



# Tulare County

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## LAFCO



## LINDSAY

**LOCAL HOSPITAL DISTRICT**

CALIFORNIA SPECIAL DISTRICT FOR HEALTH CARE

### MUNICIPAL SERVICE REVIEW

Prepared By

Tulare County

Local Agency Formation Commission

December 2, 2020

# **Lindsay Local Hospital District Municipal Services Review**

## **Contact Information**

Address: 831 B N. Sequoia Ave Lindsay, CA 93247

Mailing Address: Post Office Box 234, Lindsay, CA 93247

Website: <http://lindsayhospitaldistrict.org/>

## **Management Information**

Governing Body: Board of Directors

Board Members: Greg McQueen, President

Valerie Velasquez, Vice President

Rick Loflin, Treasurer

Ivet Z. Soria, Secretary

Richard Hernandez, Director

Board Meetings: Monthly. Third Tuesday of the month at 6:00pm

Staffing: 1 part time administrative assistant.

## **Service Information**

Empowered Services: Hospital and Health Care Services

Acres Served: 47,066 acres

Funding Sources: Property taxes, leased offices.

## **Description and History of the District**

The Lindsay Local Hospital District (the District) was formed in October of 1958. The District Sphere of Influence is coterminous with the District boundaries, **Figure 1-1**. After the District was formed, the Lindsay District Hospital was established as a separate business entity assisted by District funding. Operation of the District hospital was contracted out to the Sierra-View Local Hospital District in 1995. Sierra View spent \$15 million over a 5-year period to renovate the hospital building and upgrade hospital equipment. However, the increased operational and regulatory costs forced the Sierra View LHD to cease hospital operations and transfer control back to the District. Under an agreement executed in 1995, ownership of the hospital facility was transferred from the District to the City of Lindsay. The

District, shifted its focus to providing for the health and safety of District residents through other healthcare programs.

Following the hospital closure, a Board meeting was held on January 30, 2001 to discuss how the estimated \$300,000 in annual property tax revenues could be used. District and City officials in attendance suggested that remaining facilities could be used to establish health lifestyle centers through a joint City/District venture.

The City of Lindsay procured a \$3 million Rural Development loan from the USDA for construction of a health center to serve the residents of rural Tulare County. The Lindsay Wellness Center, is a 14,000 square-foot facility consisting of a lap swimming pool, therapy pool, fitness gym, demonstration kitchen, physical therapy facility, and multi-purpose meeting rooms.

The facility is owned and operated by the City of Lindsay; the District serves the role of helping to fund a portion of Wellness Center costs. This type of agreement is expressly allowed under GC Section 32121 (m), which states in part that a healthcare district has the power to establish, maintain, and operate or provide assistance in the operation of free clinics, diagnostic and testing centers, health education programs, wellness and prevention programs, rehabilitation, aftercare, and any other healthcare services provider, groups, and organizations that are necessary for the maintenance of good physical and mental health in the communities served by the district. Government Code Section 32126.5 (a) (2) further allows a healthcare district to provide assistance or make grants to nonprofit provider groups and clinics already functioning within the community. Several statutes in the Healthcare District Act allow for service to be provided outside of District boundaries.

The District's Mission Statement is, "As the local Health Care District, our mission is to meet the health care needs of the District residents through the provision of health care services, wellness projects, public awareness, and health education. The Lindsay Local Hospital District was established to effectively improve and maintain local health care needs by:

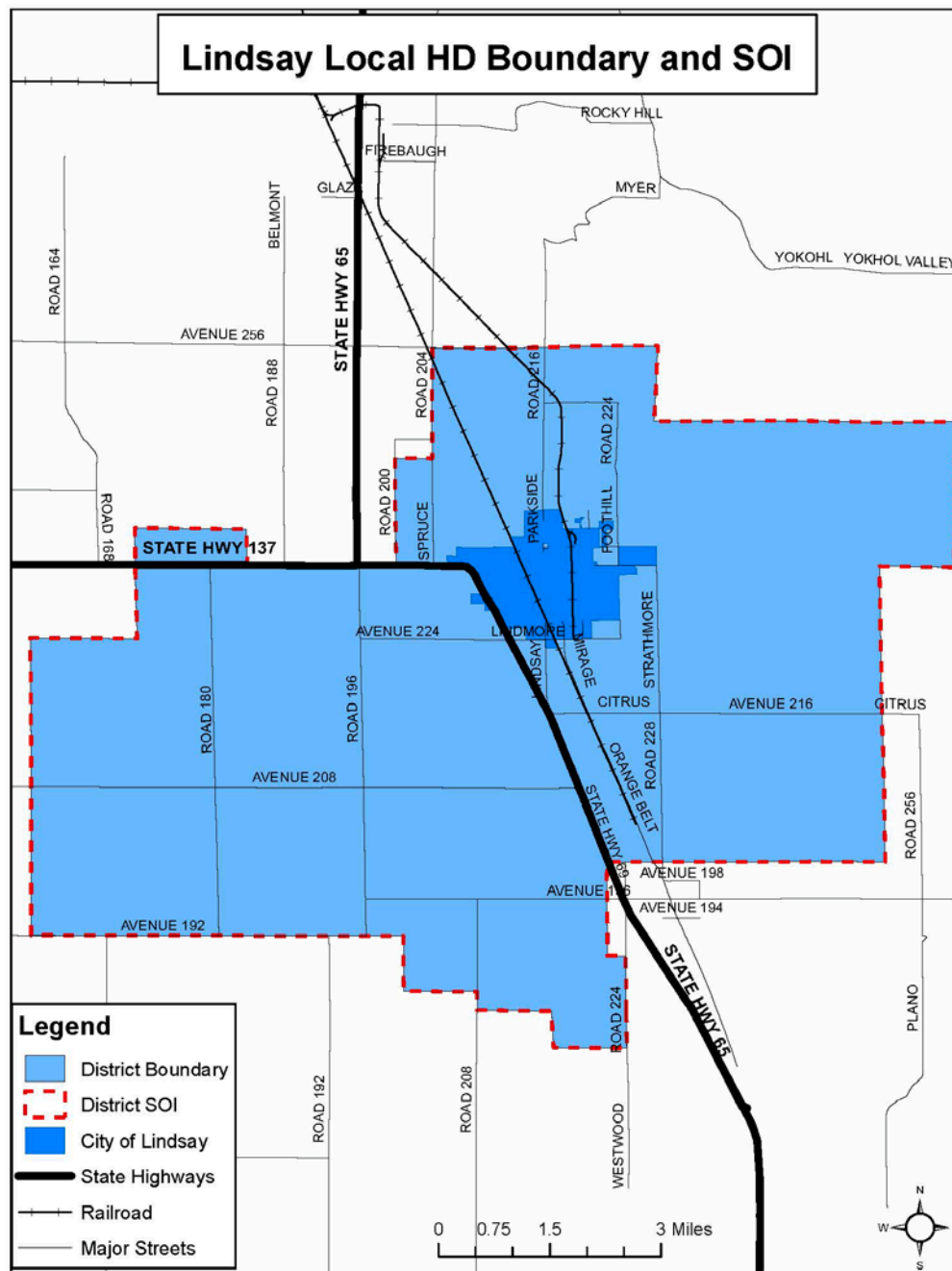
- Identifying and assessing health care needs within the District
- Partnering with diverse resources and service providers to meet the health care needs of district residents

The District is committed to supporting wellness projects and health care services from the Lindsay Wellness Center and other locations in the District. This District also assists in the establishment of clinics within its boundaries for the District residents."

## **1 GROWTH AND POPULATION**

The District encompasses the City of Lindsay, the communities of Tonyville, Plainview, El Rancho and the Page Moore Tract. The current District boundary and the currently adopted SOI for the District are coterminous and illustrated in **Figure 1-1**.

