBIDA share. It is doubtful that our share will approach the annual \$5 million dollars a year or so originally projected.
- In reference to program services, efforts are constantly being made to improve our community grants program. Revisions to both the Letters of Intent and Application should result in a greater ability to capture more defined demographic data. The HeartSafe Program has been redesigned to focus more on the training of hands-on CPR and less on the placement of AED's.
- We have better connected nutrition concerns and physical fitness activities within the PE+ Program and have restructured staff assignments to allow for closer management of this highly valued program.

- Additionally, we have adjusted our commitment to the SFSU Nursing Program and though we have reduced our annual financial support, we did recommit for three more years and will soon look at a future commitment to the Healthy Kids program.
- We were pleased to recently participate in the Grand Opening of the Fair Oaks Clinic, will help celebrate the Grand Opening of the new Sequoia Hospital that was partially funded through District support, and were on hand for the groundbreaking of the new Ravenswood Health Clinic that will serve residents from our southern boundary.
- District residents will soon see a revamped and much improved website. It will be easier to navigate, be more interactive and reader friendly. Soon to follow will be our email newsletter and our venture in to the world of social media.
- District staff will remain actively engaged in many community organizations, often taking a leadership role. Through such participation we will stay aware of the special health concerns facing our residents. We will also stay active with ACHD.
- The completion of our strategic plan for 2014-17 will guide our efforts in the near future. This effort led to a slight revision of our mission statement and a recommitment to being a spark fostering innovative and impactful health services. We were also pleased to strengthen our relationships with many key community leaders through the planning process.
- Strong, stable and focused we look forward to an exciting 2014.



Activity Summary for December 2013 - January 2014

Highlights- Pamela

HSI and Caring Community Grants

- All Healthy Schools mid-year reports were received and I'm in the process of reviewing them now and writing a progress summary. I've also been conducting site visits with the grantees.
- I also met with Wellness Coordinators and non-profit agencies and formalized the reporting structure and forms for grantees whose funding we pass through the school district. The new approach will help strengthen the connection among the non-profit service provider, wellness coordinators and school district administration, improve accountability and program monitoring, and alignment of the program's and school district's goals.
- Thank you for your approval of 1.3M to be distributed among our local non-profits to deliver the most impactful health programs serving our residents. We held grants information sessions for both HSI and CC grants in January where we had good representation from the numerous local area non-profits. Letters of Intent are due Feb 10 and will be reviewed by the committees the week of Feb 17.
- Below, please see the mid-year report summary to inform you of the status of each of the grantees

Caring Community Grants- MID-YEAR REPORT REVIEW

Organization	Funding	Residents Served	Comments	RECOMMEND 2nd HALF OF FUNDING
Adapt Foundation PROGRAM NAME/ DESCRIPTION: Friends and Family- Provides group support for family members dealing with addicted relatives	GRANT AMOUNT: \$10,000 AMOUNT SPENT AT MID-TERM: \$5,119	NUMBER OF RESIDENTS TO BE SERVED ANNUALLY: 30 NUMBER SERVED AT MID-TERM: 42	Program is meeting the objectives outlined in their proposal. Would like to see them charge a small fee and/or conduct other fundraising	Yes
Adolescent Counseling Services PROGRAM NAME/ DESCRIPTION: Youth Counseling- Affordable outpatient mental health assessment, treatment and education for teens and their families	GRANT AMOUNT: \$20,000 AMOUNT SPENT AT MID-TERM: \$10,000	NUMBER OF RESIDENTS TO BE SERVED ANNUALLY: 150 NUMBER SERVED AT MID-TERM: 82	ACS uses a sliding fee scale and scholarships are used to offset costs of service. They do have clear targets and measureable outcomes. Many of the referrals are coming from Boys and Girls Club as they have a referral contract in place	Yes

<p>AFAR</p> <p>PROGRAM NAME/ DESCRIPTION: SNAP-Children with special needs receive a wellness and recreation program</p>	<p>GRANT AMOUNT: \$40,000</p> <p>AMOUNT SPENT AT MID-TERM: \$17,878</p>	<p>NUMBER OF RESIDENTS TO BE SERVED ANNUALLY: 8</p> <p>NUMBER SERVED AT MID-TERM: 7</p>	<p>The grant pays for scholarships to help pay the cost of the afterschool program for low-income families. They have requested that any funds not needed for scholarships will be used for the expansion of SNAP Program offerings to include equine activities. \$14,128 has been used for scholarships. They anticipate that \$38,852 will be used for scholarships by July 2014</p>	<p>Yes</p>
<p>Boys and Girls Club</p> <p>PROGRAM NAME/ DESCRIPTION: Triple Play-Focused activities to improve children's nutrition and fitness</p>	<p>GRANT AMOUNT: \$85,000</p> <p>AMOUNT SPENT AT MID-TERM: \$42,500</p>	<p>NUMBER OF RESIDENTS TO BE SERVED ANNUALLY: 615</p> <p>NUMBER SERVED AT MID-TERM: 552</p>	<p>This has been a long standing program that focuses on both fitness and nutrition. Appears to be going well. Funds are used for program staff.</p> <p>Daily fitness challenges provided through partnership with Fit Kids. Organized team sports through Positive Coaching Alliance. Triple Play's total budget is 622,000. They serve 625 residents and 1,150 non-residents. SHD contribution is \$85,000, representing about 14% of the budget (= \$136 per resident) and it serves 35% of our residents.</p>	<p>Yes</p>
<p>Caminar</p> <p>PROGRAM NAME/ DESCRIPTION: Bridges to Wellness- Improve coordination among health care and mental health providers of clients with severe mental illness</p>	<p>GRANT AMOUNT: \$40,000</p> <p>AMOUNT SPENT AT MID-TERM: \$20,000</p>	<p>NUMBER OF RESIDENTS TO BE SERVED ANNUALLY: 90</p> <p>NUMBER SERVED AT MID-TERM: 31</p>	<p>Funding pays for nurse for coordination of behavioral and primary care (physical) health services for a highly medically vulnerable population.</p>	<p>Yes</p>
<p>CASA</p> <p>PROGRAM NAME/ DESCRIPTION: Embracing Our Community- Program recruits, trains and supports adult volunteers assigned to mentor youth in the foster care and delinquency systems</p>	<p>GRANT AMOUNT: \$40,000</p> <p>AMOUNT SPENT AT MID-TERM: \$16,667</p>	<p>NUMBER OF RESIDENTS TO BE SERVED ANNUALLY: 90-100</p> <p>NUMBER SERVED AT MID-TERM: 74</p>	<p>A highly important program and the only one that exists that supports foster children this way. They collect only quantitative data such as number and length of visits per child and track activities per visit. No qualitative data is collected such as impact on mental health but we have asked that they attempt to track that information for the final report.</p>	<p>Yes</p>

<p>Catholic Charities</p> <p>PROGRAM NAME/ DESCRIPTION: Adult Day Care- Supports programs for frail elders, including those with dementia and Alzheimers</p>	<p>GRANT AMOUNT: \$50,000</p> <p>AMOUNT SPENT AT MID-TERM: \$25,000</p>	<p>NUMBER OF RESIDENTS TO BE SERVED ANNUALLY: 45</p> <p>NUMBER SERVED AT MID-TERM: 44 seniors and 55 caregivers</p>	<p>Important program to avoid nursing home placement. Serves the older senior population, mostly 80 and above. Many have dementia. Also focus on assisting caregivers. Meeting numbers and daily attendance is growing. They hired a PT staff to accommodate attendance. There is now a wait list 2 days per week.</p>	<p>Yes</p>
<p>City of San Carlos Adult Community Center.</p> <p>PROGRAM NAME/ DESCRIPTION: Caring Cupboard and Parkview Café- Senior food program</p>	<p>GRANT AMOUNT: \$10,000</p> <p>AMOUNT SPENT AT MID-TERM: \$3,300</p>	<p>NUMBER OF RESIDENTS TO BE SERVED ANNUALLY: 125</p> <p>NUMBER SERVED AT MID-TERM: 70-135 residents with 2,938 hot healthy meals a day</p>	<p>District pays for food and lunch vouchers only. Small amount of money for a big impact on these low-income mostly seniors.</p>	<p>Yes</p>
<p>CORA</p> <p>PROGRAM NAME/ DESCRIPTION: Family-Centered Mental Health-Assessment, referral and counseling for victims of domestic abuse and their families</p>	<p>GRANT AMOUNT: \$80,000</p> <p>AMOUNT SPENT AT MID-TERM: 16,250</p>	<p>NUMBER OF RESIDENTS TO BE SERVED ANNUALLY: 150</p> <p>NUMBER SERVED AT MID-TERM: 72</p>	<p>Number served is in line with proposed, but units They are behind on their of service is inconsistent and they have only utilized 19% of the funding.</p>	<p>No, waiting for additional clarification</p>
<p>El Centro de Libertad</p> <p>PROGRAM NAME/ DESCRIPTION: Youth Intervention- Assistance for youth requiring drug rehabilitation and their families. 98% are low-income</p>	<p>GRANT AMOUNT: \$50,000</p> <p>AMOUNT SPENT AT MID-TERM: \$25,000</p>	<p>NUMBER OF RESIDENTS TO BE SERVED ANNUALLY: 299 youth, 230 family members</p> <p>NUMBER SERVED AT MID-TERM: 658- (126 youth in treatment, 138 family members, 394 outreach)</p>	<p>It's reported that 100% of funding went to pay for counseling services. They use evidence based-strategies to meet objective. They use national evaluation and tracking tools to assess impact. Seems that they are on track in Youth program.</p>	<p>Yes</p>
<p>El Centro de Libertad</p> <p>PROGRAM NAME/ DESCRIPTION: Adult Outpatient Treatment- Assistance to those requiring drug rehabilitation or transitioning back into community after incarceration</p>	<p>GRANT AMOUNT: \$50,000</p> <p>AMOUNT SPENT AT MID-TERM: 25,000</p>	<p>NUMBER OF RESIDENTS TO BE SERVED ANNUALLY: 900-1,100</p> <p>NUMBER SERVED AT MID-TERM: 493</p>	<p>El Centro offers an array of addiction-related services from outpatient treatment to aftercare programs to support groups. They have a multi-phased approach and use a continuum of care strategy. It appears that things are on track in the adult treatment program.</p>	<p>Yes</p>
<p>Friends for Youth</p> <p>PROGRAM NAME/</p>	<p>GRANT AMOUNT: \$30,000</p>	<p>NUMBER OF RESIDENTS TO BE SERVED ANNUALLY: 84</p>	<p>Seems that they are making a real effort to incorporate the health</p>	<p>Yes</p>

DESCRIPTION: Health Advocates- Supports Whole Health for Youth Project for children age 8-17 at risk for developing physical and emotional health problems	AMOUNT SPENT AT MID-TERM: \$15,000	youth, 61 mentors NUMBER SERVED AT MID-TERM: 66	component into the mentoring process and training. Youth in the program are learning life-skills, healthy behaviors, get referred to mental health specialist, and have someone to confide in, which all improve mental health and reduces risk of severe mental health issues.	
Friends of Veterans Memorial Senior Ctr. PROGRAM NAME/ DESCRIPTION: Adaptive PE- Adult fitness and wellness programs for those with physical disabilities	GRANT AMOUNT: \$50,000 AMOUNT SPENT AT MID-TERM: \$25,000	NUMBER OF RESIDENTS TO BE SERVED ANNUALLY: 165 NUMBER SERVED AT MID-TERM: 182	Regular physical activity helps reduce injury, promote well-being, and keep those with disabilities out of the hospital. This program also provides a sense of community and belonging for their clients. Adaptive PE has served slightly more numbers than anticipated for the year. Program pays for instructors and instructional assistance. The program appears to be on track with meeting its objectives and budget.	Yes
Kainos PROGRAM NAME/ DESCRIPTION: Healthy Living for All- Fitness and Wellness programs for adults with disabilities	SHD GRANT AMOUNT: \$25,000 AMOUNT SPENT AT MID-TERM: \$12,500	NUMBER OF RESIDENTS TO BE SERVED ANNUALLY: 62 NUMBER SERVED AT MID-TERM: 56	The benefits of safe and enjoyable exercise for this population is key to their remaining healthy and injury free. I think the program itself appears to be going well in meeting outcomes.	Yes
Mission Hospice PROGRAM NAME/ DESCRIPTION: Transitions- Palliative and end of life care through a combination of volunteer and professional services	GRANT AMOUNT: \$25,000 AMOUNT SPENT AT MID-TERM: \$12,500	NUMBER OF RESIDENTS TO BE SERVED ANNUALLY: 60-80 NUMBER SERVED AT MID-TERM: 10	They are significantly behind on their numbers, but after speaking to ED, we have a better understanding of their situation and they expect numbers to dramatically increase in the 2 nd half of grant. Program appears to be going as proposed.	Yes
Ombudsman Services PROGRAM NAME/ DESCRIPTION: Ombudsman Services- Oversight of long-term care facilities and advocacy and mediation of potential elder abuse	GRANT AMOUNT: \$50,000 AMOUNT SPENT AT MID-TERM: \$25,000	NUMBER OF RESIDENTS TO BE SERVED ANNUALLY: 2,604 NUMBER SERVED AT MID-TERM: 2,142 in 1 st quarter	Ombudsman continues to investigate difficult situations and work on behalf of very vulnerable clients to resolve issues. They have some concerns around volunteer recruitment and training but appear to be making good efforts to address their concerns. Unfortunately, the county/ state no longer funds the program, but it continues to be of necessity. No	Yes

			other entity exists locally that safeguard those living in long term care facilities. SHD funding of this program is to support the Regional Coordinator for south county.	
PARCA PROGRAM NAME/DESCRIPTION: Wellness for People with Developmental Disabilities- Nutrition and fitness program for disabled residents of the Cedar Horizons and Alameda residential facilities	GRANT AMOUNT: \$10,000 AMOUNT SPENT AT MID-TERM: \$5,100	NUMBER OF RESIDENTS TO BE SERVED ANNUALLY: 64 NUMBER SERVED AT MID-TERM: 70 (with duplication)	Small amount of money being used well to provide residential clients with fitness and nutrition. People with mental retardation have a much higher incidence of obesity and related health problems as well as injuries from falls. An exercise program for this population is especially beneficial and this one seems to be going well.	Yes
Peninsula Family Service PROGRAM NAME/ DESCRIPTION: Senior Fitness- Wellness programs for seniors attending the Fair Oaks Adult Activity Center	GRANT AMOUNT: \$50,000 AMOUNT SPENT AT MID-TERM: \$25,000	NUMBER OF RESIDENTS TO BE SERVED ANNUALLY: 330 NUMBER SERVED AT MID-TERM: 334	Strong program that we have funded since 2008. They have exceeded the proposed number of clients served annually at only mid-year (330 annually, 334 at mid-year). Served over 3,000 breakfast to 130 seniors and 2,735 lunches so far! Good evaluation using ASR, always looking to improve program. Most of the funding pays for staffing the program and a smaller amount for food. Report describes clients as over 60, very limited resources.	Yes
Peninsula Volunteers PROGRAM NAME/ DESCRIPTION: Meals on Wheels- Daily meal delivery to disabled or homebound residents	GRANT AMOUNT: \$90,000 AMOUNT SPENT AT MID-TERM: \$45,000	NUMBER OF RESIDENTS TO BE SERVED ANNUALLY: 425 NUMBER SERVED AT MID-TERM: 286 persons, 24,657 meals	In addition to delivering a hot healthy meal, nutrition and health information is also given, along with nutrition risk screenings every 6 months. Program doing well although they are already at 75% of projected numbers only half-way through grant period. With increased elderly and desire to stay in home this program demand is going up. Discussing a wait-list or to modify program. Good involvement with Sequoia Hospital SHHP program also Half the funding goes to food and half to staffing.	Yes
Peninsula Volunteers PROGRAM NAME/	GRANT AMOUNT: \$50,000	NUMBER OF RESIDENTS TO BE SERVED ANNUALLY: 56	A day facility for mainly older adults with severely limiting physical	Yes

