



SPECIAL BOARD MEETING

Friday, July 28, 2017, 6:00 p.m.

Fallbrook Public Utilities District, 990 E. Mission Rd., Fallbrook

Minutes

A. CALL MEETING TO ORDER / ROLL CALL / PLEDGE OF ALLEGIANCE

President Tinker called the meeting to order at 6:03 p.m. and led the Pledge of Allegiance.

B. BOARD MEMBER AND PUBLIC COMMENTS

President Tinker said since there were so many people wanting to address the Board, while five minutes is allotted, if possible please limit the remarks to three minutes. He also cautioned that since there will be differing opinions expressed, please be courteous to all.

Betty Locke said she sincerely objects to Crestwood. She said the community needs a hospital. She doesn't want people imported here for mental health services.

Jim Sciarra thanked the Board for the opportunity to provide comments. He said they selected Fallbrook in part due to the hospital being here. We are a community of volunteers. What has been proposed to meet the medical needs of our community? He still considers the building a valued asset. He wants a vote to go to the public. Crestwood is a for profit company. He wants medical facilities in our community.

Hollis Moyses commended the Board for their hard work in the last few years in securing a use for the property, for which maintenance is costing upward to a quarter of a million dollars each year. He said he believes the Board has done an excellent job of finding a successor to the hospital. Seismic requirements preclude the building's use in that capacity in the future. He supports the District's Community Health Contract program providing funding to non-profit organizations which in turn provide much needed services in our community. He again thanked the Board of Directors.

Peter Klein thanked the Board for allowing him to speak. He named patients with felony arrests treated in Crestwood facilities in California and said Patricia Blum had said no one with a violent felony conviction would be treated at the Fallbrook Crestwood facility. He questioned the answers provided by Crestwood representative Patricia Blum, Ph.D. to multiple questions asked by the opposition to Crestwood as well as some of the answers provided by Legal Counsel Blaise Jackson.

Lynette Boyd said she has lived in Fallbrook more than 70 years. She said she believes Fallbrook can sustain a hospital. She expressed concern that the children in Fallbrook need protection. She doesn't want imported danger. She said she is concerned that property values will diminish. She would like to see another facility go into the old hospital building.

Dr. Frank Winton said he served on the FRHD Board and knows how diligently the Board worked to find another operator for the hospital. He recognizes that the loss of the hospital was huge for this community. He said he believes the fear of the patients who would be treated here is overstated. He said he supports that the old building be used as a place of healing and Crestwood would provide that service.

Tracey Schwandt thanked the Board for the Special meeting. She presented two seedling oak trees, one named Hope, the other Harmony. She shared an image of two paths. She asked the Board to please reconsider the action of selling the old hospital to Crestwood. She wants a vote for the public. Bruce Schwandt said the members of the Board will decide whether to sell the old hospital building, or put the decision to a vote. Officials are elected to act in the best interests of the people voting them in to office. The culture, safety, and prosperity of Fallbrook will change dramatically if this sale goes

through. He questioned the impact on property values. He believes a better path to the decision of the sale is a public vote. He offered to work with the Board to find a better use for the building.

Maryann Hobbs said she believes the close of escrow can be delayed and the Board can choose to take this matter to a public vote. A sale is permanent. Leasing the property to Crestwood gives us an ongoing discussion and doesn't dispose of the asset. She believes there was lack of due diligence in the process of coming to the decision to sell to Crestwood.

Brian Hobbs said the path forward should be to cancel this transaction and pay the damages. He wants a special committee of residents and board members to look into this matter further. He mentioned due diligence, transparency and vetting providing definitions of each word. He questioned the actions of the Board in signing the Sale & Purchase Agreement with Crestwood. He said while a public vote is not mandated, he believes it is the right thing to do.

Morgan Cadmus said we are all neighbors and it is important to have an understanding of this important transaction. He said he understands Fallbrook cannot currently sustain a hospital. He said he oversees a residential care facility for seniors directly across from the old hospital and has concern for their safety. There are many other services Fallbrook needs. He asked the Board to extend the negotiations for the sale of the old hospital.

Jim Greeley said he is a 25 year resident of Fallbrook and what compelled him to attend this meeting was the confusion and fear expressed in the paper as it relates to mental health rehabilitation. He said the jobs being offered are an opportunity for young people in our community. He endorses the Crestwood facility.

Jerry Hanson said he is a businessman in town. He said he believes a vote of the public is warranted in this matter. He said he sees no economic benefit for Fallbrook with Crestwood coming into town. He believes Crestwood would bring more traffic, more possible crimes and a bad situation for the community. He said he is not fearful, he is concerned. We are not insensitive to the needs of the mentally ill. He is concerned Fallbrook is not a proper location, in part due to inadequate police coverage.

Paul Garrett is a big fan of Fallbrook and understands the hospital is not sustainable. He said he would like to see the old hospital building used for meeting other medical needs in the community.

Roy Moosa said he has been involved with the District since the entire process of closing the hospital. He said he saw the offers made and the disappointment when not coming to fruition. He currently serves on the Advisory Committee. He knows the members of the Board and how dedicated they are to serving this community in the best way possible. He has full confidence in the amount of homework this Board has done and stands with them in their decision.

