

525 Veterans Blvd. Redwood City, CA 94063

650-421-2155 Phone 650-421-2159 Fax

AGENDA

SEQUOIA HEALTHCARE DISTRICT

BOARD OF DIRECTORS ANNUAL ORGANIZATIONAL MEETING 4:30, Wednesday, February 1, 2017

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

- Call To Order And Roll Call
- Public Comment On Non-Agenda Items*
- ACTION 3. Consent Calendar President Faro
 - a. Approve December 6, 2016 Special Study Session Meeting Minutes
 - b. Accept December 7, 2017 Regular Meeting Minutes
 - c. November And December 2016 Financial Statements
 - 4. CEO/Staff Reports
 - a. CEO & State Of The District Reports Mr. Michelson
 - b. Healthy Schools Ms. Kurtzman
 - c. HeartSafe Mr. Nielsen
 - New Business
- ACTION
- Pursuant To Policies 4.5 And 6.6 Nominate And Appoint Slate Of Board Officers For Two-Year Terms - President Faro
- ACTION
- Proposal To Provide Audit Services From Vavrinek, Trine, Day For 2016-17, 2017-18 & 2018-19 - Mr. Michelson
- c. Update on Strategic Planning Report Mr. Michelson
- d. Director Requests For Future Agenda Items Per Board Policy 8.3 President Faro
- ACTION
- Adjourn to Closed Session For The Purpose Of:
 - a. CONFERENCE WITH LEGAL COUNSEL ANTICIPATED LITIGATION
 Consideration of initiation of litigation pursuant to Government Code Section 54956.9(d)(4) One potential case
- ACTION
- Reconvene To Open Session: Announce Any Reportable Actions Taken In Closed Session
- ACTION

8.

Adjourn. The Next Regular Meeting Of The Board Of Directors Of Sequoia Healthcare District Is Scheduled For 4:30 PM, Wednesday, April 5, 2017 District Conference Room, 525 Veterans Blvd., Redwood City, CA 94063

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.

Arthur Faro, Board President

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

MINUTES OF REGULAR MEETING BOARD OF DIRECTORS SEQUOIA HEALTHCARE DISTRICT December 7, 2016

Conference Room, 525 Veterans Boulevard Redwood City, CA 94063

Directors Present	Directors Excused	Also Present
Director Faro		Mr. Michelson, CEO
Director Griffin		Mr. Hudak, Legal Counsel
Director Hickey		Ms. Johnson, Recorder
Director Kane		·
Director Shefren		

1. Call to Order

By: President Faro Time: 4:30pm

President Faro announced that public comment will be heard on each agenda item.

2. Public Comment/Non-Agenda Items

There was no public comment.

3.a. - 3.b. Consent Calendar

Director Hickey asked that agenda item 3.c be removed from the Consent Calendar.

Motion: To approve agenda items 3.a (minutes) and 3.b (financials).

By: Director Shefren

Seconded by: Director Kane

Vote: 5-0 Motion Passed

Director Hickey stated that the CEO's salary is not appropriate as part of the Consent Calendar and should be discussed in an open forum so the public is aware of the process.

Motion: To approve agenda item 3.c (increasing CEO salary).

By: Director Kane

Seconded by: Director Griffin

Vote: 4-1 with Director Hickey opposed.

Motion Passed

4. CEO/Staff Reports

In addition to his written report, Mr. Michelson announced that the Oral Health Coalition lead staffing position has been filled.

Mr. Michelson and Cheryl Fama are scheduled to meet on Tuesday with the LAFCO consultants to discuss the municipal review process of the two districts.

Mr. Michelson introduced Peter Olsen and Gabe Meier of Peninsula Volunteers to discuss the LYFT pilot program at Little House. They explained the process which provides roundtrip transportation from home to Little House at a discounted fare. They are pleased with the number of repeat users and that more seniors have an opportunity for interaction and socialization rather than remaining at home alone.

At this point in the meeting, President Faro announced that Agenda Item 5.a would be heard next.

5. a. Samaritan House Update

Dr. Jason Wong provided an update on Samaritan House's food pharmacy, dental program and the mental health initiative. Hiring a bilingual mental health therapist is an ongoing challenge. The clinic continues to see an increasing number of patients.

4.b. HeartSafe Report

Mr. Nielsen announced that more than 600 people have been trained in CPR in the last two months. A survivor of SCA attended a class earlier today with his two friends who administered CPR and saved his life. They had all taken a CPR class at Menlo-Atherton High School.

4. a. Healthy Schools/Community Grants

Ms. Kurtzman has been focusing efforts on mental health concerns among youth within our schools and community. She is currently working with the District's consultant, Mike Newlin of Duerr Evaluation Resources, to outline individual data collection plans with partner school districts to provide information on mental health outcomes and the impact of HSI over the past 5 years.

As the Bay Area's cost of living continues to rise, local non-profit grantees are struggling to fill staffing and service position.

Director Hickey requested information on Ravenswood, Samaritan House and grantees.

5.b. Accept Certified Election Results From San Mateo County Registrar's Office and Recognize Ms. Kane and Ms. Griffin as Newly Elected Directors for the Term 12/2/2016-12/4/2020

Motion: To accept election results from San Mateo County Registrar's Office.

By: Director Shefren

Seconded by: Director Hickey

Vote: 5-0 Motion Passed

5.c Consider Revisions to the District's Employee Handbook

Motion: To approve the changes to the Handbook as presented.

By: Director Kane

Seconded by: Director Griffin

Vote: 4-1 with Director Hickey opposed

Motion Passed

Back-up information will be provided regarding the increase from 4% to 5% to the District's 401(k) match.

6. Adjourn to Closed Session

Adjourn to Closed Session For The Purpose Of Conference with Legal Counsel - Anticipated Litigation Government Code Government Code \$54956.9(a)

7. Reconvene to Open Session

Reconvene to Open Session. There was no reportable action taken in closed session.

8. Adjourn

Motion: At 6:40 PM adjourn meeting.

By: President Faro

Seconded by: Director Shefren

Vote: 5-0 Motion Passed



The next regular meeting of the Board of Directors of Sequoia Healthcare District is scheduled for 4:30 PM, Wednesday, February 1, 2017, Conference Room, 525 Veterans Blvd., Redwood City, CA.

Respectfully Submitted,

Kim Griffin Secretary

MINUTES OF STUDY SESSION MEETING BOARD OF DIRECTORS SEQUOIA HEALTHCARE DISTRICT December 6, 2016

Conference Room, 525 Veterans Boulevard Redwood City, CA 94063

Directors Present	Directors Excused	Also Present
Director Faro		Mr. Michelson, CEO
Director Griffin		Ms. Johnson, Recorder
Director Hickey		
Director Kane		
Director Shefren		

1. Call to Order

By: President Faro Time: 9:00 AM

2. Public Comment/Non-Agenda Items

President Faro asked if there was public comment and there was none.

Mr. Michelson stated that the purpose of today's meeting is to review the District's financial commitments for 2017-2020; review the progress of current goals; insure that the board and staff understand of our community and its health needs; discuss the direction of the next strategic plan; insure that board members have a good understanding of the healthy schools initiative and give direction to staff on moving forward.

Financial Commitments:

It is assumed that that the District's tax income will increase by approximately 5% each year. Adding our current commitments to programs that may be funded again, the District will have approximately \$3.3 million available for new grants and programs in fiscal year 2017-18. The Board expressed interest in the new Middlefield Junction project partnering with the city and county. Mr. Michelson will arrange for a presentation to the Board at the April meeting.