DESCRIPTION: Rosener House- Adult day care facility that provides preventive health programs to avoid premature hospitalization of elderly and disabled	AMOUNT SPENT AT MID-TERM: \$25,000	participants, 78 family caregivers NUMBER SERVED AT MID-TERM: 78 participants, 94 family caregivers	disabilities. Also supports the family caregivers. They surpassed their annual goal for clients and caregivers served in the first half of the grant. All SHD funds pay for Social worker, nurse, PT, OT and a % of program Manager salary. There's an even mix of families who can pay and those who need financial assistance. Program appears to be well on track for meeting its proposed outcomes. Reaching primarily a south District Group while Catholic Charities is reaching the northern District.	
Planned Parenthood PROGRAM NAME/ DESCRIPTION: Reproductive Healthcare Services- Family planning and education services for North Fair Oaks residents via the Mar-Monte mobile van	GRANT AMOUNT: \$30,000 AMOUNT SPENT AT MID-TERM: \$15,000	NUMBER OF RESIDENTS TO BE SERVED ANNUALLY: 581 NUMBER SERVED AT MID-TERM: uncertain	Mobile Health van in N. Fair Oaks and subsequently new health center opened in Dec. Funding pays for Clinician and assistant to teach health education and family planning. Most all residents seen for family planning.	Pending site visit and follow up
St. Anthony's Padua PROGRAM NAME/ DESCRIPTION: Feeding the Need- Provides daily hot meals to the hungry, located in Fair Oaks	GRANT AMOUNT: \$90,000 AMOUNT SPENT AT MID-TERM: \$45,000	NUMBER OF RESIDENTS TO BE SERVED ANNUALLY: 3,000 NUMBER SERVED AT MID-TERM: 1,500-2,000	About 60% of our funding goes to pay staffing costs. Additional funds are used for repairs and maintenance, utilities, food transportation and insurance. About 8% of our funding pays for food as they obtain food mainly through donations. They provided 113,000 meals (65,000 hot). They are working to provide smaller portions and healthier options, but find it challenging so far, especially with fresh produce. Lee and Pamela helping with nutrition messaging campaign.	Yes
Second Harvest PROGRAM NAME/DESCRIPTION: Enhancing Nutrition for Families in the SHD- Food distribution to locations near families with children under	GRANT AMOUNT: \$100,000 AMOUNT SPENT AT MID-TERM: \$50,000	NUMBER OF RESIDENTS TO BE SERVED ANNUALLY: 3,760 NUMBER SERVED AT MID-TERM: 2,487	Serving a very low-income population base that depend on this food support to get through the month. Focus is on families including those with young children and seniors. Produce mobile provides fresh produce to families and brown bag meals. They track	Yes

18 years who would otherwise go hungry			number of meals provided, type of food and pounds delivered per client via a sophisticated inventory tracking system (100-120 lbs of food per household). The majority of our funding supports food purchasing, packaging, and distribution. A smaller amount pays for administration costs. They are on track and doing well.	
Sequoia YMCA PROGRAM NAME/ DESCRIPTION: MEND- Supports the MEND program targeting 7-13 year old obese children and their families	GRANT AMOUNT: \$50,000 AMOUNT SPENT AT MID-TERM: \$37,442	NUMBER OF RESIDENTS TO BE SERVED ANNUALLY: 70 families, 280 individuals NUMBER SERVED AT MID-TERM: 13 families, 48 individuals	Met with program director to discuss issues of recruiting. Only one session has been conducted so far where we expected 4 classes to have been held by this time. Julie requested a one-year extension to grant to provide 6 additional sessions to meet proposed objective. We suggested she look into re-introducing their Fit Families program.	No 2 nd half of funding at this time
Service League PROGRAM NAME/ DESCRIPTION: Hope House- Fitness and nutrition program at Hope House for women with drug and alcohol dependency and their infant children.	GRANT AMOUNT: \$30,000 AMOUNT SPENT AT MID-TERM:	NUMBER OF RESIDENTS TO BE SERVED ANNUALLY: 50-55 + infants NUMBER SERVED AT MID-TERM: 22 women	SHD funds 75% of wellness program. It seems that they are placing great effort to incorporate the wellness component into every treatment plan as a core treatment modality and women are gaining significant health knowledge. How they are funded will change as a result of the ACA	Yes
Sheriff's Activity League PROGRAM NAME/ DESCRIPTION: Academicos and Healthy Kids- A program that delivers leadership training, nutrition and health education through soccer to N. Fair Oaks youth	GRANT AMOUNT: \$25,000 AMOUNT SPENT AT MID-TERM: 12,500	NUMBER OF RESIDENTS TO BE SERVED ANNUALLY: 3,100 NUMBER SERVED AT MID-TERM: 2,627	Program appears to be on track and doing well. Outcomes are provided, but tools to measure are weak. They would like (and could use) funding to put more reliable assessment tools in place.	Yes
Society of St. Vincent de Paul PROGRAM NAME/ DESCRIPTION: Family Resource Center- Provides Resources to help clients prevent homelessness	GRANT AMOUNT: \$20,000 AMOUNT SPENT AT MID-TERM: \$10,000	NUMBER OF RESIDENTS TO BE SERVED ANNUALLY: \$7,500 NUMBER SERVED AT MID-TERM: 3,000	All funds are to go to Direct Aid. Many of the services delivered are more of a social service safety net. Program does appear to be on track with proposed outcomes and numbers served	Yes

<p>Star-Vista</p> <p>PROGRAM NAME/ DESCRIPTION: Day Break- A transitional living program for homeless, runaway, and former foster youth aged 16-21</p>	<p>GRANT AMOUNT: \$75,000</p> <p>AMOUNT SPENT AT MID-TERM: \$37,500</p>	<p>NUMBER OF RESIDENTS TO BE SERVED ANNUALLY: 20 residential youth; 3,000 with less-intensive outreach, education and referrals</p> <p>NUMBER SERVED AT MID-TERM: 14 residential, 15 Daybreak Aftercare clients, 1421 outreach, education, referrals</p>	<p>The majority of SHD funding goes to pay for clinicians who provide the counseling and resident counselors who provide outreach, education and referrals. Some funding also goes to pay non-staffing expenses such as food and supplies. Once they leave Daybreak, they enter the Daybreak Aftercare Program that helps assure they transition into permanent jobs and/ or housing. Some SHD funding went to this effort. Star-Vista tracks outcomes via a sophisticated agency database</p>	<p>Yes</p>
<p>US Senior Vets</p> <p>PROGRAM NAME/ DESCRIPTION: Serving Those Who Sacrificed- Assistance with the non-service connected disability pension with aid and attendance.</p>	<p>GRANT AMOUNT: \$40,000</p> <p>AMOUNT SPENT AT MID-TERM: \$19,732.79</p>	<p>NUMBER OF RESIDENTS TO BE SERVED ANNUALLY: 1,250 (@ \$100,000)</p> <p>NUMBER SERVED AT MID-TERM: 397</p>	<p>Programs serve senior vets and their families to help educate about and access a veteran health benefit. Funding used to pay salary for person assisting veteran or family member through application process. If eligible, the benefit would pay in home care, adult day care, board and care homes, or skilled nursing. They report a 99% success rate with those they guide through the process as long as they qualify.</p>	<p>Yes</p>
<p>Women's Recovery Association</p> <p>PROGRAM NAME/ DESCRIPTION: Dual Diagnosis Program- Supports substance abuse programs for women</p>	<p>SHD GRANT AMOUNT: \$25,000</p> <p>AMOUNT SPENT AT MID-TERM: \$12,500</p>	<p>NUMBER OF RESIDENTS TO BE SERVED ANNUALLY: 33</p> <p>NUMBER SERVED AT MID-TERM: 35</p>	<p>Women's Recovery seems to be a high caliber program that applies a variety of research-based approaches. Outcomes are specific and measurable and they use a variety of reputable assessment tools. They are ahead on their numbers, serving 35 district residents already in the first half of the grant, 19 of them having dual diagnosis. They need to raise more money to keep up on the unexpected demand. Difficult population of clients. We are a small part of their funding only representing 7%.</p>	<p>Yes</p>

Highlights from our School District Partners:

Each District Wellness Coordinator has a specific set of objectives and a plan for achieving them.

Redwood City, RCSD Mental Health Collaborative formed a new collaboration including, District Wellness Coordinator, Director of Special Education, District Psychologist, Staff - Licensed Social Worker, Direct of Student Services, Coordinator of Student Welfare and Attendance & Director of Community-Schools Partnership to analyze mental health resources and develop a "map" of what mental health programs and services are available, effective, and needed, across the school district. This mapping project will also provide a sound basis for formulating strategies to link with additional resources across the district, and in the community, as well as enhance use of existing resources.

San Carlos school Board approved a health education science curriculum that will be implemented this Spring. Next steps are to include the modified standards-based ATOD curriculum that we are looking to implement County Wide. Parent education events to promote drug and alcohol prevention, tolerance, and social emotional resilience and acceptance are now underway.

Belmont-Redwood Shores Staffing Changes: Health Educator, Mindy Shelton, has taken over as Wellness Coordinator. We have a new half time Health Coach (Chris Saldivar), a new district nurse (Casey Gilley) and 3 LVNs (1 grant-funded and 2 funded by the district). In addition they have contracted 4 PE coaches, 4 part-time counselors, and 1 resilience consultant.

Sequoia Union, Dr. Li presented to the Board of Trustees which revealed that there is a great interest in Mental Health services and how the services are offered to students at each high school. The board requested more data on how students are served and how mental health services are provided at each school

HeartSafe Program

Activity Summary for Dec 2013 and Jan 2014

HeartSafe Region Task Force Meetings

Attend and participate in regional planning and support.

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

New AED Placements

- Redwood Shores School

AED / CPR Trainings

- San Mateo County Lions Club Guardian Angel Program
- Redwood City Elementary School Teachers
- San Mateo County Controller's Office
- Ralston Middle School 7th Graders (1st session)

AED / CPR Scheduled Trainings

- Redwood City School Nurses
- Redwood Shores School Staff
- American Heart Assn Pulse Bowl
- San Mateo County Lions Guardian Angel Program
- Ralston Middle School 7th Graders (2nd session)
- Carlmont HS Freshman
- Sequoia HS Freshman
- Woodside HS Freshman
- Menlo-Atherton HS Freshman

Conference Attendance Form

Staff member: Nielsen

Conference attended: Parent Heart Watch 2014 Annual Conference

Location: Cody North Carolina

Dates: Jan 17, 18 and 19 2014

Summary of your participation:

- Attended training sessions (agenda available upon request).
- Participated in group discussions.
- Met and discussed programs, community outreach, etc. with other attendees from across the Nation.

How did attending conference benefit you?

- Absolutely motivational
- Sessions provided useful information on:
 - 1) Sudden Cardiac Arrests (medical updates, genetics and research)
 - 2) High School AED/CPR programs
 - 3) Public Access Defibrillator Programs
 - 4) AED registries and locations programs (like Pulse Point that we discussed). Pros and cons.
 - 5) Cardiac screenings

Conference attendance approved by: LM

January, 2014

Community Involvement 2013

1. Lee Michelson

- A. Redwood City 2020- Cabinet member
- B. First 5 Commission- Commissioner and Chair of Evaluation Committee
- C. Special District Association- representative
- D. Fall Prevention Task Force-member
- E. Sequoia Hospital Grants Program-committee member
- F. ACHD- education committee member
- G. Oral Health Coalition- committee member

2. Pamela Kurtzman

- A. San Mateo County School Health Alliance- co –chair
- B. San Mateo County Get Healthy Initiative- committee member
- C. San Mateo County Get Healthy Advisory Council-member
- D. San Mateo County Office of Education School Health Policy Summit Planning Committee – member
- E. Redwood City/San Mateo County Chamber Education Committee- member
- F. Redwood City School District Wellness Committee-member
- G. Sequoia Union High School District Wellness Advisory Committee- member
- H. Belmont- Redwood Shores Wellness Committee-member
- I. San Carlos School District Wellness Committee-member
- J. Healthy Kids Oversight Committee-representative

3. Jennifer Gabet

- A. San Mateo County Nutrition Action Plan-member
- B. Food System Alliance, Farm to Institution sub-committee- member
- C. San Mateo County Healthy Beverages in Child Care Study Community Advisory Board-member
- D. Bay Area Nutrition and Physical Activity Collaborative- member
- E. Redwood City School District Wellness Committee- member
- F. Sequoia Union High School District Food Advisory Committee-member

4. Glenn Nleisen

- A. Cardiac Arrest Association-member
- B. Parent Heart Watch-member

Agenda Item No. 5.A.