Adam Foster said he became concerned about this matter after looking at Facebook and Friends of Fallbrook. He said he had difficulty obtaining answers to his questions and had e-mailed Patricia Blum with no response from her. He wants the matter put to a public vote.

Scott Atkins said he grew up in Fallbrook and then lived in Sacramento. He lived next to a Crestwood facility for 24 years and there were no issues in all that time. He moved back to Fallbrook 5 years ago and says the facility can be run properly.

Vicky Bartlett said she feels it is unfair to characterize the opponents to the Crestwood facility as fearful. She said her mother lives across from where the facility is located. Do we have an adequate police force? She has concerns, unsure Fallbrook is the place for Crestwood.

Eddie Valencia said he lives next to the old hospital. He said the Board does a great job. He thinks the facility can be used for a better purpose than a mental health rehab facility. Do the right thing for the community.

Vi Dupre said she has lived here for 12 years. She has worked in health care for 52 years. Having served as Administrator of the Fallbrook Healthcare District, she has seen firsthand how hard the members of the Board have worked during and since the closure of the hospital. They are honorable people. Mental health services are a huge need everywhere. The people seeking treatment are less to be feared than the 37 pedophiles living in the area with no treatment. She thanked the Board members for their diligence and work for this community.

Mark Stevens said he lives near the old hospital and has concern about his property value decreasing and the safety of the community. He requested a vote of the people.

Carol Hanson said she believes we all appreciate the efforts made by the Board to find a buyer for the old hospital. She said she would like to see the old hospital used for a different purpose. She has concern about safety and the lack of a hospital.

Vince Ross said he has followed the extreme challenges this Board has dealt with. He said the Board is very competent and he and the Board want the best for Fallbrook. He expressed his appreciation to the Board.

Brandi Morann said she is new to Fallbrook and loves living here. She said she has a medical background and also worked in real estate. She said her concern has to do with Crestwood affecting the reputation of Fallbrook, and thereby concern that her property will decrease in value.

Jennifer Jeffries said the best predictor of future behavior is past behavior. She said she has observed this Board through all times and she has no reason to doubt the Board. She said the decision will be principled and right for this town.

Scott Denton thanked the Board for the courtesy to speak. He said there have been mental health issues in his family and he has visited many facilities. He expressed concern for community safety.

Linda Johnson said she would prefer that the old hospital be used for medical services in the community. It should be controlled by the community, and used for the community. Believes a vote is in order. What will the proceeds of the sale of hospital be used for, and will the public have a say.

What is the purpose of the District without a hospital?

Barry Meadow said a lot of effort has gone into the sale of the old hospital building. He said Crestwood will not be a hospital for the mentally insane. Why all the questions about escapes and police. It will not be a criminal facility. The man who lived next to a Crestwood facility impressed him most. They experienced no problems.

Jeanne Meadow thanked everyone who has put effort into learning about Crestwood. She said she did not appreciate the derogatory comments about the Board. We need to come together for the good of Fallbrook in many ways. There is lots of work to do in Fallbrook.

Tracy Campbell said she is not afraid of mental illness. She is afraid of pedophiles and rapists who will be housed at Crestwood.

Dee Lanzello has been in Fallbrook for 35 years. She said she doesn't have fear, she has concern. Lots of people have worked very hard to make Fallbrook the great place it is. Many have invested money into the community. She is concerned about the value of what she has invested in for many years. She doesn't believe Crestwood is the right thing for Fallbrook.

President Tinker called for a break at 8:17 p.m.

The meeting reconvened at 8:27 p.m.

President Tinker said he would provide time for members of the Board to provide their input into the matter of the sale of the old hospital building.

Director Leach stated that he heard confusion and misunderstanding as relates to the hospital building. He said he knows there are many people with nostalgic ties to the facility where their children were born and the loss of the hospital services is significant to the community. He said he has learned that operating the building as a hospital is no longer sustainable. While there had been many entities expressing interest in the building, for a variety of reasons not one offer came to fruition. The building is currently empty, is a magnet for crime and costing more than \$20,000 per month for maintenance. In a survey of major health disparities in our community, mental health was one of those identified, long before Crestwood expressed interest. He said he lives near the vicinity of the proposed Crestwood facility, has two daughters, and does not believe the facility poses any risks to the community. He said there is a difference between concern and fearmongering and he believes fearmongering is what has been happening on social media and in advertisements designed to incite fear. He believes there is no correlation between Crestwood and bringing pedophiles, sex predators and violent criminals into Fallbrook. This would be a mental rehabilitation facility, not a hospital for the criminally insane. While there is no guarantee that all employees will be from the District, jobs will be available. He suggested that proceeds from the sale will help to contribute to the Community Health Contracts process and he

invited the community to participate to determine ways in which the proceeds can provide health services in our District.