Director Shefren asked that it be made clear to the taxpayers that it is the District's intent to pay for administrative expenses out of reserves and other non-tax income.

Health Data:

Mr. Michelson reported that the District hired ASR to work with District zip codes and compile the demographics and health indicators to provide a better vision of health needs within our district instead of just relying on the County Needs Assessment. The study will also be provided to the Community Grants Committee as a guide to needed services.

Strategic Plan:

The next update of the current strategic plan will be presented at the February meeting and in the meantime, Directors Kane and Shefren will begin working with staff on a new plan.

Healthy Schools Initiative:

Ms. Kurtzman provided an overview of the Healthy Schools Initiative and the challenges of pre-schools and charter schools within the eight school districts with which we partner.

The Board would like to hear from representatives of both the charter schools and the public schools to understand how this growing movement is impacting the health and well-being of the students

Director Griffin and Ms. Kurtzman have been meeting with school nurse representatives to consider various options to help alleviate the school nursing shortage. A presentation will be brought to the Board at a later date.

Ms. Kurtzman also noted that the District does not support many services for 0-5 or 18-25 population. We will begin to look to influence the youngest age possible and that may mean more pre-school programming. Additionally, staff will investigate the health needs of the 18-25 population and see how we can partner with places like Cañada College to provide support.

Community Grants Program:

We will continue with the current \$2.1 million budget as our guideline but after assessing the amount requested through the normal process, the committee may come back to the Board for additional funds. Nonprofits will be encouraged to partner to provide health-related services.

4. Adjourn

Motion: At 2:20 PM adjourn meeting.

By: Director Kane

Seconded by: Director Faro

Vote: 5-0 Motion Passed

The next regular meeting of the Board of Directors of Sequoia Healthcare District is scheduled for 4:30 PM, Wednesday, December 7, 2016, District Conference Room, 525 Veterans Blvd., Redwood City, CA.

Respectfully Submitted,

Kim Griffin Secretary

SEQUOIA HEALTHCARE DISTRICT Balance Sheet Fiscal Year 2016-17

	July	August	September	October	November	December	January	February	March	April	May	June
ASSETS			_									
Current Assets												
Cash (WF-MMA)	4,569,349.91	3,769,867.54 \$	2,870,295.36 \$	2,470,641.32 \$	2,970,974.71 \$	7,321,572.07						
Cash (WF)	111,103.00	80,255.84	153,204.84	72,457.51	161,694.24	438,020.76						
Cash from Investments	540,995.70	540,995.70	540,995.70	540,995.70	540,995.70	540,995.70						
Cash Equivalents	9,891,507.51	9,886,061.51	9,892,215.51	9,888,581.51	9,849,917.51	9,855,637.51						
Total Current Assets	15,112,956.12	14,277,180.59	13,456,711.41	12,972,676.04	13,523,582.16	18,156,226.04	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	527,129.57	527,129.57	527,129.57	527,129.57	527,129.57	527,129.57						
Tenant Improvements	215,113.29	215,113.29	215,113.29	215,113.29	215,113.29	215,113.29						
Improvements-Classroom	83,410.44	83,410. 44	83,410.44	83,410.44	83,410.44	83,410.44						
Equipment	68,615.18	68,615.18	68,615.18	68,615.18	68,615.18	68,615.18						
Furniture	28,259.91	28,259.91	28,259.91	28,259.91	28,259.91	28,259.91					-	
Accumulated Depreciation	(1,818,319.59)	(1,824,439.34)	(1,830,559.09)	(1,836,678.84)	(1,842,798.59)	(1,848,918.34)						
Net Property/Plant/Equipment	636,676.15	630,556.40	624,436.65	618,316.90	612,197.15	606,077.40	0.00	0.00	0.00	0.00	0.00	0.00
Total Assets	15,749,632.27	14,907,736.99	14,081,148.06	13,590,992.94	14,135,779.31	18,762,303.44	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	1,957,209.04	1,217,585.87	1,216,906.28	1,216,906.28	1,042,906.28	1,042,906.28						
Total Current Liabilities	1,964,124.04	1,220,750.87	1,220,071.28	1,220,071.28	1,046,071.28	1,046,071.28	0.00	0.00	0.00	0.00	0.00	0.00
Fund Balances												
Invested in Capital Assets	639,630.00	639,630.00	639,630.00	639,630.00	639,630.00	639,630.00						
Fund Balance	14,365,210.07	14,365,210.07	14,365,210.07	14,365,210.07	14,365,210.07	14,365,210.07						
Net Surplus/Loss	(1,219,331.84)	(1,317,853.95)	(2,143,763.29)	(2,633,918.41)	(1,915,132.04)	2,711,392.09						
Total Fund Balance	13,785,508.23	13,686,986.12	12,861,076.78	12,370,921.66	13,089,708.03	17,716,232.16	0.00	0.00	0.00	0.00	0.00	0.00
Total Liabilities & Fund Balance	15,749,632.27	14,907,736.99	14,081,148.06	13,590,992.94	14,135,779.31	18,762,303.44	0.00	0.00	0.00	0.00	0.00	0.00

SEQUOIA HEALTHCARE DISTRICT Income Statement Fiscal Year 2016-17

NCOME Rental Income 3,850.34 4,004.36 4,004.3	<u></u>	Variance
Rental Income 3,850,34 4,004.36 4,004.36 4,004.36 4,004.36 4,004.36 4,004.36 4,004.36 4,004.36 4,004.36 5,206.26 5,20	e Budget 16-17	Amount Perce
Tax Revenue		
Investment Income	4 48,048.00) (24,175.86) -50
Reference 651.76 521.48 430.60 347.42 336.57 608.42	7 11,000,000.00	(4,949,494.13) -45
Pension Income) 150,000.00	(181,856.00) -121
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Bank Fees 0.00 0.00 0.00 0.00 0.00 30.00		
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	9 4,392,100.00	455,955.11 9
Property Expenses		
Maintenance 1,165.00 944.46 1,486.80 1,780.00 1,157.00 1,629.46	22,500.00	
Utilities 1,269.07 2,493.86 3,137.65 2,443.19 2,239.46 1,672.04 13,25	30,000.00	0 16,744.73 55
Property Insurance 1,573.72 0.00 0.00 0.00 0.00 0.00 1,57	2,000.00	0 426,28 21
Depreciation 6,119.75 6,119.75 6,119.75 6,119.75 6,119.75 6,119.75 36,119.75 6,119.75 6,119.75	73,000.00	0 36,281.50 49
Total Property Expenses 10,127.54 9,558.07 10,744.20 10,342.94 9,516.21 9,421.25 0.00 0.00 0.00 0.00 0.00 59,71	127,500.00	0 67,789.79 53