Board of Directors Meeting

Date 2-5-14

DEDICATED TO PROVIDING TAILORED WEALTH MANAGEMENT SOLUTIONS TO
INDIVIDUALS, FAMILIES, FOUNDATIONS AND ENDOWMENTS SINCE 1931

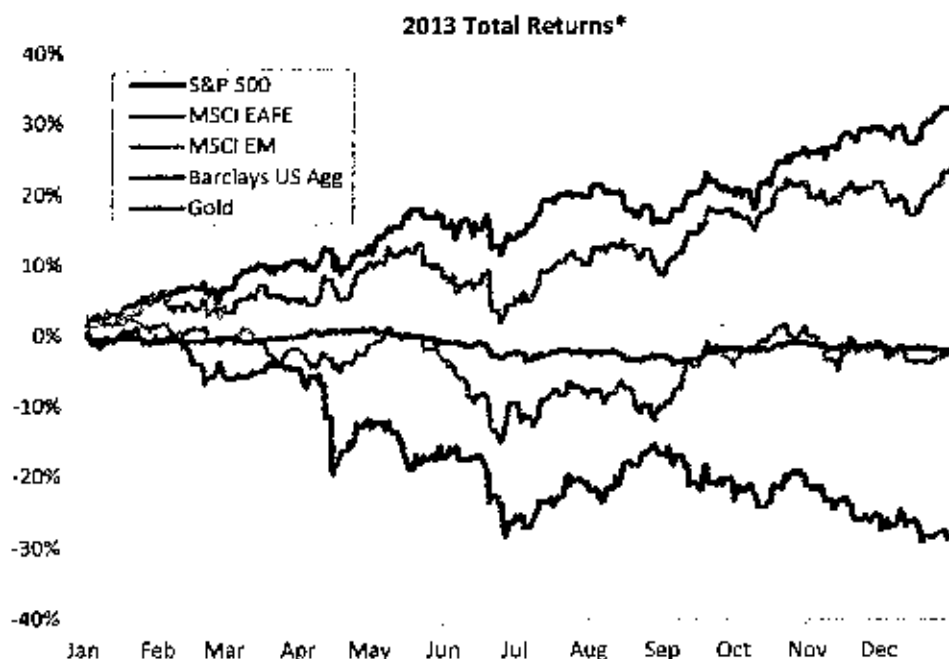
Sequoia Hospital District
February 5, 2014

Jeffrey MacDonald, CFA
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jmacdon@templeton.com

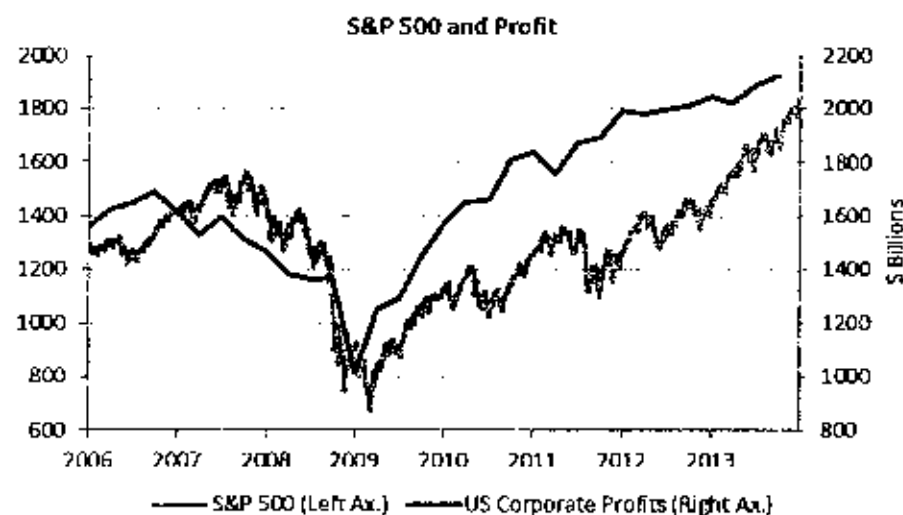
Alexandra Pastor
Managing Director
Business Development Officer
650.312.2271
apastor@ftci.com



2013 Asset Class Performance Dispersion



Total Returns	Full Year 2013	Q1 2013	Q2 2013	Q3 2013	Q4 2013
S&P 500	32.4%	10.6%	2.9%	5.3%	10.5%
MSCI EAFE	23.6%	5.3%	-0.8%	11.7%	5.8%
MSCI EM	-2.4%	-1.9%	-7.8%	5.9%	1.9%
Barclays US Agg	-2.0%	-0.1%	-2.3%	0.6%	-0.1%
Gold	-28.2%	-4.6%	-22.7%	7.7%	-9.6%



Source: Bloomberg

Performance Commentary

- 4th quarter returns were a microcosm of broad 2013 experience
- 2013 exhibited significant dispersion in asset class returns
- Developed equity markets generated robust returns led by the U.S.
- Fixed income markets produced negative returns for the first time since 1999
- Gold came under intense pressure in response to declining inflation, tapering and waning risk aversion
- U.S. equity returns were propelled higher by multiple expansion
 - P/E's rise from 14x to 16x during the year, accounting for approximately 2/3 of the return profile

*Source: Bloomberg, as of 12/31/13

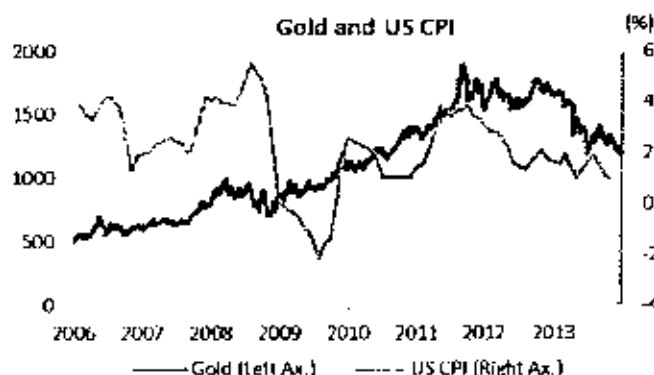
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Select 2013 Asset Class Valuations – Recalibration of Risk

S&P 500 - P/E vs. Historical 10 Yr Average



Gold and US CPI



10-Year Treasury Note



Valuation Commentary

- Investor sentiment improved, leading to a recalibration of risk.
- U.S equity valuations trended higher and have returned to “fair value” as measured by historical P/E multiples.
- Risk premiums eased across multiple asset classes, including stocks, bonds and gold.
- Along with Nominal interest rates, real interest rates moved considerably higher and turned positive; the 10-year Treasury real yield increased from -0.74% at the end of 2012 to 0.77% by the end of 2013.
- Gold prices suffered in response to shifts in risk, inflation, Fed policy/taper, and the U.S. dollar, posting a decline of 28% for the year.

Outlook

- We continue to tilt portfolios in favor of equities relative to fixed income
- We expect a reasonable return profile for equities in the absolute and relative to bonds and cash.
- This outlook is predicated on our expectations for:
 - Improving global growth
 - Low global inflation
 - Modest upward shift in interest rates
 - Shift in investor positioning / “Great Rotation”
 - Clarity surrounding monetary policy

Fiduciary Trust — Economic Base Case

Fixed Income — Current View

- U.S. economic data continues to come in with a positive bias suggesting continued economic growth.
- U.S. GDP posted a impressive 4.1% growth rate in the 3rd quarter with slower, but still positive, growth expected in Q4.
- The Federal Reserve's (Fed) asset purchase program has finally moved into the "taper" stage with a reduction in January purchases down to \$75 billion per month from the previous \$85 billion pace.
- Housing continues to recover with some moderation expected in response to a higher interest rate environment.
- State and Local Government budget environment remains challenging with a bias towards slight improvement.
- Labor market improvement continues with signs of acceleration in job creation.
- European markets have stabilized with a pledge from the European Central Bank (ECB) to remain accommodative.
- Emerging markets fundamentals are biased towards weaker growth.

Outlook

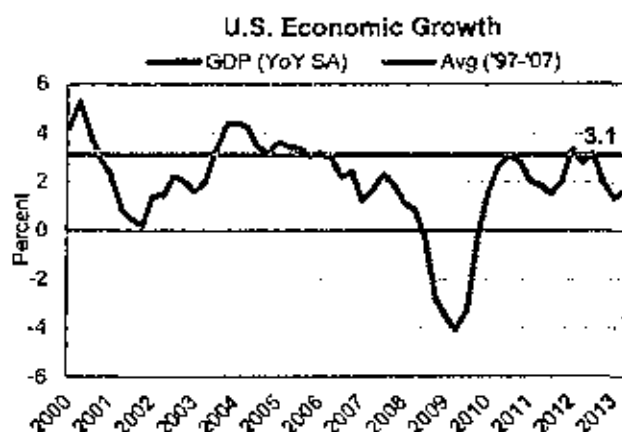
- We believe there is a bias towards modestly higher interest rates in the U.S. as the recovery shows further signs of strengthening.
- We expect the recovery in the U.S. economy to continue, supported by improvements in labor and housing markets.
- Fiscal drag from sequester cuts and budget disputes should fade in 2014 providing an improved environment for year on year economic growth in the U.S.
- "Tapering" of Fed asset purchases should continue at a moderate pace throughout 2014 while short-term policy rates should remain stable into 2015.
- A stronger U.S. dollar will likely accompany continued reduction in monetary accommodation.
- World central banks should continue to support global liquidity as the Fed slowly reduces its support. The ECB and Bank of Japan (BOJ) will likely remain steadfast in their commitment to accommodative policy.
- Emerging markets should continue to struggle with weaknesses in some export markets and pressure from higher interest rates in some developed economies.
- Risk:
 - A politically polarized Washington may continue to introduce uncertainty that would negatively impact private sector confidence. The upcoming debate over the U.S. debt ceiling remains a concern.
 - Deterioration in the emerging markets could lead to a regional crisis impacting global markets negatively.
 - European stability could be jeopardized by economic or political turmoil.

An unexpected spike in energy prices could impair U.S. consumption which remains a cornerstone of a continuation of the current recovery.

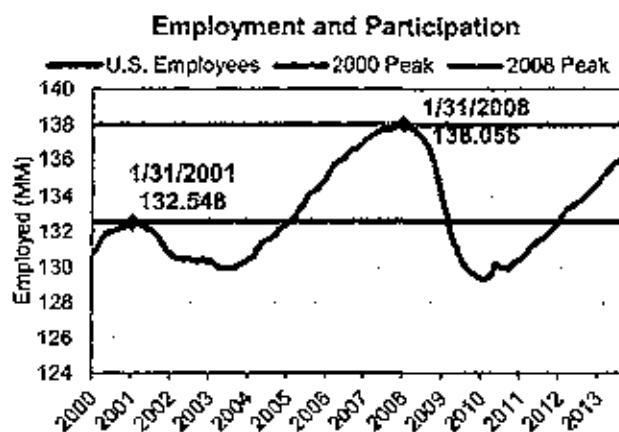
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The Slow and Deliberate Path to Normalization

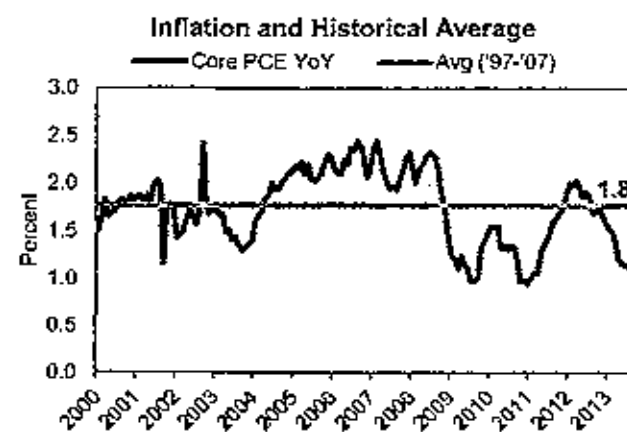
- Given the magnitude and extraordinary nature of Federal Reserve (Fed) action over the last five years, we believe the return to normal Fed policy is a multiyear dynamic
- In our opinion, the normalization of monetary policy occurs only when economic growth, employment and inflation return to historical norms of pre-crisis
- We believe the first phase of normalization has already begun, as evidenced by a substantial rise in intermediate and long-term Treasury rates



- "Muddle-through" economic data continues in U.S. and globally
- Europe and China are showing signs of improvement, but only at the margin



- Employment has trended up, but a declining participation rate gives cause for concern
- With continued weakness in employment, the Fed chose to keep its quantitative easing program in place, at least for now



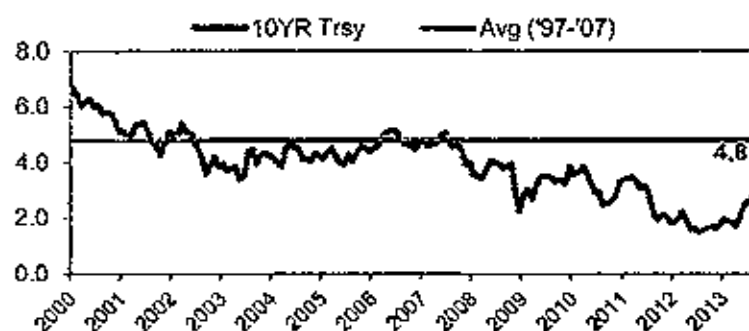
- Subdued/contained inflation expectations
- Without the near-term pressure of higher inflation, the Fed retains the ability to keep rates low

Policy Direction – Fed to Move in Separate and Distinct Phases

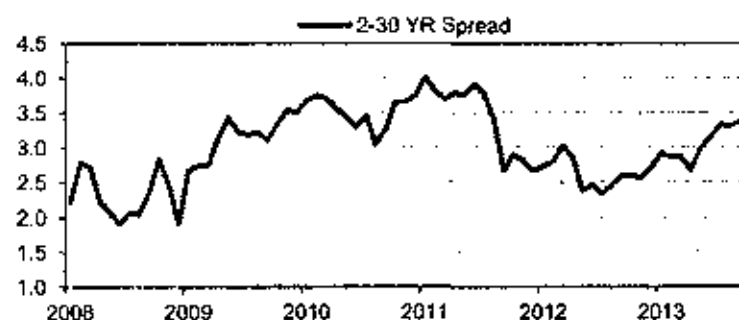
Non-Traditional Policy
(Asset Purchases)

Phase 1: Tapering – 2014?

10YR Treasury and Historical Average

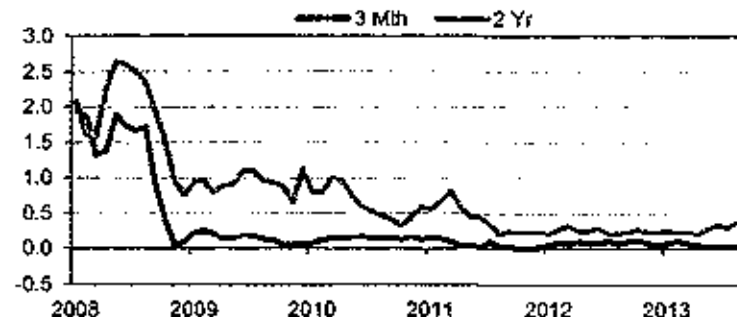


Treasury Spread: 2YR – 30YR

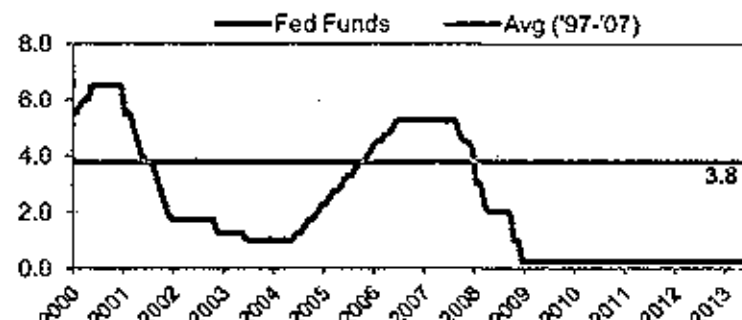
Traditional Policy
(Short Term Rates)

Phase 2: Traditional Tightening – 2015/2016?