Director Salmon said this has been a difficult, challenging decision for this Board. He said three years ago he was aware the hospital was having trouble and believed he might be able to provide help to keep the hospital operating since he has worked in healthcare all of his life. By the time he was seated on the Board, the hospital was closed. He said he learned the members of this Board are very dedicated and talented, and also learned the valid reasons the hospital closed. He said his five major concerns regarding the sale of the old hospital building included safety, real estate values, the allocation of beds, does Crestwood benefit the District and lastly would the facility be of service to those in need. He said the track record of Crestwood has been very good. He discussed the type of patients Crestwood would serve. He said he and Director Mroz visited a Crestwood facility in San Diego and observed that it is next to a high school, a nursing home and across the street is a church. He was impressed with his tour of the facility. Crestwood is accredited by the Commission on Accreditation of Rehabilitation Facilities (CARF). He read the impressive results of a recent Crestwood survey. He believes Crestwood would be an asset to Fallbrook.

Director Abbott said he and his wife visited several Crestwood facilities. Two of the three tours were provided by patients/residents in the facilities. Schools, pre-schools were located nearby. Regarding AWOLs, Crestwood Risk Management reported that out of all patients considered AWOL, there was only one bad outcome: the patient committed suicide. There was no risk to community residents. He said he was surprised at the last regular meeting of the Board when most of the audience left prior to the decision on the agenda regarding the sale to Crestwood. The easiest decision for the Board would have been to pass the resolution at that meeting. However, at that point, the decision was secondary. What was most concerning to him was the public confidence. He said he questioned if the Board might have missed something. That is why the Board took action to postpone a decision. He discussed several possible scenarios, noting that no matter what decision is made, there will be division in the community. Based on the CARF Accreditation, Crestwood is a top performer in the mental healthcare arena. He said he is concerned that many in the audience are still really concerned about the process. That is a piece he is still trying to reconcile.

Director Mroz likened this decision to hearing the diagnosis of cancer for her husband. She said while there were no guarantees, there was a lot of homework to be done, the medical team was competent and they were confident if they did the right things there would be a good outcome. She said cancer is a frightening word, litigation is a frightening word and mental illness is too. She said she is amazed by the people in this community and wants to work with them for a good outcome regarding Crestwood. She knows the Board has worked diligently in this matter. She feels positive that selling the old hospital to Crestwood is a good decision. She thanked everyone for sharing their thoughts and concerns and being a part of the process.

Director Tinker said he and his wife have lived here for 42 years. He served in various capacities serving this town for 32 years. The last thing he would do would be to risk the public safety of this community. The feedback from police departments in communities with Crestwood facilities have no issues with Crestwood and deem them to be a good community partners. He thanked Stephen and Howard for the delay in making the decision as he has learned even more about Crestwood during the past two weeks and it is all positive. The difference between mental health hospitals and mental rehabilitation facilities is clear. 5150 patients are taken to acute care or mental health hospitals. He said he spoke with the owners of Silvergate Residence and they welcome the Crestwood facility. Regarding the future of Fallbrook Regional Health District, he noted there is more to healthcare than what happens in hospitals. Wellness programs, preventing the preventable, the possibility of a Wellness Center (not a gym) and other health programs are all in consideration. The non-profit organizations we support use volunteers and there is "bang for buck" in providing the many services they provide. He provided examples of the services provided. The future of our health district is making a healthier community.

C. DISCUSSION/ACTION ITEMS

C1. **Consideration and Adoption of Resolution No. 419 – Ratification/Approval of Purchase and Sale Agreement and Authorizing Signatories**

Action: On motion duly made by Director Leach, seconded by Director Mroz, the Board approved and adopted Resolution No. 419 ratifying the purchase and sale agreement and amendment thereto with respect to the sale of real property and authorizing signatories in connection therewith by the following roll call vote:

Director Abbott commented that at the regular meeting this month he had moved to delay action on this item in order to assure due diligence and answer any lingering questions regarding Crestwood facilities. He said with the closure of the hospital, other communities bore the health care burden for Fallbrook. The health care system extends beyond our borders, and with Crestwood we would have patients from other communities. There are still no contracts from counties, just commitments until Crestwood is licensed. The County Grand Jury recognized the need for mental health services. Director Abbott said we would not be at this decision point if there were other options. It's likely the next best option would be an auction, with no control over the situation. He said the right thing takes a lot of forms. Leadership is doing what you feel is right is based on the best information available to you at the time. It's not the easy or most popular thing. It's the right thing. He said his action last month was based on emotion, this month on reason and logic and feedback.

Director Leach – Aye
Director Salmon – Aye
Director Mroz – Aye
Director Tinker – Aye
Director Abbott – Aye
Motion carried 5-0.

C2. **Proposal to Create and Adopt a District Fiscal Policy**

President Tinker read the policy which set up two funds: Community Investment Fund and Operations Fund.

Legal Counsel recommended postponing action on this policy to the next meeting when it is brought back in a more correct and proper form.


Action: It was moved by Director Salmon, seconded by Director Leach to postpone action on this item to the next meeting. Motion carried 5-0.

E. **ADJOURNMENT**

There being no further business, the meeting was adjourned at 9:30 p.m.



Gordon Tinker, President



Stephen Abbott, Secretary