SEQUOIA HEALTHCARE DISTRICT Income Statement Fiscal Year 2016-17

															Variance	2
	July	August	September	October	November	December	January	February	March	April	May	June	Year to Date	Budget 16-17	Amount	Percent
Grant Expenses																
Grant Admin Expenses	501.40	165.92	832.52	18,022.39	572.23	297.38							20,391.84	45,000.00	24,608.16	54.7%
Grant Admin Payroll	7,049.07	6,116.62	6,074.76	6,074.77	6,074.62	10,335.10							41,724.94	80,000.00	38,275.06	47.8%
SFSU Nursing Program	0.00	0.00	627,054.00	0.00	0.00	0.00							627,054.00	613,000.00	(14,054.00)	-2.3%
Samaritan House Grant	170,644.00	0.00	0.00	170,644.23	0.00	0.00							341,288.23	683,000.00	341,711.77	50.0%
Other Grants	3,000.00	10,000.00	320.00	8,500.00	0.00	1,633.50							23,453.50	90,000.00	66,546.50	73.9%
San Mateo Medical Ctr. So County	0.00	0.00	0.00	0.00	0.00	0.00							0.00	537,000.00	537,000.00	100.0%
Ravenswood	0.00	0.00	0.00	0.00	0.00	0.00							0.00	700,000.00	700,000.00	100.0%
Community Grants Program	0.00	0.00	0.00	0.00	0.00	0.00							0.00	2,100,000.00	2,100,000.00	100.0%
Mission Hospice	500,000.00	0.00	0.00	0.00	0.00	0.00							500,000.00	500,000.00	0.00	0.0%
PFS-Sequoia 70	100,000.00	0.00	0.00	178,381.50	2,336.25	0.00							280,717.75	813,000.00	532,282.25	65.5%
Oral Health Coalition	0.00	0.00	0.00	0.00	0.00	0.00							0.00	50,000.00	50,000.00	100.0%
2016-17 New Grants & Programs	0.00	0.00	0.00	10,000.00	0.00	0.00							10,000.00	1,100,510.00	1,090,510.00	99.1%
Total Grant Expenses	781,194.47	16,282.54	634,281.28	391,622.89	8,983.10	12,265.98	0.00	0.00	0.00	0.00	0.00	0.00	1,844,630.26	7,311,510.00	5,466,879.74	74.8%
D																
Program Expenses	0.00	2,063.03	3,991.45	6,662.30	5,167.53	2,147.50							20,031.81	58,000.00	37,968,19	65.5%
Living Healthy HeartSafe Admin Expense	20,000.00	145.00	275.30	604.56	75.00	75.00							· 	. 		45.7%
HeaftSafe Payroll	5,323.43	4,808.24	4,808.24	4,808.24	4,808.22	7,212.31							21,174.86 31,768.68	39,000.00 64,000.00	17,825.14 32,231,32	50.4%
HeaftSafe Training & Equipment	2,033.63	59.28	1,852.13	31.05	10,655.42	242.42							14,873.93	31,000.00	16,126.07	52.0%
School Health Admin	300.00	425.00	1,650.71	775.54	3,647,61	1,399,92							8,198.78	35,000.00	26,801.22	76.6%
School Health Payroll	7,825.93	8,310.72	8,894,43	7,448.22	8,642.01	10,969,63							52,090.94	160,930.00	108,839.06	67.6%
School Health Grants	333,115.00	26,550.07	130,525.00	4,000,00	175,569,74	275,642,00							945,401,81	3,300,560.00	2,355,158.19	71.4%
Total Program Expenses	368,597.99	42,361.34	151,997.26	24,329,91	208,565,53	297,688,78	0.00	0.00	0.00	0.00	0.00	0.00	1,073,509.00	3,688,490.00	2,614,981.00	70.9%
Total Togiam Expenses	300,371.77	12,501.57	131,772120	4-19-3-2-7-71	200,303.33	277,000.70	0.00	0.00	0.00	0.00	0.00	0.00	1,073,307,00	3,000,770.00	2,017,701.00	10.770
Total Expenses	1,227,847.94	97,601.95	861,703.66	497,717.13	266,672.98	4,182,482.51	0.00	0.00	0.00	0.00	0.00	0.00	7,113,994.36	15,719,600.00	8,605,605.64	54.7%
Net Surplus/Loss	(1,219,331.84)	(98,522.11)	(825,909.34)	(490,155.12)	718,786.37	4,626,524.13	0.00	0.00	0.00	0.00	0.00	0.00	2,711,392.09	(713,852.00)	(3,425,244.09)	

2016-17 Budget by Month

							Total	Projected		
Income	July	August	September	October	November	December	To Date	To Date	Difference	Budget
Rental Income	3,850.34	4,004.36	4,004.36	4,004.36	4,004.36	4,004.36	23,872.14	23,000.00	872.14	48,048.00
Tax Revenue	0.00	0.00	25,205.36	6,844.23	1,019,782.42	4,998,673.86	6,050,505.87	5,500,000.00	550,505.87	11,000,000.00
Investment Income	4,014.00	(5,446.00)	6,154.00	(3,634.00)	(38,664.00)	5,720.00	(31,856.00)	75,000.00	(106,856.00)	150,000.00
Interest Income	651.76	521.48	430.60	347.42	336.57	608.42	2,896.25	3,000.00	(103.75)	7,700.00
Pension Income	0.00	0.00	0.00	0.00	0.00	3,800,000.00	3,800,000.00	3,800,000.00	0.00	3,800,000.00
Total Income	8,516.10	(920.16)	35,794.32	7,562.01	985,459.35	8,809,006.64	9,845,418.26	9,401,000.00	444,418.26	15,005,748.00
Expense										
Admin. Expense	511.35	734.70	794.94	561.16	550.01	909.85	4,062.01	5,000.00	(937.99)	12,000.00
Admin. Payroll	20,673.20	18,093.25	17,925.85	17,925.85	17,925.85	32,922.56	125,466.56	110,000.00	15,466.56	240,000.00
Board Health Insurance	2,712.88	2,747.99	2,259.29	6,410.16	1,502.88	6,101.53	21,734.73	30,000.00	(8,265.27)	68,000.00
Employee Health Insurance	2,985.70	3,780.17	3,780.17	2,255.03	3,780.17	4,150.61	20,731.85	20,000.00	731.85	40,000.00
Employee Retirement Benefit	1,509.58	1,376.36	1,376.36	1,376.36	1,376.36	2,356.17	9,371.19	10,000.00	(628.81)	21,000.00
Investment Fees	0.00	0.00	0.00	7,071.55	3,750.00	0.00	10,821.55	23,000.00	(12,178.45)	46,000.00
Office Supplies/Equip Maint	1,144.19	47.53	241.17	290.68	964.09	205.87	2,893.53	5,000.00	(2,106.47)	11,000.00
Accounting fees	0.00	0.00	15,000.00	0.00	0.00	3,000.00	18,000.00	21,000.00	(3,000.00)	21,000.00
Board Expense	0.00	0.00	50.60	30.14	0.00	315.92	396.66	1,000.00	(603.34)	6,500.00
Associations/Membership	7,500.00	0.00	10,000.00	0.00	0.00	0.00	17,500.00	18,000.00	(500.00)	18,000.00
Communications	0.00	475.00	0.00	25,040.63	587.28	275.99	26,378.90	27,000.00	(621.10)	30,000.00
Web Site/IT	1,700.00	3,145.00	4,186.54	4,873.83	4,701.50	12,353.00	30,959.87	30,000.00	959.87	66,000.00
Gen'l Liability & D&O Insurance	29,191.04	(1,000.00)	0.00	(197.00)	0.00	(1,000.00)	26,994.04	29,000.00	(2,005.96)	29,000.00
Election Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	150,000.00
LAFCO fees	0.00	0.00	0.00	5,783.00	0.00	0.00	5,783.00	8,500.00	(2,717.00)	8,500.00
Legal Fees	0.00	0.00	9,066.00	0.00	4,470.00	1,485.00	15,021.00	12,500.00	2,521.00	25,000.00
Bank Fees	0.00	0.00	0.00	0.00	0.00	30.00	30.00	0.00	30.00	100.00
Pension	0.00	0.00	0.00	0.00	0.00	3,800,000.00	3,800,000.00	3,800,000.00	0.00	3,800,000.00