Yield on Short Treasuries



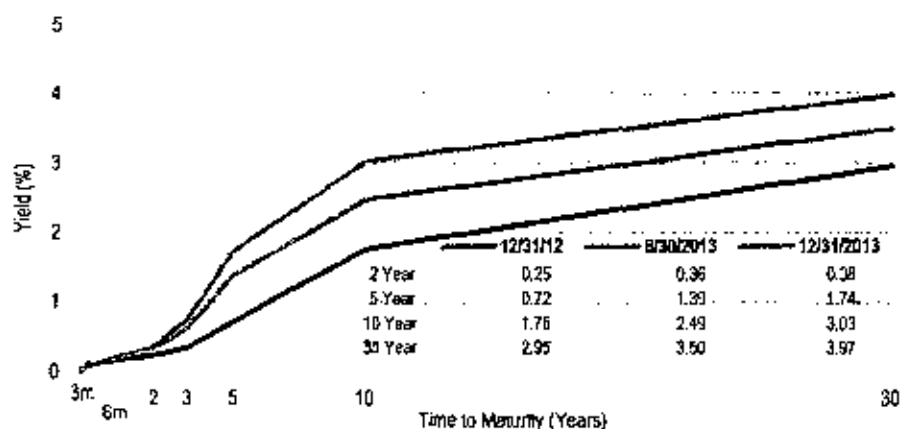
Fed Fund Rate and Historical Average



Phase 3: Normalization – 2017?

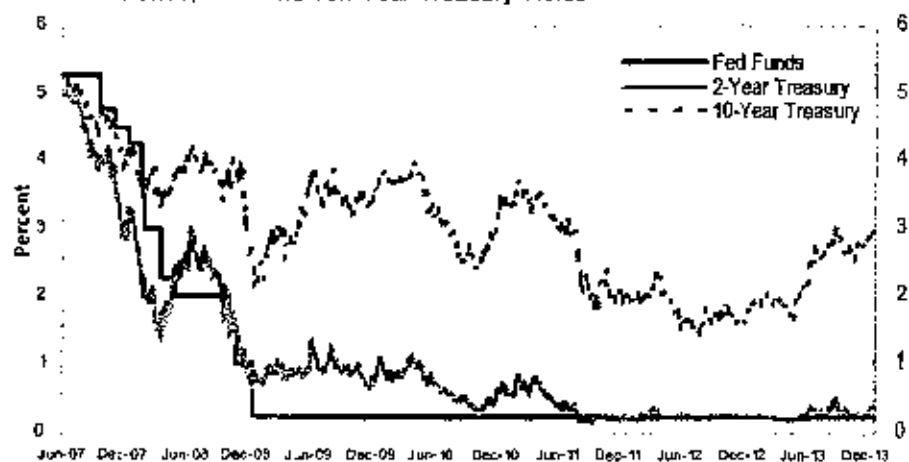
U.S. Bond Market Performance Review

Term Structure of U.S. Interest Rates



Source: Bloomberg

Fed Funds, Two- and Ten-Year Treasury Yields



Source: Reuters EcoWin

Total Rates of Return for Major Bond Market Indices (%)*

	Full Year 2013	1Qtr 2013	2Qtr 2013	3Qtr 2013	4Qtr 2013
Barclays Capital Aggregate	-2.02	-0.12	-2.32	0.57	-0.14
Barclays Capital Gov't/Credit	-2.35	-0.16	-2.51	0.38	-0.03
Barclays Capital U.S. Treasury	-2.75	-0.19	-1.92	0.10	-0.75
Barclays Capital Municipal	-2.55	0.29	-2.97	-0.19	0.32

Relative Index Returns vs. U.S. Treasuries (%)*

Sector	Full Year 2013	1Qtr 2013	2Qtr 2013	3Qtr 2013	4Qtr 2013
Agencies	0.01	-0.04	-0.56	0.18	0.44
Mortgages	0.98	-0.13	-0.38	0.95	0.57
CMBS	0.97	-0.03	-0.50	0.66	0.85
Asset-Backed Securities	0.24	-0.05	-0.03	-0.14	0.46
Corporates	2.86	0.28	-0.54	0.92	2.32
High Yield	9.23	2.81	0.14	1.94	4.22
Emerging Markets	-0.32	-1.18	-2.00	1.16	2.37
Credit Quality					
AAA	0.41	-0.05	-0.19	0.39	0.27
AA	1.00	0.28	-0.70	0.41	1.05
A	2.51	0.13	-0.54	0.95	2.07
BBB	2.68	0.24	-0.96	0.88	2.64

*Source: Barclays Capital

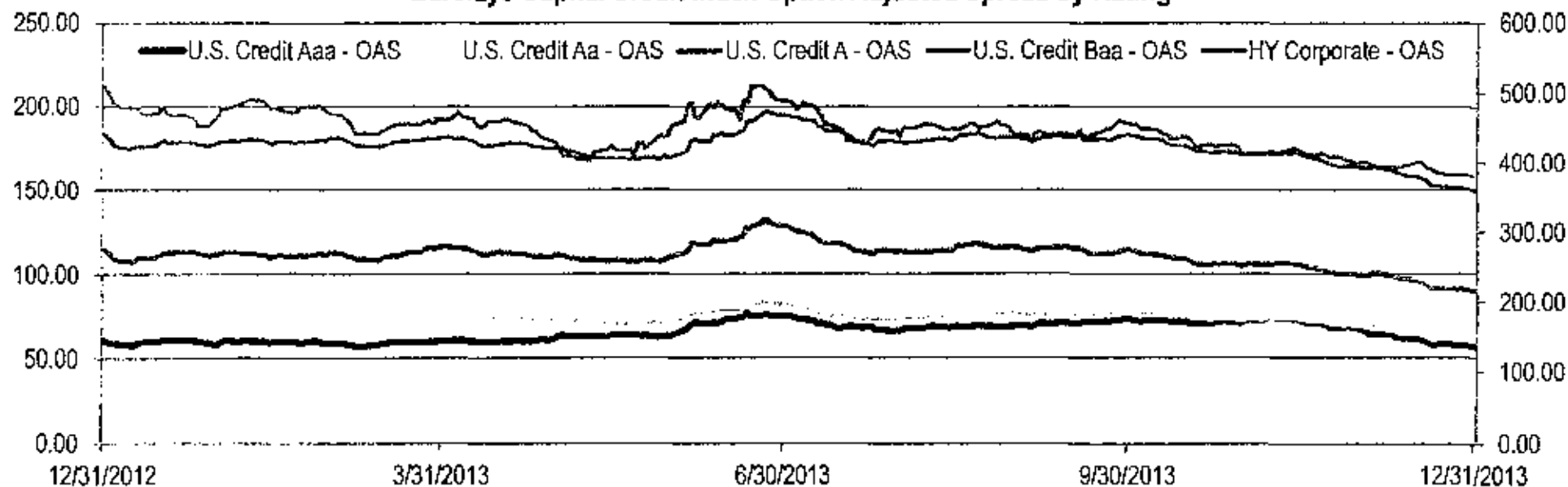
Indexes are unmanaged and one cannot invest directly in an index



Corporates

- Investment grade and high yield corporate spreads both ended the quarter and year tighter, generating positive excess returns vs. duration matched Treasuries. While the investment grade corporate market produced solid excess returns relative to U.S. Treasuries, the sector still handed investors a slightly negative absolute return according to the Barclay's Capital Credit Index. **The standout performer for both the quarter and year in the fixed income space was the High Yield market.** Higher coupons, constructive fundamentals, and lower interest rate sensitivity relative to other sectors of the fixed income market all combined to lead the High Yield market to superior performance within the bond market. **Outperforming duration-matched U.S. Treasuries by 9.23 percent and delivering an absolute return of 7.44 percent for 2013, according to Barclays.**
- Fundamentally, the outlook for U.S. corporate credit remains positive. Earnings growth and prudent balance sheet management should continue into 2014, keeping default rates and default risk at low levels. We continue to overweight both investment grade and high yield corporates in client portfolios with the expectation that spreads continue to tighten in response to improving macro factors and strong investor demand. Companies are taking advantage of this strong demand for credit on behalf of their shareholders. We continue to see issuers use borrowings to pay dividends to shareholders and buy back stock. While this is currently being done in a prudent fashion we will be watching this behavior closely for indications that it is being done at the expense of increased credit risk.

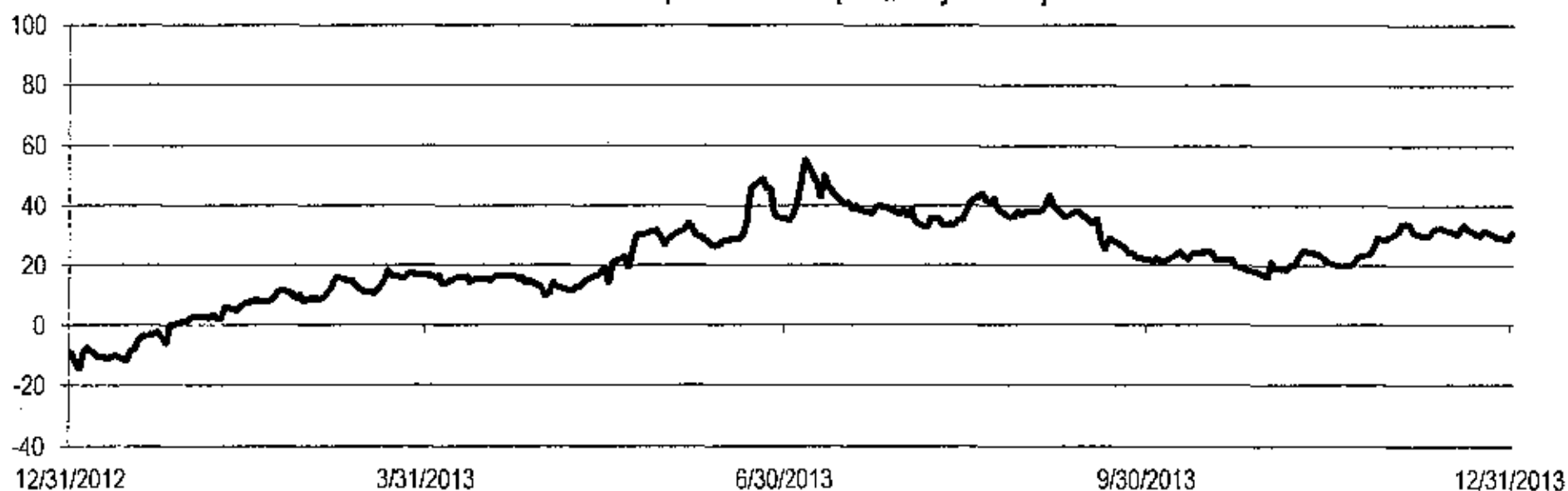
Barclays Capital Credit Index Option Adjusted Spread by Rating



Mortgages

- Like many sectors of the fixed income market, the mortgage market as represented by the Barclays U.S. MBS index registered negative absolute returns for both the 4th quarter and all of 2013 but outperformed their duration-matched counterparts in the US Treasury market. The bulk of the negative absolute performance in the sector was driven by lower coupon securities as higher coupons were able to deliver slight positive returns. Spreads across the market also tightened over the course of the year helped in large part by a very strong showing in December.
- While credit fundamentals in the agency MBS market are not a concern there are a number of technical and structural issues facing the mortgage market that introduce a great deal of uncertainty for the sector in coming quarters. The Federal Reserve has provided a great deal of support for the mortgage market through its asset purchase program. This support will begin to be “tapered” in 2014 from its’ high of \$40 billion per month down to zero, potentially by the end of the year. Prices in the mortgage market could respond negatively to the removal of this support. There has also been a change in leadership at the FHFA which has potential implications for the ability for homeowners to refinance. The combination of this uncertainty and historically tight spreads supports our underweight to the mortgage sector overall with a preference within our allocation to remain in higher coupon securities.

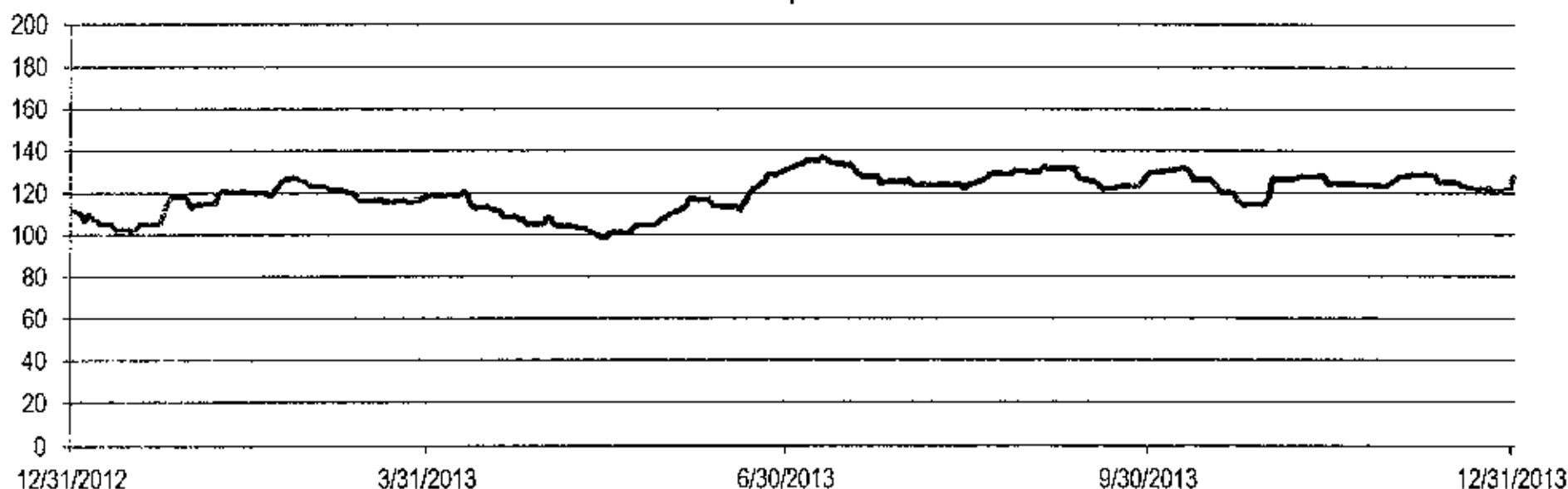
FNMA Current Coupon 30-Year Option-Adjusted Spread



CMBS

- The CMBS market turned in a solid 4th quarter and 2013, delivering positive returns on both an absolute and excess return basis. Spreads tightened over the course of the quarter and year as investors embraced improving fundamentals in the commercial real estate market and sought out yield in a low interest rate environment. Consistent with this theme, lower quality vintage bonds outperformed newer production CMBS.
- We remain constructive on credit fundamentals in the commercial real estate market and favor the additional yield opportunities that exist in lower cap structure, vintage bonds. As these bonds move toward maturity, and the CMBS market refinances into the newer vintage structure, it becomes more difficult to find attractive opportunities. While challenging we remain on the lookout to add to exposures opportunistically.