							Total	Projected		
Property Maintenance	July	August	September	October	November	December	To Date	To Date	Difference	Budget
Maintenance	1,165.00	944.46	1,486.80	1,780.00	1,157.00	1,629.46	8,162.72	10,000.00	(1,837.28)	22,500.00
Utilities	1,269.07	2,493.86	3,137.65	2,443.19	2,239.46	1,672.04	13,255.27	15,000.00	(1,744.73)	30,000.00
Property Insurance	1,573.72	0.00	0.00	0.00	0.00	0.00	1,573.72	2,000.00	(426.28)	2,000.00
Depreciation	6,940.33	6,940.33	6,119.75	6,119.75	6,119.75	6,119.75	38,359.66	36,000.00	2,359.66	73,000.00
Grants										
Grant Admin Expenses	501.40	165.92	832.52	18,022.39	572.23	297.38	20,391.84	22,000.00	(1,608.16)	45,000.00
Grant Admin Payroll	7,049.07	6,116.62	6,074.76	6,074.77	6,074.62	10,335.10	41,724.94	40,000.00	1,724.94	80,000.00
SFSU Nursing Program	0.00	0.00	627,054.00	0.00	0.00	0.00	627,054.00	613,000.00	14,054.00	613,000.00
Samaritan House Grant	170,644.00	0.00	0.00	170,644.00	0.00	0.00	341,288.00	341,000.00	288.00	683,000.00
Other Grants	3,000.00	10,000.00	320.00	8,500.00	0.00	1,633.50	23,453.50	40,000.00	(16,546.50)	90,000.00
San Mateo Medical Ctr. So County	0.00	0.00	0.00	0.00	0.00	0.00	0.00	250,000.00	(250,000.00)	537,000.00
Ravenswood	0.00	0.00	0.00	0.00	0.00	0.00	0.00	350,000.00	(350,000.00)	700,000.00
Community Grants Program	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,100,000.00
Mission Hospice	500,000.00	0.00	0.00	0.00	0.00	0.00	500,000.00	500,000.00	0.00	500,000.00
PFS-Sequoia 70	100,000.00	0.00	0.00	178,381.50	2,336.25	0.00	280,717.75	450,000.00	(169,282.25)	813,000.00
Oral Health Coalition	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50,000.00
2016-17 New Grants & Programs	0.00	0.00	0.00	10,000.00	0.00	0.00	10,000.00	10,000.00	0.00	1,100,510.00
Programs										
Living Healthy	0.00	2,063.03	3,991.45	6,662.30	5,167.53	2,147.50	20,031.81	25,000.00	(4,968.19)	58,000.00
HeartSafe Admin Expense	20,000.00	145.00	275.30	604.56	75.00	75.00	21,174.86	30,000.00	(8,825.14)	39,000.00
HeaftSafe Payroll	5,323.43	4,808.24	4,808.24	4,808.24	4,808.22	7,212.31	31,768.68	30,000.00	1,768.68	64,000.00
HeaftSafe Training/Equip	2,033.63	59.28	1,852.13	31.05	10,655.42	242.42	14,873.93	15,000.00	(126.07)	31,000.00
School Health Admin	300.00	425.00	1,650.71	775.54	3,647.61	1,399.92	8,198.78	15,000.00	(6,801.22)	35,000.00
School Health Payroll	7,825.93	8,310.72	8,894.43	7,448.22	8,642.01	10,969.63	52,090.94	70,000.00	(17,909.06)	160,930.00
School Health Grants	333,115.00	26,550.07	130,525.00	4,000.00	175,569.74	275,642.00	945,401.81	1,500,000.00	(554,598.19)	3,300,560.00
Total Expenses	1,228,668.52	98,422.53	861,703.66	497,716.90	266,672.98	4,182,482.51	7,135,667.10	8,514,000.00	(1,378,332.90)	15,719,600.00

CEO Report: State of the District- February, 2017

- 1. Strategic Planning: the sub-committee, consisting of Board members Katie Kane and Jerry Shefren and staff members Lee Michelson and Pamela Kurtzman, have been meeting to discuss the desired process as well as the individuals that we hope to meet with over the next few months. The goal is to complete a draft of a plan by April or May for Board review and a final version by the June or at the latest August Board meeting.
- 2. ACHD: I have been asked to join their Executive Committee and Board meetings are scheduled February 9-10 in Burbank and April 3-5 in Sacramento in association with legislative days. Dave Mc Ghee has moved on to Beta Insurance and Tom Peterson and Curt Jones have retired.

3. Program news:

- Apple Tree Dental: Cheryl Fama and I have been meeting with their staff
 to discuss marketing and fundraising in the hope to grow their presence
 and to obtain the funds that they need to continue to provide services
 especially to the most at risk populations.
- Hospice House: Things are going better than even expected and Mission Hospice is now looking for a second house, ideally in Redwood City.
 Occupancy at the San Mateo location has been near capacity.
- Meals on Wheels: Board and staff are invited to participate in the annual Mayor's delivery on Wednesday March 22nd. The program has greatly expanded this year and they are now providing service in the north end of the County.
- Redwood City 2020: will be holding its first fundraising event on February 15 at the Fox Forum. The featured speaker will be former 49er Steve Bono and the master of ceremonies will be Rich Gordon.
- Ravenswood Health Center: will be holding its 15th year celebration on Friday March 3rd at the Computer Museum in Mountain View. Tickets are \$200 each.

- CDA Cares: we have reached our fundraising goal of \$200,000 and have the resources that we need for a successful event. Over the next couple of months the push will be to secure the 1,800 volunteers needed for the weekend. Volunteers must be 18 years of age or older.
- Food Pharmacy: the Food Pharmacy program has expanded to the Samaritan House San Mateo location also and has been well-received by the patients and the physicians.
- Living Healthy Workshops: are currently being offered at 3 locations: NFO Older Adult Center, Belmont Library and San Carlos Adult Activity Center and attendance is near capacity of 16 per class.
- 70 Strong: Board members are encouraged to attend our official launch on February 1 at 2:30 pm at the Box Headquarters in downtown Redwood City.

4. Financial update

- Pension program- The pension committee meets in March. A recent payment of \$3.8 million was received from Dignity Health with that same amount anticipated for the next 2-3 years.
- Investments- our performance has been less than anticipated. I had a long discussion with the staff of Franklin Templeton who is projecting a positive return of \$165,000 over 2017. This is based on our current investment portfolio of about \$10.5 million.
- 5. LAFCO: all the requested documents have been submitted to the review panel. We anticipate in-person meetings but nothing has been scheduled.
- 6. State of the District summary: We have committed \$10.3 million of the anticipated \$11 million in tax income for grants and programs and anticipate recommending to the Board our plan for spending the remaining \$700,000 at the April Board meeting. One of the key factors will be the total requested funding from the community grants program.

Pamela Kurtzman Staff Report December 2016-January 2017

Activity Summary

I. Healthy Schools Initiative Updates:

School Mental Health- update

- Completed interviews with all 8 school district administrators and mental health providers and now formalizing our data collection plan with Mike Newlin.
- Still exploring the feasibility of bringing the Australian-based model, "Headspace" teen mental health drop-in center to our local community. Continuing discussions with Boys and Girls Club RWC as a potential site for this model.

• San Mateo County School Wellness Advisory Committee

My recent work on the committee has involved planning our next summit to be held on Jan 25th to examine racial equality in education and how the legacies of history manifest themselves in our present society and, specifically, how the past informs institutional practices and decision-making processes. Milton, Reynolds, from *Facing History and Ourselves*, an organization that works to empower young people to confront bigotry and anti-Semitism, will be our keynote speaker.

School Nursing Concerns- Update

Kim Griffin and I continue to develop our plan to address school nursing challenges that include diabetic students, special education and medically fragile students, and the lack of skilled and credentialed school nurses. Several options to help address these issues will be presented at our April Board meeting.

• HSI Grants

- 2016-17- Mid-year reports were received on Jan 19th and a review of the status of these programs will be provided to the Board at our February Board meeting.
- 2017-18- Information sessions were held on Jan 10th and Jan 12th and LOI's are due Feb 16. I will distribute LOI's to Wellness Coordinators the week of Feb 20th and full applications will be due March 31st.

HSI parent newsletter

The latest San Carlos and Belmont newsletters have been produced covering the topics of student stress and anxiety and safety. We've been getting great positive feedback from parents who enjoy reading these newsletters. Please view them at our SHD website under HSI.

PE+

Update

A total of 9 PE+ head coaches have committed to becoming certified substitute teachers for the RWC school district. Again, we're hoping this strategy will help us retain our best PE+ coaches from year-to year, increase teacher satisfaction by eliminating their requirement to stay with their class during PE time, and help solve a critical sub-teacher shortage in the school district.

Julie Engberg has begun work with ASR to develop student surveys to measure student knowledge and behavior change related to the Health Huddles (nutrition education) component of PE+. Surveys will also be developed for coaches and classroom teachers to get feedback on lesson plans and teaching materials as new curriculum is developed and existing curriculum is refined. This work is expected to continue through March or April 2017.

II. Caring Community Grants

- 2016-17- We received mid-year reports due on Dec 19th. A full progress report will be provided to the Board at our February Board meeting.
- 2017-18- The timeline for LOI and full applications is the same as for HSI above. Our first grants committee meeting to review LOI's will be on Jan 28th.

III. Healthy Kids

Our next meeting of the Advisory Committee will take place on January 27th. I will provide an update to the Board at our February Board meeting.

IV. Additional Activities

- Assisting with 70 Strong efforts
- Assisting with District Strategic Planning

Committees

- o San Mateo County School Health Alliance Co-Chair (meets each month)
- Redwood City School District Wellness Committee (Meets 2nd Tuesday each month)
- Sequoia Union High School District Wellness Advisory Committee (WAC) (meets 3rd Monday each month)
- Belmont- Redwood Shores Wellness Committee (meets 3rd Thursday each month)
- San Carlos School District Wellness Committee (meets 3rd Tuesday each month)
- Las Lomitas Wellness Committee

V. Attachment

Updates from our Wellness Coordinators



Wellness Coordinator Activity Highlights December 2016/Jan 2017

Redwood City

- Social Emotional Learning: Planned and implemented two separate workshops in December 2016 and January 2017 with WestEd using their School Climate Toolkit facilitation process to create an implementation plan for high-leverage school climate improvement activity. One meeting was with school principals to develop a districtlevel rationale for school climate improvement. The other meeting was at North Star Academy to define a rational for a specific high-leverage activity that they had already implemented (a teacher-student mentoring program.)
- Make Time for Fitness: Participating in meetings to improve the integration spring field trip event and lessons that take place at school throughout the year. Dairy Council of California nutrition lessons and PE+ tobacco lessons have been developed to support information presented at event learning stations. Also working with IT department to develop an online system for administering the pre- and post-tests for the event.
- Supporting nursing services: Staffing, immunization compliance, mandated screenings, etc. Presenting at Office Managers meeting monthly to maintain communication between departments and strengthen working relationship so that schools and nurse continue to work together as a team.

San Carlos

- Our PE, Counseling, Psychology, and Science staff engaged in second, two-day professional development series around next steps in SEL implementation, student assessment and reporting technology. Action plans for PE and Mental Health are being finalized at this time. Crystal Collins, District Nurse, and Mindy continue working with other SCSD staff, parents and experts in the field to create engaging parent education events.
- We will survey all 4th, 5th, 6th & 7th grade students, parents and teachers with the California Healthy Kids core and supplemental surveys for Resilience, Physical activity and Nutrition in February.
- SCSD Wellness Fair: We are beginning planning for our wellness fair in partnership with the City of San Carlos and Sequoia Healthcare District. The fair will take place on May 21st and 22nd as part of the San Carlos Hometown event in Burton Park. We expect a large gathering again this year over the two days with healthy activities being planned for the "Sequoia Healthcare District Wellness Wing". More info to come!

Belmont- Redwood Shores

- Implementation of our newly adopted social-emotional learning curriculum: Implementation continues to go well in elementary schools. Finding time is challenging but teachers seem to like the program and find it very user friendly. Several principals have reported seeing a difference on the playground and appreciate having common language to use across the school.
- Building a system of Positive Behavior Intervention & Support (PBIS) at all school sites:
 Our Middle School Dean and I attended the national PBIS conference last week in SF and are planning on sharing and implementing some of what we learned. Schools implementing PBIS continue to see positive impact and are continuing to build their programs.
- Professional development and parent education around helping students develop a
 Growth Mindset: Our parent ed night was a success with over 150 people in
 attendance. The Learning and The Brain conference on mindset that we attended in
 February was great and we were able to bring back a number of resources to share.
 Instilling a growth mindset is one of our strategic plan goals. The district is forming a
 Strategic Plan Advisory Group to help guide implementation
- Continuing to enhance our PE coaching program: Our final coach training of the year
 was our tennis training and it went well. We were able to order tennis equipment for
 2 of our schools at a great discount. PE coaches are preparing to help with physical
 fitness testing later in the spring. Our head coach and I are working out how to
 provide PE to our Nesbit middle school students next year as we expand that program
 to include 7th grade.

Las Lomitas

- Our school nurses work daily to assist students with their health care needs and
 advocate for improved school health by acting as a liaison between teachers, parents,
 administrators and the community. Our district administrators are demonstrating
 increased support by making the health of all of our students a high priority. As
 always we are greatly appreciative of the support the Sequoia Healthcare District.
- Dental Health Education: Arranged for "Give Kids a Smile" program to come to our school on Feb 3rd and educate 120 first graders about dental health. They also provided resources for dental care for underserved populations at our school.
- Safety and Health Screenings: Successful blended online and skills practice CPR/First
 Aid class at Las Lomitas where staff members received a 2yr AHA certification. Hearing
 and vision screening completed for all Kindergarten, 2nd and special ed students.
 Planning safe route for after school walking group to be held once or twice per week
 and planning blood drive for Spring 2017 in conjunction with a mini-health fair.
- School Health Index: Completing work with Mindy Hill of SCSD who has been providing instruction and guidance for implementing the surveys. Our goal is to complete it by December.