CMBS Fixed Rate Super Senior 10 Year



Top Down Investment Themes and Portfolio Strategies

Duration

- Managing portfolio with below benchmark market risk

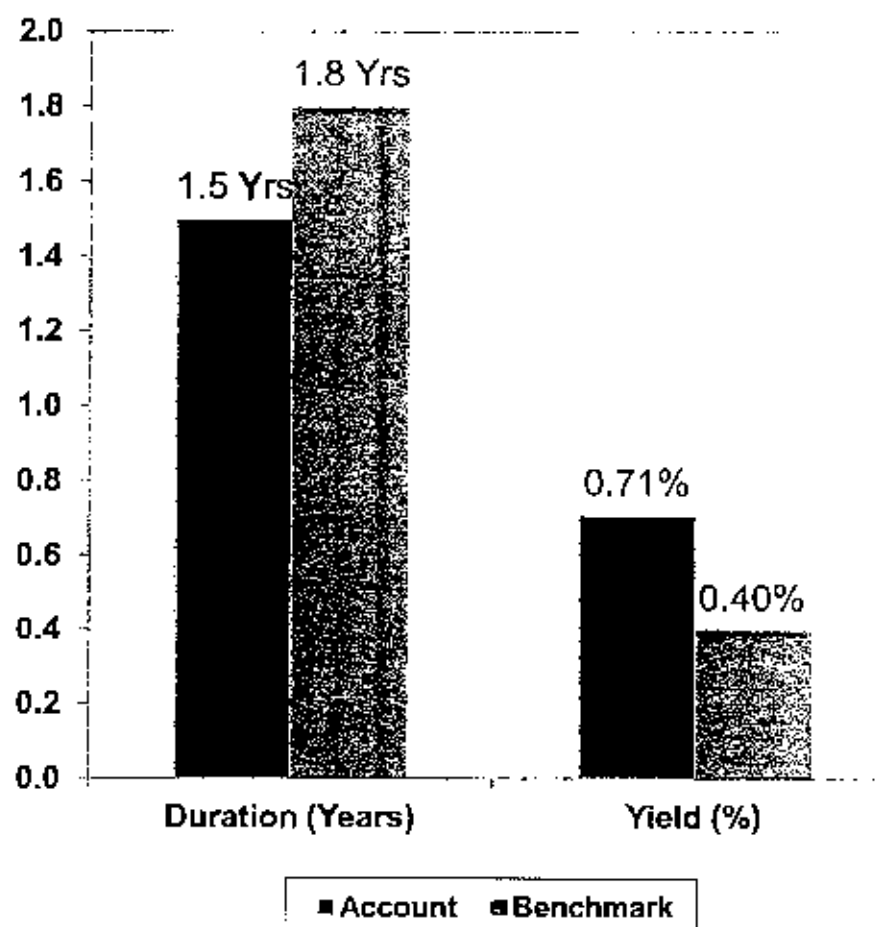
Yield Curve Positioning:

- Underweight to the long-end of the yield curve

Sector Focus:

- Spread sector emphasis; Favor "Private" vs. "Public" Balance Sheets
 - Underweight Treasury market
 - Overweight Corporate Credit
 - Overweight Taxable Municipal bonds, including Build America Bonds

Account versus Benchmark



Fixed Income Portfolio — Fixed Income Portfolio Analysis

As of December 31, 2013

Total Fixed Income	Absolute	Relative*
Market Value w/accrued (000s)	\$12,036	
Average Duration	1.5 Years	-0.3 Years
Duration Distribution	Absolute	Relative*
0-1.0 Years	35.3%	+35.3
1.1-3.0 Years	50.5%	-49.5
3.1-5.0 Years	11.5%	+11.5
5.1-7.0 Years	2.7%	+2.7
Total	100.0%	
Types of Issues	Absolute	Relative*
IG Corporates	29.9%	+29.9
Treasuries	28.9%	-71.1
MBS	8.4%	+8.4
Agency	21.5%	+21.5
Municipal	7.6%	+7.6
HY Corporates	0.0%	-
Reserves	3.7%	+3.7
CMBS/ABS	0.0%	-
Total	100.0%	
Quality Distribution	Absolute	Relative*
Aaa (includes reserves)	70.1%	-29.9
Aa	9.7%	+9.7
A	20.2%	+20.2
Total	100.0%	

* Over/underweight vs. Barclays Capital US Treasuries 1-3 Y

Performance*

As of December 31, 2013

	Last Quarter	1 Year	3 Year	5 Year	10 Year	Since Inception*
Sequoia	0.17%	0.47%	1.44%	2.27%	3.04%	4.10%
Barclays US Treasury 1-3 Y	0.06%	0.36%	0.78%	1.11%	2.57%	3.50%

Inception date 12/31/98

*Performance results are presented gross of fees. For more information concerning your performance results, please contact your Portfolio Manager or access your account at www.fiduciarytrust.com. All of these performance results are prepared specifically for you and are not for public distribution. Past performance does not guarantee future results and results may differ over future time periods. Please refer to the last page of this presentation for important disclosure information regarding this section.

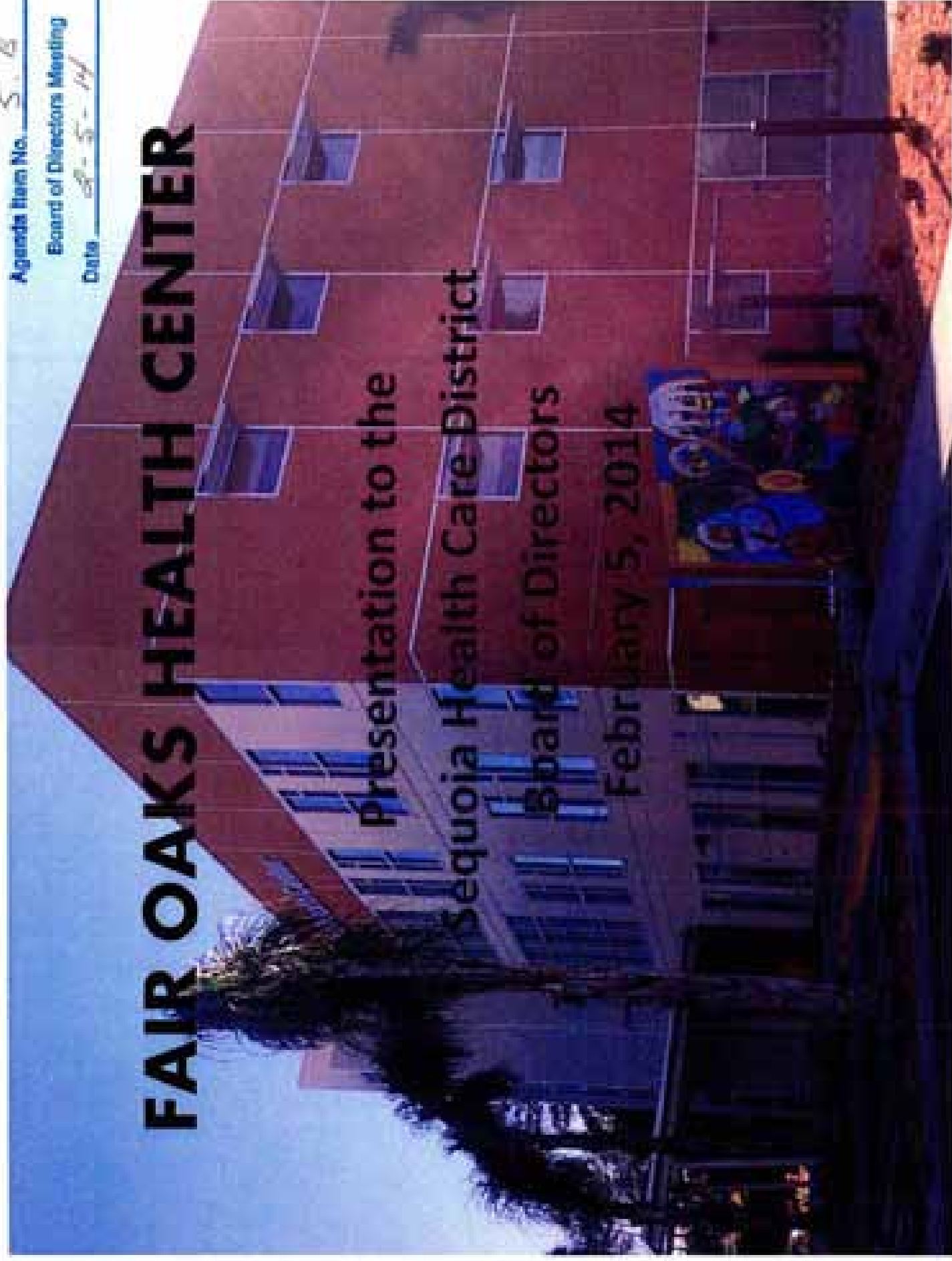
FAIR OAKS HEALTH CENTER

Agenda Item No. 5. B

Board of Directors Meeting

Date 2-5-14

Presentation to the
Sequoia Health Care District
Board of Directors
February 5, 2014

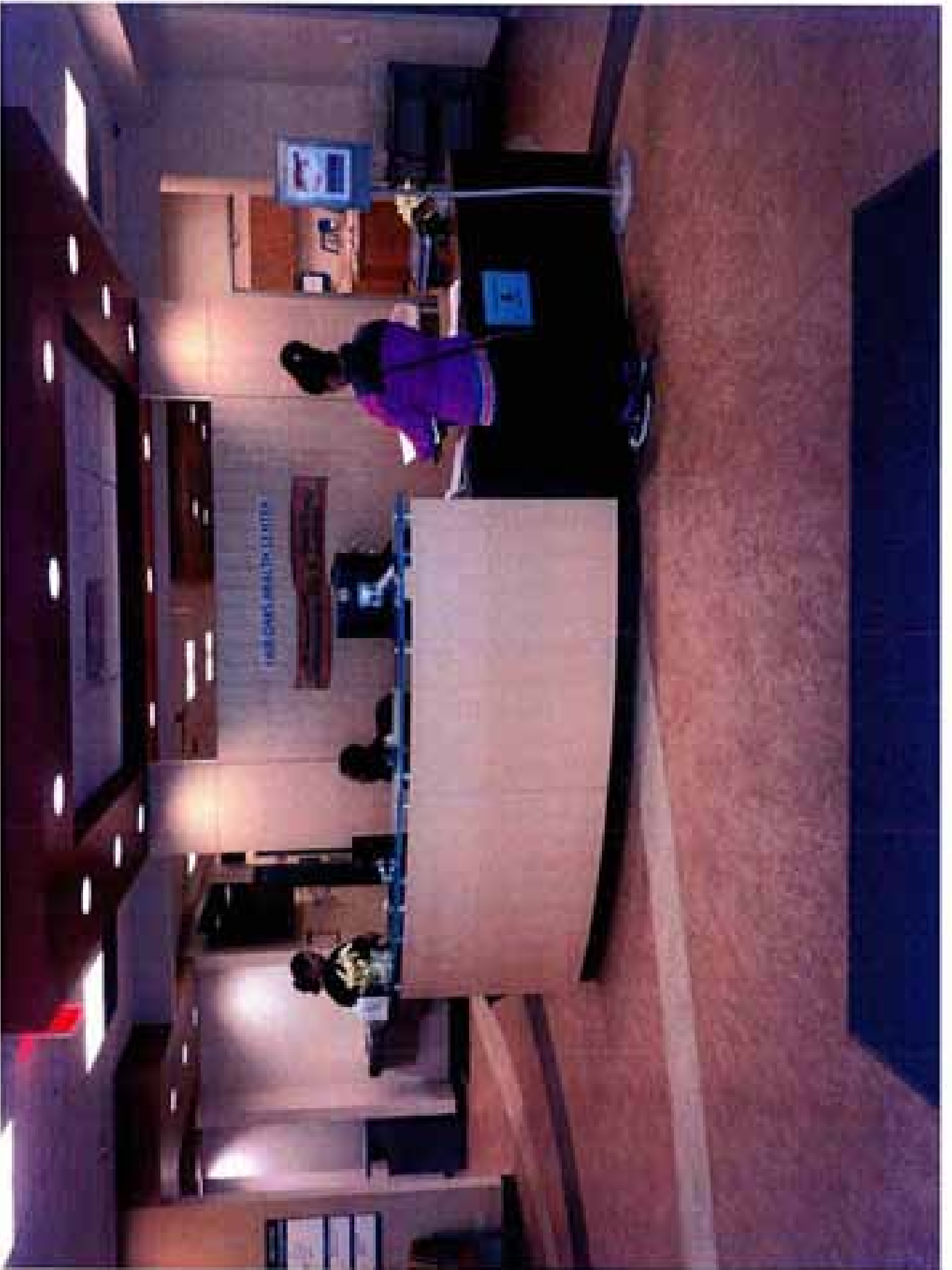


FAIR OAKS HEALTH CENTER

- The Health Center opened for patients on December 16th
- In the first year, we expect to serve over 17,000 patients in more than 60,000 visits
- The majority of our patients reside within the boundaries of Sequoia Health Care District
- 30% of our patients are indigent or uninsured
- 50% of our patients have MediCal or Medicare
- 85% of our patients are Latino
- 75% of our patients have limited English skills