Sequoia Union

- CPR training for freshmen: Finishing up training for the four year cycle. 9,000+ district students will have been trained in "Hands Only" CPR, choking, and AED use as of Dec 14, 2016!
- Concussion screening and prevention education: Making plans to expand ImPact baseline and post-injury testing to include a larger number of student-athletes in 2016-17. Piloting the Brainbook concussion curriculum at Carlmont (one of four Bay Area schools) and offering the Brainbook curriculum to all SUHSD sites in 2016-17.
- Mental Health Task Force: Working with the Superintendent and site-based mental health coordinators to evaluate the district's current mental health services, identify needs, and develop a mental health resource sheet and flowchart for each school site, based on the "Red Folder Initiative" at the UC and CSU campuses.
- Suicide Prevention: Working with partners county-wide to develop a Suicide Prevention/Intervention/Postvention Toolkit.
- Alcohol, Tobacco, and Other Drugs: In the final stages of developing a 5 day ATOD curriculum, which will be piloted in select freshmen Life Skills classes during the first quarter of Fall, 2016 at all school sites.

Woodside Elementary

- CPR Training: The Heart Safe Program was completed by 37 staff members in February
- Nutrition Education: Chop Chop Nutrition was started in 2nd grade. Chop Chop coincides with the replanting of the spring garden. The students consumed over 100 salads from the garden this month
- Social- Emotional Learning (SEL): Brie Mathers "Love the Skin You're In" presented to our middle school girls. The middle school boys attended a companion assembly. A "girls leadership group" that teaches girls to know who they are, what they believe, and how to express it, empowering them to change the world."
- Dental Health Education: was completed for all kindergarten and 1st grade students
- School Health Index: Completion is moving forward
- "Wellness Month": scheduled for April. This includes a series of activities, challenges, competitions and educational programs for students and staff. S.E.L. continues to be a focus during "Wellness Month".

Menlo Park City

- Elementary counselors at each school site continue to teach lessons focused on CASEL's 5 Core Personal Competencies. They deliver these lessons in all classrooms and incorporate Restorative Practices as well as site-specific Social-Emotional Learning (SEL) goals for each grade level. In collaboration with these efforts, the middle school has continued its Character Education, now called "Community Wellness" program for the 2016-2017 school year, with new lessons derived from Hillview Middle School's themes, the 3Cs: "Character, Collaboration, and Commitment to Learning." Lessons are organized by the school counselors, taught during PE classes, and led by staff, parent volunteers, and 8th grade student leaders.
- The connects to the Tier 3 Positive Behavior Intervention Programs run at each school site. These programs won the Kent Award last year and support our students in most need of caring adult relationships and positive behavior intervention. Students can exit out of the program once they meet their individual goals, or they can continue in the program once they get to the middle school level. Lastly, MPCSD continues the work it began in September 2015 with the LGBTQQ advocacy group, Gender Spectrum. In accordance with amended California Education Code 221.5, at the start of the start of the 2016-2017, each of our now five school sites has one designated "gender neutral" bathroom with a new District approved bathroom sign.
- As the school year ramped up, MPCSD continued to assess and refine all of its social-emotional learning and health related programs. The District recognized it needed to do more community outreach with our East Palo Alto families. Community Liaison, Flor Espinal, was hired at the start of the school year to engage and partner with our EPA families and this collaboration has been incredibly impactful! Additionally, all four District schools have been trained in and adopted the methodology from the International Institute for Restorative Practices, specifically the Restorative Justice program at the middle school, which is a process for suspension diversion. All Restorative Practices are aimed at creating human connection between adults and students on campus, as well as engender an empathic school culture.

Portola Valley

- Wellness Champions at PVSD will meet in February to finalize our Wellness Month for March. We received \$5,100 from the PV Foundation to run a month filled with activities for staff, students, and the community.
- Parent Ed: Had a great turn out for our event, Reducing Stress and Anxiety for Your Child by Dr. Joseph Gumina and had a lot of positive feedback.
- Nutrition Ed: Finishing up our healthy snack/ trail mix activity at the sites with the middle school students making nutrition labels and creating a healthy snack, along

with doing a movement activity so that students can see how long it takes to burn off 100 calories, etc.

- Staff Wellness: Offering Zumba class on Fridays for an hour for all staff who want to attend- staff have a great time exercising and laughing as we all try to do the moves!
- Challenges: This has been a lot of work- and everyone on the team has a full time job (teachers, administrator, counselors)- no one has extra prep time for this so we have to work outside our school day and we each receive a small stipend through the grant.

HeartSafe Program

Activity Summary for Dec 2016 & Jan 2017

HeartSafe Region Task Force Meetings

Attend and participate in regional planning and support.

AED / CPR Trainings – Over 300 persons trained!

- Pubmatic Organization
- D Tech High School
- SHCD Adult CPR Classroom sessions
- Menlo Atherton High School
- SHCD Infant CPR Classroom Sessions

AED / CPR Scheduled Trainings

- Jasper Ridge Farm
- Woodside Priory
- San Carlos Adult Center
- D Tech High School
- SHCD Infant CPR Classroom Sessions
- Menlo Atherton HS health fair

- Sports House
- Hearing Loss Assn of San Mateo County
- SHCD Adult CPR Classroom sessions
- Belmont Little League
- Belmont Redwood Shores School District
- Carlmont High School

Another High School Screening

Our next screening is scheduled for Sunday, January 29th in cooperation with the Via Foundation and the Sequoia Union High School District. This screening will be held at Menlo Atherton High School and is open to all District students. More than 400 students have pre registered!

Family & Friends Photographs













Conference Attendance Form

Staff member: G. Nielsen

Conference attended: Parent Heartwatch

Location: Tucson

Dates: Jan 12 to Jan 15, 2017

Summary of your participation:

- 1) Attended scheduled programs and related events.
 - a. New skills for CPR / AED training
 - b. Heart Screenings
 - c. To charge or not to charge (for heart screenings)
 - d. Cell phone AEDs are on the way!
 - e. General assemblies

How did attending conference benefit you?

- 1) Gained further experience running a large-scale heart screenings
- 2) Continuing education re Cardiac Arrest
- 3) Presentations and discussions regarding AED and CPR programs
- 4) Learned new CPR guidelines
- 5) Networking

Conference attendance approved by: CEO



Agenda Item 5.B Board of Directors Mtg. 2-1-17

January 20, 2017

Sequoia Healthcare District Ms. Janeene Johnson, Executive Coordinator 525 Veterans Boulevard Redwood City, CA 94063

Dear Ms. Johnson:

We are pleased to submit our proposal to provide audit services for Sequoia Healthcare District (District). We provide auditing services to regional governments including, counties, cities and various types of special districts throughout California.

Our success has been driven by utilizing staff that is experienced and well trained in governmental operations. We understand the requirements, and understand that the District desire a timely audit conducted in a professional manner. We are committed to perform our work within the strict timelines and to meet all of the requirements of the District. We recognize that communication, expertise and audit approach are important factors to deliver an effective audit. We have addressed each factor as follows:

Experience

Vavrinek, Trine, Day & Co., LLP provides governmental auditing services to over 500 governmental agencies and our experience include counties, cities, hospitals, transportation agencies, water and sanitation and a variety of special districts.

- The Staff assigned to perform the audit are experienced personnel who performed audit services to clients within an industry similar to yours.
- 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 GASB pronouncements and single audit reporting requirements including GASB 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

Communication

We will be in constant communication regarding each aspect of the audit throughout the entire process. You will not have any surprises at the end of the audit:

- The partner in charge of the engagement will spend time on-site during the audit and will meet with management and the Board as necessary to ensure communication lines remain open, that any outstanding issues are resolved timely, and that all needs are met.
- Present to you a clear audit plan at early stages of the audit.
- Entrance, weekly and exit meetings to keep you posted about the status of the audit.
- Use of portal technology to share and collaborate documents.
- Return your inquiries promptly.

Commitment to Quality

Vavrinek, Trine, Day & Co., LLP implemented policies and procedures to ensure quality audit services are provided to our clients. Our quality control partner and dedicated staff are responsible for ensuring that these policies are implemented as follows:

- Performing and delegating in-house annual inspections. We also undergo the required tri-annual inspection of our public company audits by the Public Company Accounting Oversight Board (PCABO) and voluntary AICPA Peer Reviews.
- Ensuring adherence to independence.
- Handling inquiries from engagement team members regarding technical accounting and audit issues.

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. Vavrinek, Trine, Day & Co, LLP is an Equal Opportunity Employer.

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. This proposal offer is valid for 60 days.

Very truly yours,

Vavrinek, Trine, Day & Co., LLP

Ahmad Gharaibeh

Partner



A. Complete Work Plan/Project Description

Overview of the Audits

As required by the Request for Proposal our audit plan covers the engagements for:

- Issuance of an opinion on the fair presentation of the District's Annual Financial Report.
- Issuance of an opinion on the District's compliance with the laws and regulations

Our audits will be conducted be conducted in accordance with generally accepted auditing standards and generally accepted governmental auditing standards (the yellow book) and agreed upon procedures will be conducted in accordance with Statements on Standards of Attestation Engagements (SSAE) published by the AICPA.

B. Our Proposed Audit Plan

Our engagement approach for the District audit has well-detailed goals by which the engagement partner can measure progress. Our audit plan includes frequent contact between the partner and the engagement team to assure that objectives are attained according to the audit schedules and problems that are communicated and dealt with on a timely basis. Our engagement approach benefits from our long accumulated experience during which our firm has identified key areas of financial and accounting concern in the audit process. More importantly, the approach provides for a complete reassessment of the management and control environment in each year's audit and thus is capable of responding to changes and will ensure that deadlines are met in issuing the annual financial statements.



B. Our Proposed Audit Plan, (continued):

The key characteristics of our engagement approach are:

- *Knowledge of the District and similar entities.* We have extensive experience auditing governmental entities similar to the District. This experience enables us to perform a more efficient audit and identify key audit risks.
- *Cost-effectiveness*. Our experienced auditors low percentage of turnover reduce your cost.
- Timeliness. We take deadlines, both yours and ours, seriously.
- Partner-manager involvement. Deciding on audit strategies requires seasoned
 judgment. Our partners and managers have been heavily and continuously
 involved in governmental audits. Furthermore, you will be able to consult
 with senior team members whenever needed throughout the year. We are
 available during the year for any additional consultation that may arise and
 specified in the request for proposal.

Project Management - Overall Audits

As noted in the Team Identification section of our proposal, the audit team consists of six or more: (2) partners, (1) managers, (1) supervisor. Staff auditors will be assigned to various elements of the audit throughout the fieldwork stages. Our staff auditors work 100% on governmental audits. The management of the audits will be undertaken by these personnel who each have worked on similar audits.

Our audit plan for each of the fiscal years involves six (6) stages for each audit. These stages are:

Stage 1, Planning

Stage 2, Risk Assessment

Stage 3, Preparation of the Overall Audit Plan

Stage 4, Conducting the Interim Audit

Stage 5, Conducting the Final Audit

Stage 6, Reporting



B. Our Proposed Audit Plan, (continued):

Stage 1, Planning

VTD will meet with key staff to plan the audit services for the year. These meetings will discuss all audit issues and the proposed interim work plan. During this phase, we will accomplish:

- Identifying the key personnel and contacts in the Finance Department and other departments.
- Identify the District's significant classes of transactions and business processes.
- Obtain an understanding of audit risk areas.
- Developing an understanding of unusual transactions or events that have occurred during the fiscal year.
- Formalizing logistics.
- Finalizing the timeframes for interim fieldwork.

Stage 2, Risk Assessment

Based upon the information obtained in the planning meetings VTD will perform a risk assessment as required by Statements on Auditing Standards (SAS) to be used in the preparation of the overall audit plan. As part of this risk assessment we will perform the following:

- 1. Obtain an understanding of the entity and its environment and its risks and material compliance requirements. VTD will refer to the District's prior year Comprehensive Annual Financial Report, annual budget document, municipal code and other relevant documentation to assist with our understanding of the District's business environment and risks. VTD will also conduct inquiry with key individuals within the District who are responsible for executing the strategic plan.
- 2. Obtain an understanding of the entity's internal controls. VTD will refer to the District's organizational charts, budget, written policies and procedures, financial accounting systems to assist with our understanding of internal controls. VTD will also perform inquiry, observation, inspection, and walk-throughs of key internal controls to ensure these key controls are properly designed and implemented.
- 3. Preliminary analytical review, determination of preliminary materiality levels.
- 4. Consideration of risk of material misstatement at the individual account balance, class of transactions and disclosure level.



B. Our Proposed Audit Plan, (continued):

Stage 2, Risk Assessment, (continued):

- 5. Assessing the risks of material misstatement at both the financial statement and relevant assertion levels.
- 6. Assess the risk of material noncompliance with laws and regulations that have a direct and material effect on the financial statements.
- 7. Evaluation of the District's information technology and general information technology controls.

Stage 3, Preparation of the Overall Audit Plan

Once the planning and risk assessment process are complete an overall audit plan will be prepared. The plan will specify each audit task, staffing assignments, timelines, and due dates. The plan will also break down the work assignments between interim and final audit timelines. The audit plan will include the transaction cycles which have been selected for internal control testing and those for which only the detailed walk through will be performed.

Once the audit plan has been completed the prepared by client (PBC) requirements and the responsibilities of the auditor document will be prepared. The document listing will be detailed by specific task and will include the due dates and names of the persons responsible for each task.

We will also prepare:

The preliminary materiality guidelines, the audit programs, including consideration of:

- Identification of areas where special audit considerations are necessary.
- Design of further audit procedures to reduce risk if considered necessary.
- The development of expectations for analytical procedures, timelines, and assignment of all audit responsibilities.

Once these tasks have been completed we will meet with the District to ensure that all dates and requirements have been met and to schedule the interim and final work with the various departments of the District.



B. Our Proposed Audit Plan, (continued):

Stage 4, the Interim Audit

Our interim fieldwork dates will normally occur at a time convenient to the District. The specific weeks will be determined during the planning meeting and preparation of the audit plan process.

We will obtain an understanding of the District's internal control structure starting with:

- 1. Defining the objectives and strategies and related business risks.
- 2. Obtaining an understanding of internal control environment (tone at the top):
 - Communication and enforcement of integrity and ethical values
 - Commitment to competence
 - Participation of those charged with governance
 - Management's philosophy and operation style
 - Organizational structure
 - Assignment of the District and responsibility
 - Human resource policies and practices
- 3. The District' risk assessment process.
- 4. Internal control communication process.
- 5. Internal control monitoring process.
- 6. Any industry, regulatory or other factors.

This understanding will be accomplished through the use of:

- A. Inquiry of management and others within the District.
- B. Observation and inspection.
- C. Review of external information from rating the District, and other external sources.