Welcome to FAIR OAKS HEALTH CENTER





FAIR OAKS HEALTH CENTER

SERVICES TO THE PATIENTS

Adult Primary Care

Pediatric Care

Dental Clinic

Ob/Gyn Clinic

Wellness Clinic

Optometry Clinic

Mental Health Services

Prenatal/ Newborn Care

Laboratory

Safeway Pharmacy

W.I.C. Program

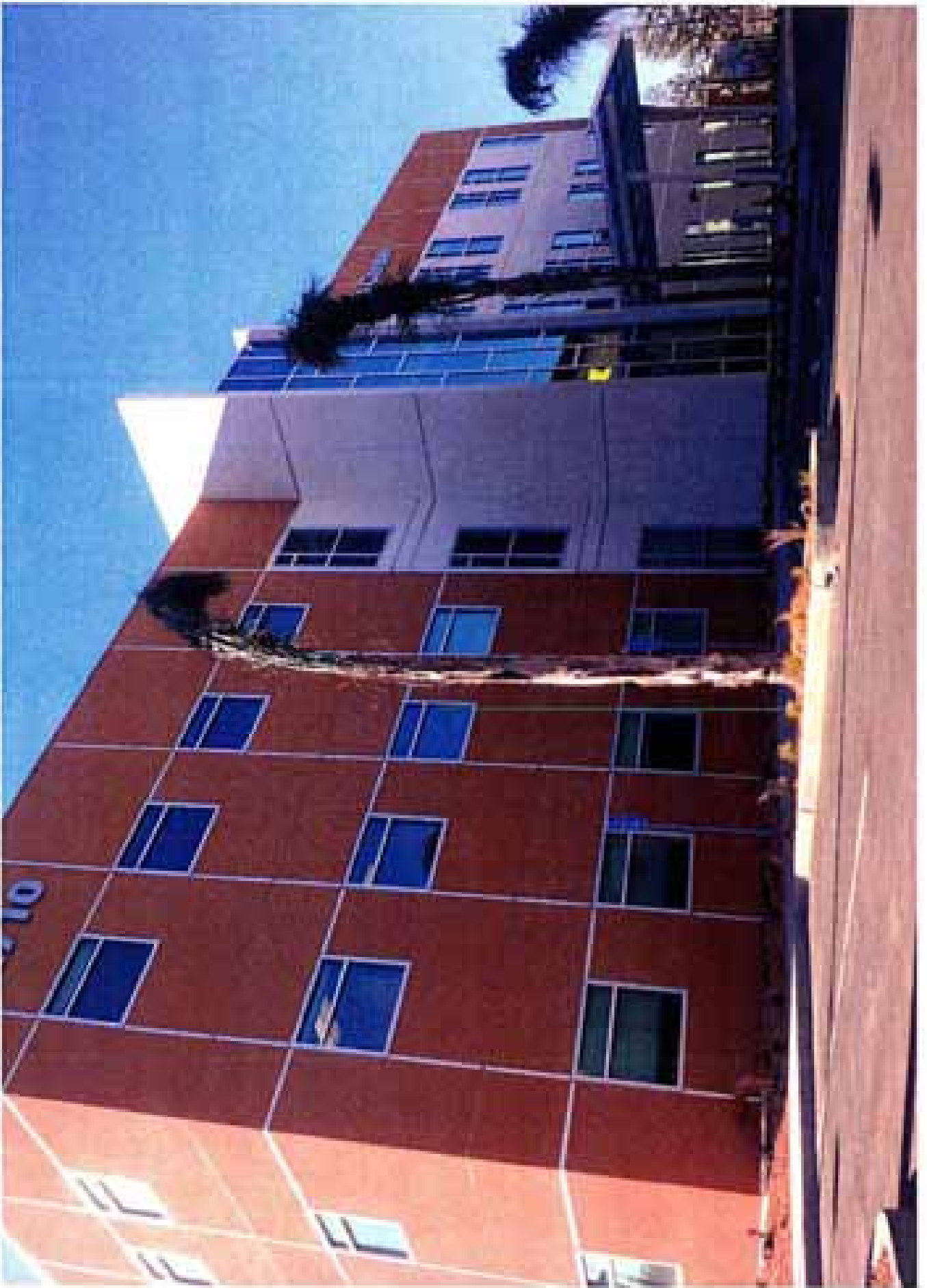
Patient Health Library

Specialty Clinics

Community Rooms

Prevention Education

Interpreter Services



















San Mateo County Children's Health Initiative Coalition

701 Gateway Boulevard, Suite 400, South San Francisco, CA 94080
Phone: (650) 616-2002 FAX: (650) 616-8049

Agenda Item No. 5. C

Board of Directors Meeting

Date 2-5-14

February 5, 2014

Sequoia Health Care District

Attn: Mr. Lee Michelson and Ms. Pamela Kurtzman

525 Veterans Blvd.

Redwood City, CA 94063

Dear Sequoia Health Care District Trustees:

The Children's Health Initiative, a collaborative effort led by the San Mateo County Health System and the Health Plan of San Mateo and involving many partners across the community, appreciates the opportunity to submit this proposal to the Sequoia Health Care District (SHCD). This proposal seeks SHCD's continued partnership in our effort to sustain universal health insurance for children in our community. Specifically, we request a three-year commitment of up to \$1.35 million/ year for the next three years. At a minimum of annually, we will monitor the overall enrollment of children age 6-18 living within the District's boundaries, as well as the proportion of the overall budget represented by SHCD's investment to assure that SHCD's investment continues to align with the enrollment and cost of its children in the locally funded Healthy Kids insurance product.

As you know, 2014 marks a year of significant change in the health insurance landscape for our community, for California and for the country. We are so grateful to have earned the District's support for the past decade, propelling and sustaining our accomplishments as one of only three counties in California to provide universal health coverage for children.

Executive Summary

We respectfully request the SHCD Board's consideration of a three-year commitment of up to \$1.35 million/ year to support the cost of local health coverage for the 6-18 year-olds who live within the District's boundaries and are in-eligible for other public programs.

While the Affordable Care Act brings new coverage options to many residents, the landscape for children's coverage will continue to require local support for a projected almost 4,000 children in San Mateo County. Among these, we estimate that 1,254 children who live within SHCD's boundaries and are age 6-18 will be enrolled in our local Healthy Kids product. An investment of \$1.35 million would cover 82% of the costs of covering these children, with other funders covering the remaining 18%. At this requested investment level, SHCD would represent around 19% of the Children's Health Initiative budget.

Together, we have achieved 95% coverage of San Mateo County's children, and we look forward to building on our successes and continuing to adapt our approaches to connect all children to coverage, promote their health and well-being, and leverage the capacities of a wide and deep network of community partners.

Children's Health Initiative Objectives and Approach

The Children's Health Initiative (CHI) strives to achieve 100% health insurance coverage among San Mateo County children.

With the generous support of SHCD and our other core funders, we have been a leader in California in attaining this goal. According to an analysis of the most recent census data, 95.5% of children in San Mateo County are insured, exceeding the statewide average of 91% and among the highest rates of coverage across the 58 California counties. Sustaining this success will require adaptability and agility in the coming year as we aim to maximize the benefits of the implementation of the Affordable Care Act for San Mateo County's children and families.

As we continue to promote coverage in federal and state-supported programs (Covered California and Medi-Cal), we expect a modest decline in enrollment in our local Healthy Kids program. Of the 4,000 participants enrolled in December, 2013, we expect 350 to be eligible for Covered California plans. Among the Healthy Kids participants age 6 through 18 living within SHCD's boundaries, we expect 103 to qualify for Covered California plans, of which we project a likely maximum of 50% (51) to likely "take up" coverage given affordability challenges. This leaves a projected 1254 SHCD children enrolled in Healthy Kids for the coming year. SHCD's continued support at a level of \$1.35M would cover 82% of the cost of insuring these children. County and other funding secured by the Children's Health Initiative will enable all uninsured children living within SHCD's boundaries to have access to affordable health insurance.

We share your aspiration to "improve the health of the community" through efforts that carry out the SHCD mission of "enhancing access to care and promoting wellness." The promise of health insurance for every uninsured child in our community assures that all young people have access to the preventive healthcare that can keep them well and the basic healthcare services needed to overcome illness. Few communities have partners like you and the other core CHI local funders, who have continued to prioritize and further efforts that advance the health of all children.

Over the next three years, we seek to:

- Maintain universal health insurance coverage, with no waiting lists, for San Mateo County children with incomes <400% FPL;
- Advocate for the appropriate role for local support as the State fully implements the Affordable Care Act (ACA) in California;
- Adapt local practices to maximally leverage the ACA's opportunities for San Mateo County residents; and
- Continue to improve outreach, enrollment and retention to minimize administrative burdens for families and maximize the resources directed to the healthcare services children need.

We know that we need to continue to pay attention to the changing landscape that is being shaped by the ACA, while also focusing on the local practices, partnerships and processes that can propel continued success in connecting children to health coverage. We have initiated discussions with the Redwood City School District, which continues to serve as an enrollment assistance partner to CHI, on how we can effectively inform parents that they may be eligible for

affordable health insurance through either Medi-Cal or Covered California. And, we are learning from our early experiences in connecting families to coverage under the ACA as to the key questions and issues that will need ongoing advocacy and adaptation.

Looking forward over the next three years

As we enlist your continued support, we recognize that we must monitor our key success measures, including the enrollment and budget targets we are operating under to maintain your trust. Currently, SHCD's children represent around 35% of the total, and your generous \$1.35 million annual grant represents around 19% of our overall budget. Your grant is directly applied to the costs of insuring children age 6-18 living in households with zipcodes within the District's boundaries. We also understand and have continually met the provision in the founding grant the District awarded that stipulated that your funding would remain at or below 25% of the total budget.

Given the many moving parts involved in implementing the ACA, we are very cognizant of the need to monitor how we are using our local capacity in order to adapt to the opportunities presented by the ACA. As of this writing, policy and operational questions remain in a few arenas of ACA operations in which we must rely on further guidance from the State and Covered California. Throughout the past year, we have assumed responsibility for leadership and advocacy that continues to optimally position our effort for sustainable success. With the strong support of our core funders and respected track record of our leaders, we have obtained the State's understanding of their accountability to us. It remains to be seen, however, the pace and ease with which we can implement changes driven by decisions at the state level.

This primarily affects a segment of the Healthy Kids population that must remain in a State-authorized program to comply with ACA rules and how we transition our current program to adapt to these requirements in partnership with the State. This should result in the State assuming greater financial responsibility for a total of around 350 current Healthy Kids participants, of whom 103 are age 6-18 and live within SHCD's boundaries. We continue to work with the State to finalize the contract terms that can effectuate the terms we seek while also preserving continuous coverage for these children.

In the early months of ACA open enrollment, we have also seen a large demand for in-person enrollment assistance given the complexity of the choices facing families and we have not added staffing or contracted partner resources to "ramp up." Instead, we continue to look for opportunities to streamline existing processes and prioritize work that best leverages existing capacity. We also will be working with the Human Services Agency on continued opportunities to leverage capacities across the broader County capacity in promoting a "no wrong door" approach for health coverage.

Finally, we must earn the continued investment of our core funders each year. These funding commitments have been:

- San Mateo County Board of Supervisors: \$2.43 million
- Sequoia Health Care District: \$1.35 million
- First5 of San Mateo County: \$525,236

- Peninsula Health Care District: \$1.3 million (2014)
- Other public and private support: \$522,000

The Board of Supervisors has sustained its commitment of \$2.43 million for the 2013-14 fiscal year. Our contract with First5 of San Mateo County extends through June 2014. We are so grateful to have the generous and unified investment of our stalwart local funding partners.

CHI Success Metrics

Evidence of our effectiveness in reaching our overall goals can be seen through the metrics that we routinely track to highlight areas of needed focus and attention. These include:

- Enrollment in Medi-Cal and Healthy Kids: In December 2013, total enrollment across these three programs is 46,294. Children living in SHCD's funding area represent 38 % of these children.
- Retention of children in coverage: we currently have a 78% renewal rate in the Healthy Kids program.
- Successfully meeting preventive health and clinical quality benchmarks:
 - 89% of children enrolled in Healthy Kids identified as having persistent asthma were appropriately prescribed medication (3% increase from the previous year);
 - 93% of children enrolled in Healthy Kids had a visit with a Primary Care Provider (3% increase from the previous year); and
 - 96% of children enrolled in Healthy Kids with a diagnosis of upper respiratory infection (URI) were not prescribed an antibiotic medication.

During the past year, we have been honored to celebrate and thank the many partners who have helped us sustain universal health insurance coverage for ten years in San Mateo County. Some specific highlights include:

- A highly attended community thank you event in February, 2013 that more than 100 partners attended to celebrate our first decade milestone;
- A three-site Affordable Care Act enrollment assistance event on Saturday, October 12th, through which we assisted more than 350 residents enroll in or learn about new coverage through the ACA;
- Appointment of Srija Srinivasan to the Covered California Marketing and Outreach advisory committee, joining thirteen other distinguished professionals across the State;
- A seamless transition of 10,500 children from Healthy Families to Medi-Cal, with tailored assistance to families facing challenges in maintaining continuity of services;

As shared during our February 2013 anniversary event, we are also proud that the Healthy Kids program has had 138 members who have stayed enrolled in the program for a decade.

CHI Alignment with SHCD /Community Health Investment Priorities

We are extremely grateful for SHCD's longstanding and generous support and are proud to be able to deliver on our shared goals. The vision of the District *"to improve the health of the District's residents through responsible stewardship of District taxpayer dollars"* is advanced through our effectiveness in reaching and enrolling all children in available health insurance.

Through comprehensive insurance, children have access to the preventive services that can keep them well, the services they need to regain health if they are ill, and healthcare education and other supportive resources delivered by healthcare providers and HPSM.

We also take seriously our responsibility to leverage every dollar invested in CHI to stretch every community resource effectively and efficiently in meeting the overall goal of health for children. Our funding strategy, federal leveraging approach and mature, collaborative network aim to make best use of our valuable community assets.

We are pleased to work with Redwood City School District, Ravenswood Family Health Center, the Fair Oaks Health Center and other grantees of SHCD in efforts in which our respective roles and responsibilities can advance our larger community goals. We continue to value the many ways that the District's investments can amplify effective approaches to promoting the health of all children.

Request to SHCD

We are incredibly appreciative of the unwavering support that SHCD has provided to the Children's Health Initiative. We are so proud of the collective impact we have achieved during the past decade and know that our results are representative of the partnership and investment of the PHCD and a few other core entities. We are well-positioned to leverage the opportunities that the ACA offers for San Mateo County residents while also sustaining accessible health coverage for ALL children in our community. SHCD's sustained annual support has enabled us to enroll every eligible child residing in the District's boundaries for a decade.

An investment of up to \$1.35 million per year, for three years, will cover the costs of health insurance coverage for 82% of the 6-18-year olds living in the District's boundaries and enrolled in the community-funded Healthy Kids program as well as the linkage and navigation assistance needed to successfully enroll children in the Medi-Cal program. Such an investment would represent approximately 19% of the overall CHI budget, continuing to leverage other sources of support for coverage for 18% of the children living in SHCD's boundaries, as well as the 65% of children who are 0-5 or living in other parts of the County.

The allocation of the per member per month premium is as follows:

	Budget
Premium	101.47
Physician Svs	21.62
Other Medical	42.01
Inpatient	9.67
Pharmacy	6.46
Dental	21.62
UM/QA, Reinsurance	4.43
	105.81

Medical Loss Ratio

104%

**Note: If healthcare expenses remain at the budgeted levels, HPSM is absorbing the difference in costs.*

At a cost of \$101 per child per month (or \$1,212 per child per year) for premiums and an additional \$125/ child for outreach/enrollment assistance, we see cost-effective and excellent outcomes in facilitating access to preventive and comprehensive healthcare. Our prior local evaluations and national studies have confirmed the return on investment. And apart from the metrics and the dollars, we know the impact from the stories of the clients we reach in our community.

“Knowing that my son can see a doctor whenever needed gives a wholesome relief and peace of mind. The health providers regularly send information materials on child development. Also my doctor always discussed child development with me.”

“My child is always current with her immunizations and whenever she needs to see the doctor for health reasons, she has access to it. There is also relief from the family because we are spared from the very expensive healthcare costs.”

“I like the easy access to the doctor. The regular visits with the doctor improved my son’s eczema. My son is healthier. His doctors took care of him very well. It has been a huge relief for the family.”

“We can be more secure with our kid’s health. We don’t have to worry about paying for something in the clinic.”

Looking Forward

We aim to sustain our vision that all children in San Mateo County living in families with income at or below 400% federal poverty level have comprehensive health insurance. We have made great inroads in achieving this goal through aggressive outreach and enrollment strategies implemented through strong partnership among schools, community-based organizations, the County, and others. Enrollment in all three public programs, Medi-Cal, Healthy Families and Healthy Kids has increased dramatically since CHH’s inception seven years ago. As of December 2013, membership includes: Medi-Cal: 46,294 (this number reflects children receiving Full Scope No-Share-of-Cost Medi-Cal) and Healthy Kids: 3,646.

With your continued investment contribution, we will ensure that every uninsured child, living in the District and without access to other public coverage, will have comprehensive health insurance, thereby improving the health of the District.

It is an exciting time to be working in the health arena, as we learn first-hand the opportunities and challenges that ACA implementation poses for low-income children and their families. We are hopeful and confident that our learnings to date prepare us well to adapt and benefit from new health coverage resources for many families.

Thank you for all that you do to promote and strengthen the health of our communities and thank you, especially, for your consideration of this continued investment in the health of the community's children.

Sincerely,

Ron Robinson
Chair, CHI Coalition

SEQUOIA HEALTHCARE DISTRICT PRESENTATION

WEDNESDAY, FEBRUARY 5, 2014

- I. Brief overview of the project and need
- II. Discussion of the planning and work since our last presentation
- III. Support of Pathway Hospice and Hospice of the Valley
- IV. Work with Redwood City
- V. Support from the Sequoia Healthcare District

Attachments: San Mateo County population demographics; Conceptual drawings;
"Hospice House in San Mateo County;" Work on the Hospice House"

HOSPICE HOUSE IN SAN MATEO COUNTY

WHY HERE-WHY NOW

A hospice house provides a peaceful caring alternative for individuals facing advanced illness. The environment provides medical and nursing care, as well as emotional and spiritual support for patients and their families, all in the comfort of a beautiful homelike setting.

With our rapidly aging population, there is a greater need for settings that can provide intensive care for our seriously ill. Individuals approaching end-of-life often have a host of medical, nursing, social and spiritual needs that are best addressed by hospice care. The Medicare hospice benefit supports hospices to provide end-of-life services in home and institutional settings. However, today in San Mateo County, when an individual requires hospice care outside the home his or her only options are a residential care facility, a nursing home, or in rare cases the hospital. The hospice house provides an environment unlike any other, and is structured to provide intensive medical, psychosocial and spiritual support for patients and families as they transition through the dying process.

Currently there are no hospice houses in San Mateo County. In discussions with hospital discharge planners, hospital administrators, physicians, families and staff members we have determined that the community needs and would utilize a 12-bed hospice house that would provide a full range of services.

The Board of Directors of Mission Hospice and Home Care as well-established and well-respected community hospice care provider has under taken a feasibility/planning study to determine our capacity to raise the funds to build a hospice house and run the program.

The proposed **Hospice House** will serve patients and families in San Mateo and Santa Clara County who require residential, inpatient hospice care and provide the following services:

- homelike environment suitable for patient's families and friends
- central location in San Mateo County for easy access
- 24/7 registered nursing care
- on-going medical management by the patient's physician and hospice Medical Director
- spiritual support and social work services
- 24 hour family access and visiting
- educational training for professional staff

We anticipate that **Hospice House** would generate revenue to meet approximately 80 percent of the facility's operating expenses through reimbursement from third party insurance and Medicare. Fund raising covers the remaining expenses. Patients may be

admitted directly from hospital or emergency room, other residential facilities, or home. Hospice programs, in other counties and states that have opened hospice houses have seen an increase in their program census.

The estimated required amount is \$5 to \$7 million to build a 12 patient **Hospice House**.

The proposed building plan calls for an environment that fosters the ability to deliver compassionate care and allows the patient to feel a sense of dignity during his/her stay and includes:

- state of the art design to incorporate equipment and support required for end-of-life care
- an environment that is peaceful, light, airy, homelike and familiar
- direct access to the outside with abundant gardens
- common family area with eating and kitchen facilities
- natural light throughout the facility
- reflection room and chapel
- welcoming reception room area and workplace for staff
- sleeping accommodations for family members

The attached drawings represent our vision of **Hospice House** in San Mateo County.

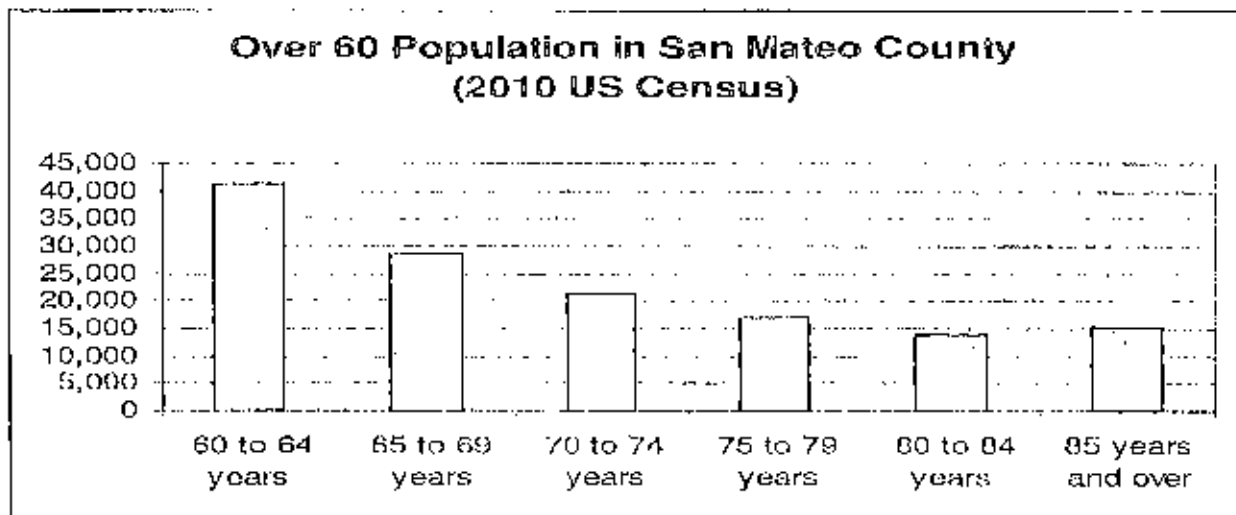
Demographic Characteristics of San Mateo County

Current Older Adult Population

SMC is among the most culturally and ethnically diverse counties. Asian and Latino residents, along with older adults are expected to continue to become increasingly greater proportions of the population. The demographics of its residents including White/Caucasians, Hispanics/Latinos, African-Americans, Asians, Pacific Islanders, and other ethnicities. There are 718,451 residents that live within 531 square miles along a peninsula with 54 miles of ocean coastline (US Census Bureau, 2010 Census). According to the Association of Bay Area Government projections for 2002, the total population in SMC is expected to grow to 775,900 in 2015 and 795,100 in 2025.

According to the 2010 Census, the number of those ages 60 and over is 137,584, or 19% of the total population for SMC. The current age breakdown for older adults is the following: 60 to 64 years-41,322; 65 to 69 years-28,485; 70 to 74 years-21,500; 75 to 79 years-16,888; 80 to 84 years-14,085; and 85 years and over-15,304 (See Figure 2).

Figure 2



Consistent with national statistics, females 60 years and older (77,020) outnumber older males 60 years and older (60,564). See Figure 3.

Dwight Wilson

From: Rhonda Fisher
Sent: Tuesday, January 28, 2014 1:00 PM
To: Dwight Wilson
Subject: data you requested

The data from a variety of sources conflicts by a few % points (census bureau, city data, county data, California demographics, etc.):

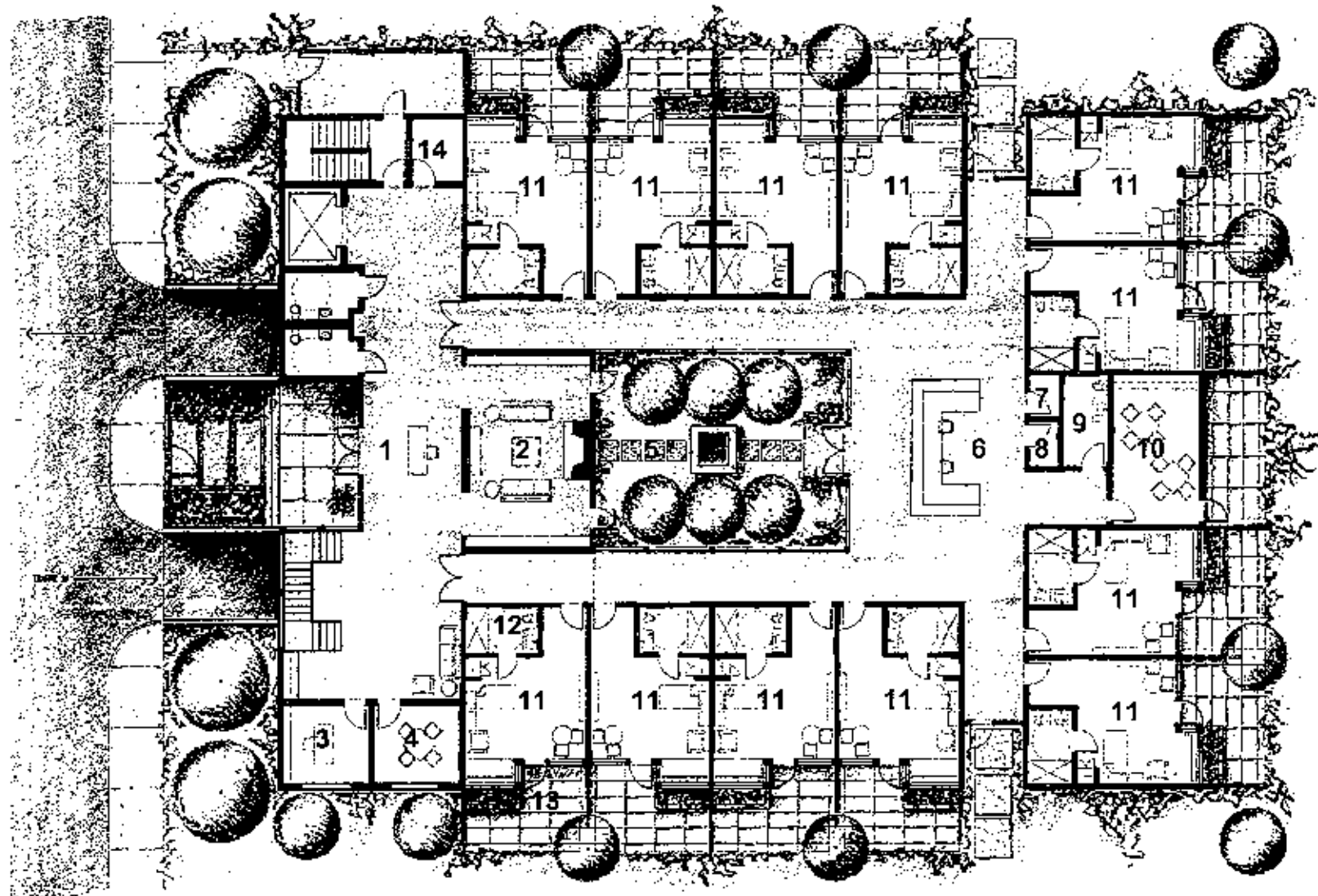
Statistic	2012	comparison
SM County Population	739,311 (A of 2.9%) <ul style="list-style-type: none">98% urban2 rural	718,451 (2010)
Gender	Female = 51% Male = 49%	
Age	65 and older = 14% Under 18 = 21.8% Median age = 39	65 and older (CA.) = 12% Median age (CA) = 45.6
Ethnicity	White = 42% Asian = 26% Hispanic/Latino = 25% Black = 3% Pacific Islander 1.4% Etc.	
Veterans	33,337	

I haven't been able to find hospice utilization statistics. Will keep looking.