B. Our Proposed Audit Plan, (continued):

Stage 4, the Interim Audit, (continued):

We will also obtain an understanding of the design and implementation of the financial reporting system to understand the flow of information for:

- 1. Each class of transactions that is significant to the financial statements.
- 2. The procedures within both automated and manual systems, by which those transactions are initiated, authorized, recorded, processed, and reported in the financial statements.
- The related accounting records, whether in electronic or manual supporting information, and specific accounts in the financial statements involved in initiating, authorizing, recording, processing and reporting transactions.
- 4. How the information systems captures events and conditions other than classes of transactions that are significant to the financial statements.
- 5. The financial reporting process used to prepare the financial statements, including significant accounting estimates and disclosures.

Our focus will also involve:

- Understanding and documenting the financial reporting process.
- Documenting information systems and related computerized data processing controls.
- Identifying the flow of information and internal control involved in various key processes including, investment management, procurement, disbursements, payroll, treasury operations, debt/capital management, cash receipts, and fare revenues. To accomplish these tasks we will use client accounting manuals, inquiry, observation, checklists, and internal control questionnaires. During the interim timeframe each of the significant internal control systems will be evaluated to obtain sufficient knowledge of the design and implementation of key controls and to determine if a test of controls will result in audit efficiencies or reduce the risk of material misstatement.
- Providing the parameters required to commence analyzing financial fluctuations in the operating results of the District.



B. Our Proposed Audit Plan, (continued):

Stage 4, the Interim Audit, (continued):

- Identifying laws and regulations that are applicable to the District. To accomplish these tasks we will use client documents, inquiry, observation, checklists, and internal control questionnaires.
- Formulating audit procedures and related audit programs that will be used during the final segment of the audit process.
- We will use statistical sampling to assist with our testing of the District's internal controls over financial reporting and compliance.
- Sample sizes can range between 25 and 60, contingent upon the risk of material misstatement for a particular audit area or objective. All sample sizes will be determined based on the AICPA Sampling Guide.
- Testing the effectiveness of internal controls will be accomplished for the significant internal controls systems for which we plan to place reliance to reduce the risk of material misstatement. To gain efficiencies our control testing will be structured so that it can be used for each of the audits we will perform, with exception to the single audits.
- Other areas to be completed at the interim audit include AU-C 240 fraud interviews and documentation.
- Discuss workable solutions for potential findings that have been identified and communicated to the District during the audit process.



B. Our Proposed Audit Plan, (continued):

Stage 5, the Final Audit

We will commence our final fieldwork as soon as the District has sufficiently closed their accounting records. We expect final fieldwork to take place during August timeframe.

During this phase, we will perform substantive audit procedures on the year-end statement of net position and fund balances, revenue and expenditure/expense accounts. We will use a variety of audit procedures which may include outside confirmations, statistical sampling, and detailed testing of schedules, analytical review, inquiry, and observation.

Stage 6, the Reporting Phase

At the end of the audit process we will meet with key staff to cover the following:

- Discuss improvements for subsequent years audit plan,
- Meet with the Board to present the results of the audit,
- Communicate with those charged with Governance.
- We will prepare Draft Audit Reports with management letter comments to management prior to the agreed upon issuance date.
- We will prepare Final Draft Audit Reports and management letter comments for presentation to the District prior to the agreed upon issuance date.

Communication

We do not believe in surprises. Although the reporting phase involves a recap of the process we will be in constant communication regarding the each aspect of the audit throughout the entire process. You will not have any surprises at the end of the audit.

Management Letters

The results of our understanding of internal control serve as a basis for our recommendations to management. We also consider any weaknesses noted during our substantive testing and other audit procedures. Upon completion of the audit, the findings and recommendations we consider to be of value to you are summarized and presented as management comments.



B. Our Proposed Audit Plan, (continued):

Management Letters, (continued):

We will meet with management to discuss these comments prior to finalizing the letter to ensure that our management letter will contain no surprises. The purpose of our management comments is to direct your attention to:

- Significant deficiencies and material weaknesses (if any) identified during the course of the audit. AU-C 265 requires written communication to management and those charged with governance, of significant deficiencies or material weaknesses, identified during the audit.
- Other matters that we believe to be of potential benefit to the management of the District, such as recommendations for operational or administrative efficiency, or for improving existing internal controls.

In our view, management letters can serve the District on two distinct levels. The first is when we, the auditors, determine that there are material deficiencies in internal controls. These should be communicated at once to the highest level of management so that corrective action can be taken. The other level is the more routine operational improvement and control enhancement comments which are communicated to management on a timely basis such that appropriate action can be taken.



C. Identification of Potential Audit Issues

We do not anticipate problems within the audit. However, if audit issues are encountered, our process would include meeting with the District's management to develop the appropriate response, and identify any special assistance that will be requested from the District.

We have however identified the following areas that we believe will present challenges to the District in the upcoming contract year(s) where we believe that we can be of assistance.

• *GASB Standard Implementations* – GASB 73-83 will be required to be implemented during the Contract Term.

We have a proactive team approach to the implementation of new accounting and auditing requirements and work to begin the conversations regarding the changes and the potential impacts during the planning and interim phases of the audit. We also are available for technical guidance and assistance throughout the year as needed on complex accounting and auditing issues.

D. Use of Computer Assisted Auditing Techniques Software in the engagement

VTD will use IDEA audit software during the engagement to assist with data analysis, testing of populations and reports and for the selection of audit samples. We will also use CCH Knowledge Coach to assist with audit risk assessment.



Section 3 - Independence and License

A. Independent Standards of the GAO Affirmation

Vavrinek, Trine, Day & Co., LLP is independent of Sequoia Healthcare District as defined by auditing standards generally accepted in the United States of America and the U.S. General Accounting Office's *Governmental Auditing Standards*.

B. Licensed Certified Public Accountant Affirmation

Vavrinek, Trine, Day & Co., LLP is licensed to practice public accounting in the State of California and has complied with all applicable California State Board of Accountancy requirements. In addition, all of the key professional staff that will be assigned to the audit are also licensed to practice in the State of California and have complied with all applicable State Board of Accountancy standards.

A copy of our most recent peer review has been included in Appendix A of the proposal. This quality control review included a review of specific government engagements.

C. Insurance

VTD has the required insurance policies (Professional Liability, Workers' Compensation, Comprehensive General Liability, and Automobile Liability). Proof of insurance is available upon request.



Appendix A – Schedule of Professional Fees and Expenses

	Audii Penied	Conta	arct Alwananonit
·	FY 2016/17	\$	19,000
: -	FY 2017/18	\$	19,000
	FY 2018/19	\$	19,000
: :	TOTAL AUDIT FEES THREE (3) YEAR P	ERIOD \$	57,000
:			-

Planning Report for Board Meeting: February 2017

Lee Michelson, Planning Coordinator

Current status: More than 70 community leaders will be asked to meet with the committee to give their view points on the District, our funding priorities and the health issues that they are most concerned about. Most of the participants will take part in a panel discussion though the local political leaders will be met with individually or with their staffs.

The panel discussions will be held in February and March with the goal of having a report completed by the end of March.

The planning committee has met several times to develop and review the list and the other three Board members have been asked to suggest other possible participants.

We are hoping to have a very open and transparent planning process and we welcome all viewpoints.

Next steps:

- 1. Solicit all Board members for names (in–process)
- 2. Send letters requesting participation
- 3. Follow-up calls to obtain their interest and schedule their participation
- 4. Begin meetings the week of February 6