Rhonda Fisher LCSW
Director of Quality
1670 S. Amphlett Blvd., Ste. 300
San Mateo, CA 94402
Ph. (650) 554-1000
Fax (650) 554-1018
www.missionhospice.org

Mission Hospice Home

Conceptual Floor Plan



Legend

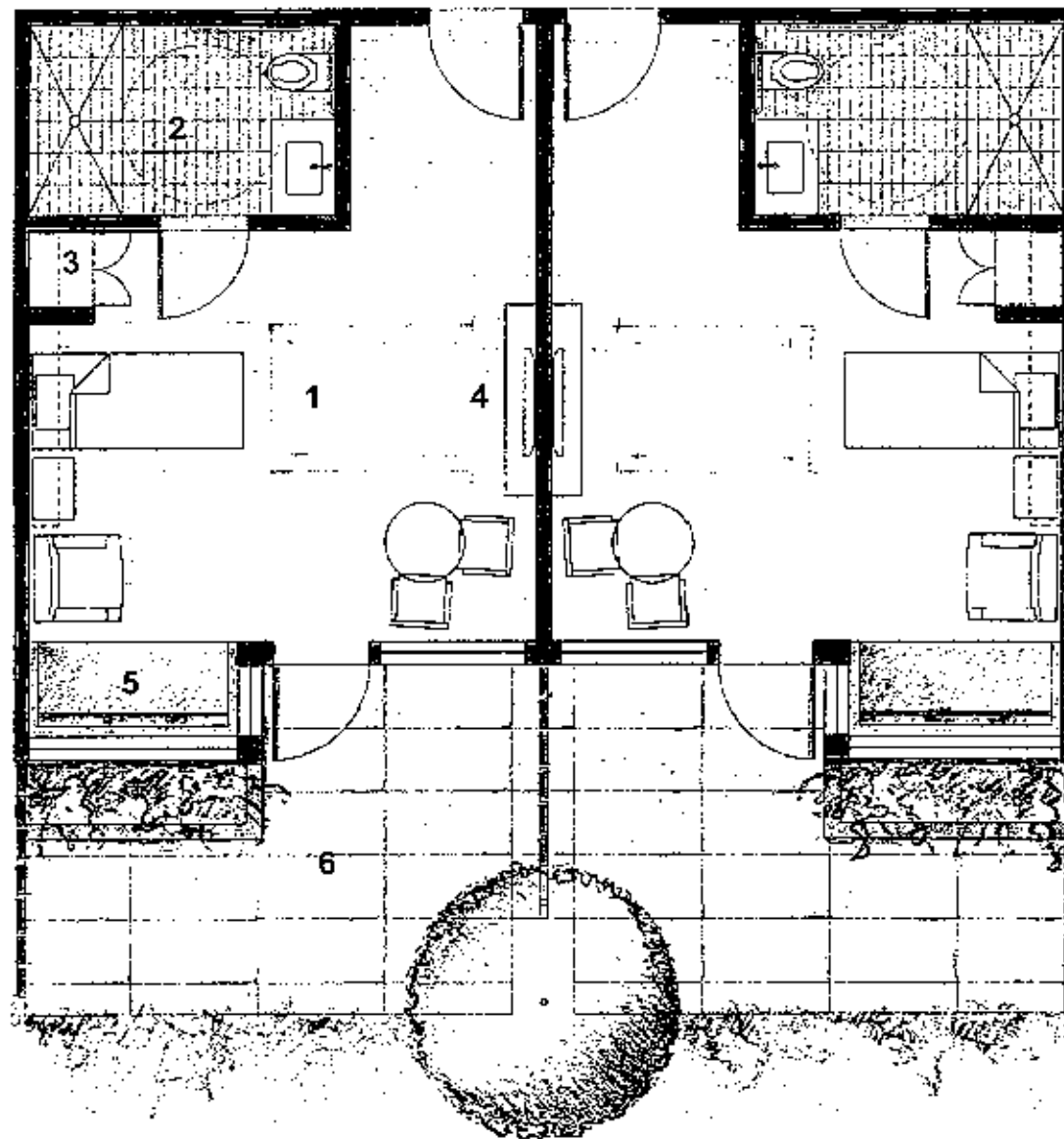
- | | | | |
|----|------------------|-----|------------------|
| 1. | Reception | 8. | Soiled Utility |
| 2. | Family Room | 9. | Staff Toilet |
| 3. | Admission Office | 10. | Staff Break Room |
| 4. | Conference Rm | 11. | Patient Bedroom |
| 5. | Courtyard | 12. | Patient Bathroom |
| 6. | Nurse Station | 13. | Patient Patio |
| 7. | Clean Utility | 14. | Housekeeping |

ANA WILLIAMSON ARCHITECT



Mission Hospice Home

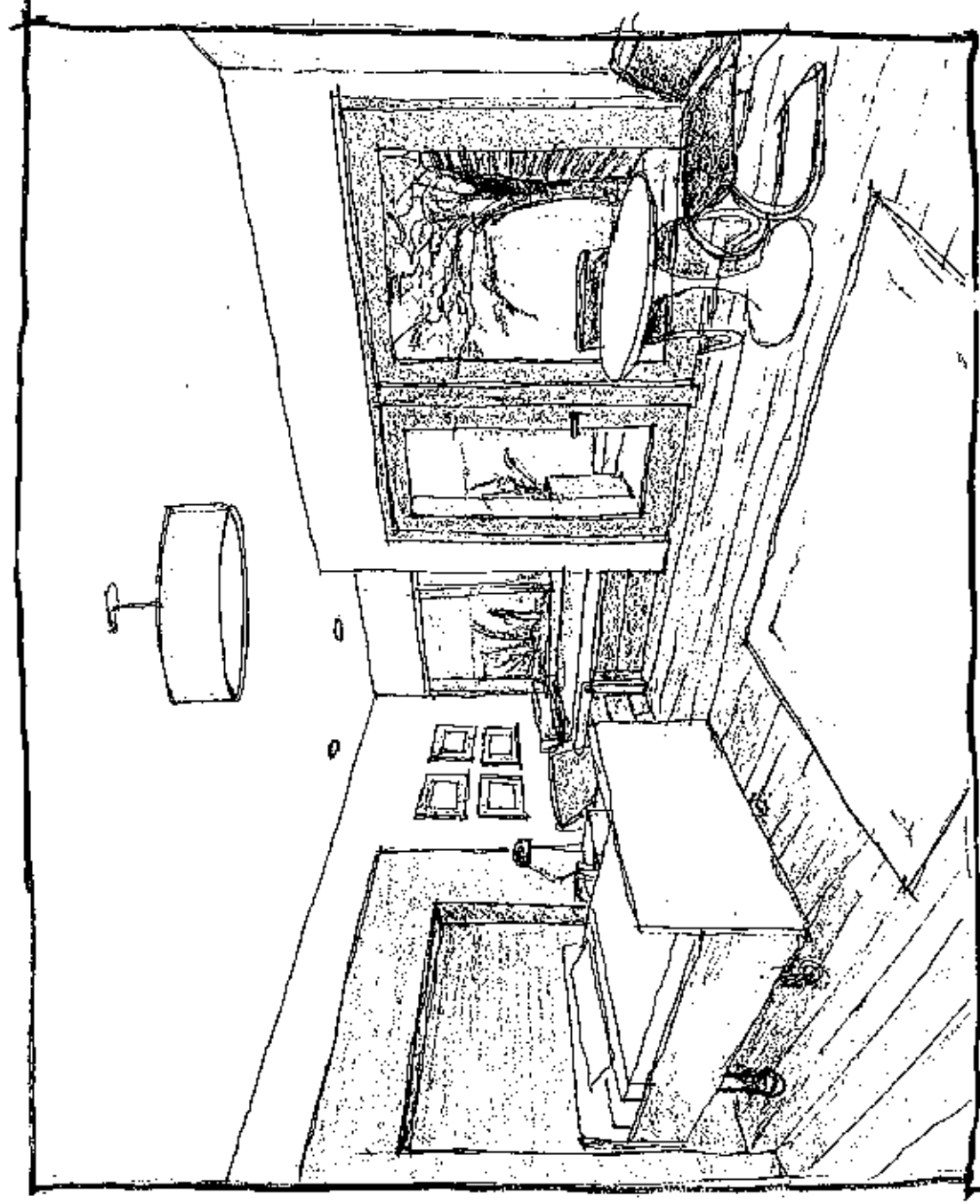
Typical Patient Room



Legend

1. Patient Bedroom
2. Private Toilet
3. Patient Storage/Wardrobe
4. Cabinet/Personal Display Area with TV above
5. Built-in Daybed/Family Sleeping Area
6. Private Patio Area

Mission Hospice Home
Patient Bedroom – Interior View





Vavrinek, Trine, Day & Co., LLP
Certified Public Accountants

VALUE THE DIFFERENCE

Agenda Item No. 5.E

Board of Directors Meeting

Date 2-5-14

January 22, 2014

Mr. Lee Michelson
Chief Executive Officer
Sequoia Healthcare District
525 Veterans Boulevard
Redwood City, CA 94063

Dear Mr. Michelson:

We are pleased to respond to the request for proposal to provide audit services for the Sequoia Healthcare District (the District). We feel that Vavrinek, Trine, Day & Co., LLP (VTD) is the best selection for the District. This proposal demonstrates our capability and commitment to serve.

VTD provides governmental auditing services to over 300 governmental agencies, including but not limited to special districts, counties and cities throughout California. We understand the District requirements and will provide a timely audit conducted in a professional manner.

Commitment to Quality of Services

VTD has devoted substantial time and resources developing our governmental audit practice. Our governmental clients are provided with efficient and timely audits. Our expertise in this industry has positioned us to be one of the leading firms in governmental auditing throughout California. This investment of time and resources includes:

- Providing in excess of 80 hours per year of governmental continuing professional education (CPE) to our staff working on governmental audits.
- Participating in national sessions lead by the AICPA, OMB, GAO, and OIG relating to all areas of governmental auditing.
- Providing several training sessions to industry groups and clients regarding the new GASB statements including GASB 68 reporting requirements for pension liabilities.

- Retaining key staff; as a result we are able to provide our clients with unmatched staffing consistency and well trained personnel.
- Researching new professional pronouncements so that we are at the leading edge in preparing our clients to respond to all new requirements.
- Devoting resources to a strict quality control program including the funding of a quality control department.

About our firm

Vavrinek, Trine, Day & Co., LLP places within the top 90 public accounting firms in the United States. We employ over 200 professionals in our seven offices located in California. Our offices are located in Rancho Cucamonga (firm's headquarters), Sacramento, Pleasanton, Palo Alto, Riverside, Fresno, and Laguna Hills (Orange County).

Our focus on client service and commitment to quality has made VTD the firm of choice for local governments. Our staff in the Palo Alto will have the responsibility in serving the District.

Quality service begins with professionals who anticipate issues, listen to your needs, and deliver what they promise. Our successful delivery of audit services to the District depends on the people chosen to execute our audit plan. The team we have organized has extensive experience working with local governments and understands its methods of operations.

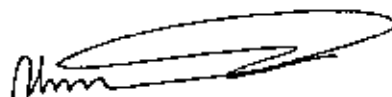
We believe that our references will show that we are the best selection. The choice of an audit firm should be primarily based upon staff. We have an extremely low percentage of employee turnover and we are confident that we will provide the District with consistent staff over the contract period. Vavrinek, Trine, Day & Co, LLP is an Equal Opportunity Employer.

We hope that as you read through this proposal, you recognize the philosophy of our firm which is to provide each of our clients with exceptional service, experienced staff, and an audit approach that will fit your needs. Our dedication to quality, professional standards and service are unmatched in the industry.

Thank you for providing us the opportunity to present our proposal. Should you have any questions, please feel free to contact Ahmad Gharaibeh, Partner, who is authorized to make representations on behalf of the firm at (650) 462-0400, email at agharaibeh@vtdcpa.com or the mailing address detailed on the cover page.

The offer is a firm, irrevocable offer for 60 days from the date of this proposal.

Very truly yours,



Vavrinek, Trine, Day & Co., LLP
Ahmad Gharaibeh
Partner

***SCHEDULE OF PROFESSIONAL
FEES*****Anticipated Staffing and Fees**

<u>Professional Staff</u>	<u>Quoted Hourly Rate</u>	<u>Hourly Rate [†]</u>	<u>Total</u>
		2013-14	\$ 17,000
		2014-15	\$ 17,000
		2015-16	\$ 17,000

Notes of Phone Conversation held with Dave Roberson, Jerry Shefren, Kim Griffin and me, Lee Michelson on January 27, 2014.

The purpose of the call was to discuss possible future projections regarding EBIDA share. Dave provided us with the following information:

1. HFS could do a thorough review of Sequoia Hospital financials, patient data and other key information including market –share data and present a 5 year projection. Anything else beyond 5 years would be difficult though 10 year projections have been done.
2. Assuming that data was made available to HFS by Sequoia Hospital on a timely basis, they could do this review in a 4-6 week timeframe at an approximate cost of \$60,000.
3. Included in the review would be a current look at the projections made in 2007. Dave was pretty confident that HFS still maintained these records and that some of the staff that worked on the original projections were still employed at HFS.
4. Given HFS's experience with this exercise, he believes the new projection would be based on the best information now available and a useful tool, but given the nature of projections and the unknown effects of the ACA, it may or may not turn out to be accurate.

Historical Comparison of District EBIDA Share

	2008		2009		2010		2011		2012		2013	
	<u>Actual</u>	<u>KH²</u>	<u>Actual</u>	<u>KH²</u>	<u>Actual</u>	<u>KH²</u>	<u>Actual</u>	<u>KH²</u>	<u>Actual</u>	<u>KH²</u>	<u>Actual</u>	<u>KH²</u>
Net revenues (per calculation) ¹	216,717	231,728	231,910	245,626	235,465	260,354	249,771	261,521	258,014	263,045	256,840	264,157
EBIDA (per calculation) ¹	28,157	31,925	33,891	34,361	26,857	36,488	27,544	35,716	23,995	34,941	23,514	32,273
EBIDA %	13.0%	13.8%	12.9%	14.0%	12.9%	14.0%	11.0%	13.7%	10.9%	13.3%	9.2%	12.2%
EBIDA share	2,252		6,162		2,479		2,158		2,114		127	
Adjusted admissions	11,723		11,932		11,980		11,469		10,830		9,980	
Acute ADC	78		77		72		72		71		63	
Psych ADC (closed Aug 2011)	15		15		15		11		1		-	
SNF ADC (closed Feb 2009)	13		7		-		-		-		-	
OBV/OIB days	n/a		n/a		n/a		1,744		1,292		1,556	
Corporate Overhead Allocation %	1.86%		1.87%		1.92%		1.86%		1.78%		1.74%	
Corporate Overhead Allocation \$	3,549		3,741		3,853		3,851		3,695		3,674	
<i>Based on Budgeted Operating Expense less IT & Corporate Allocations</i>												
IT Allocation %	2.66%		3.19%		3.32%		3.68%		3.86%		4.55%	
IT Allocation \$	5,065		6,376		6,685		7,630		8,393		9,584	
<i>Based on Budgeted Operating Expense less IT & Corporate Allocations</i>												

List of Services for OH allocations:

HR, Legal, Philanthropy/Mission Integration, Finance, Strategic Planning, Care Management, IT, Operations (includes Physician Integration, Performance Improvement & Transformational Care, OAG), administration (which includes Board governance, disaster preparedness among other functions), Treasury.

¹ The EBIDA share calculation has some exclusions which generally benefit the District

² Per the Kaufman Hall proforma