**Figure 1 – Lindsay Local Hospital District Boundary and Sphere of Influence**

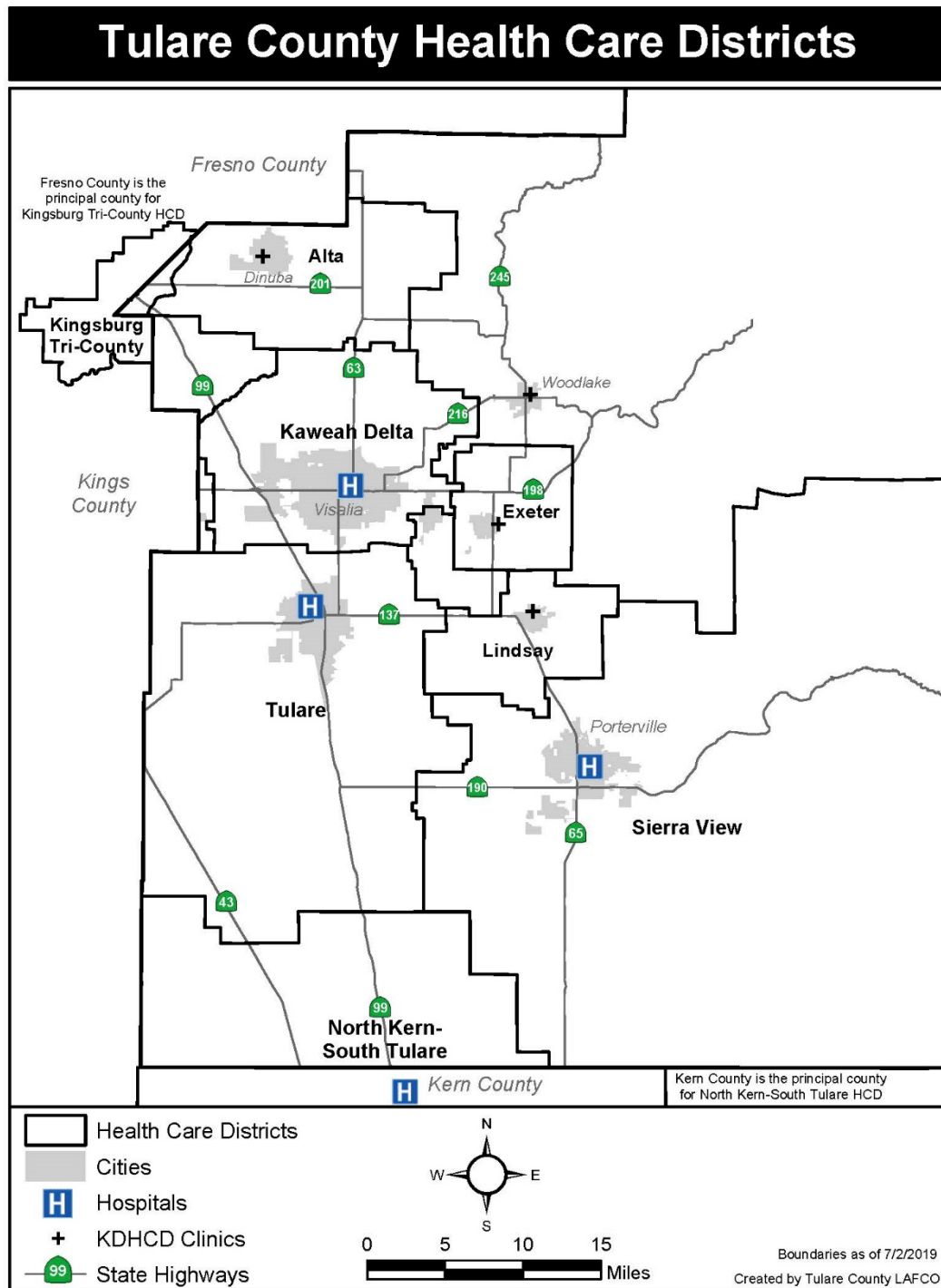


Source: Tulare County LAFCO and Tulare County GIS Database (September 2020)

The Tulare County General Plan projects a population growth rate for the unincorporated portions of the county through 2030 of 1.3%. The Lindsay General Plan projects a population growth rate of 1.1% through 2040. The current estimated population within the District is 20,083. The majority of the District residents live within the City of Lindsay. The City of Lindsay has an estimated population of 13,154 which constitutes approximately two-thirds of the district population.

Future growth in the District boundaries is likely to be a combination of growth within the City of Lindsay and in the unincorporated areas of the County.

The District does not provide water, sewer, stormwater, utilities or any other services that directly affect the rate or location of population growth. The District is bordered by the Exeter Ambulance District to the north, Sierra View Local Hospital District to the South and Tulare Local Hospital District to the West as shown below in **Figure 1-2 Tulare County Health Care Districts**.



### **1.1 Written Determinations**

1. The District boundary and the District Sphere of Influence are coterminous.
2. The Tulare County General Plan projects a population growth rate of 1.3% and the City of Lindsay General Plan projects a population growth rate of 1.1%.
3. District services do not directly affect the rate or location of population growth.
4. The estimated population within the District is 20,083 and the City of Lindsay accounts for about 2/3 of the population.

## **2 THE LOCATION AND CHARACTERISTICS OF ANY DISADVANTAGED UNINCORPORATED COMMUNITIES WITHIN OR CONTIGUOUS TO THE SPHERE OF INFLUENCE**

Pursuant to Government Code section 56430, municipal service reviews are required to identify the location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence and to also identify needs or deficiencies related to sewers, municipal and industrial water and structural fire protection. Government Code section 56033.5 defines a “disadvantaged unincorporated community” as inhabited territory, as defined by section 56046 (12 or more registered voters), or as determined by commission policy, that constitutes all or a portion of a disadvantaged community as defined by Water Code section 79505.5 (a community with an annual median household income that is less than 80 percent of the statewide annual median household income).

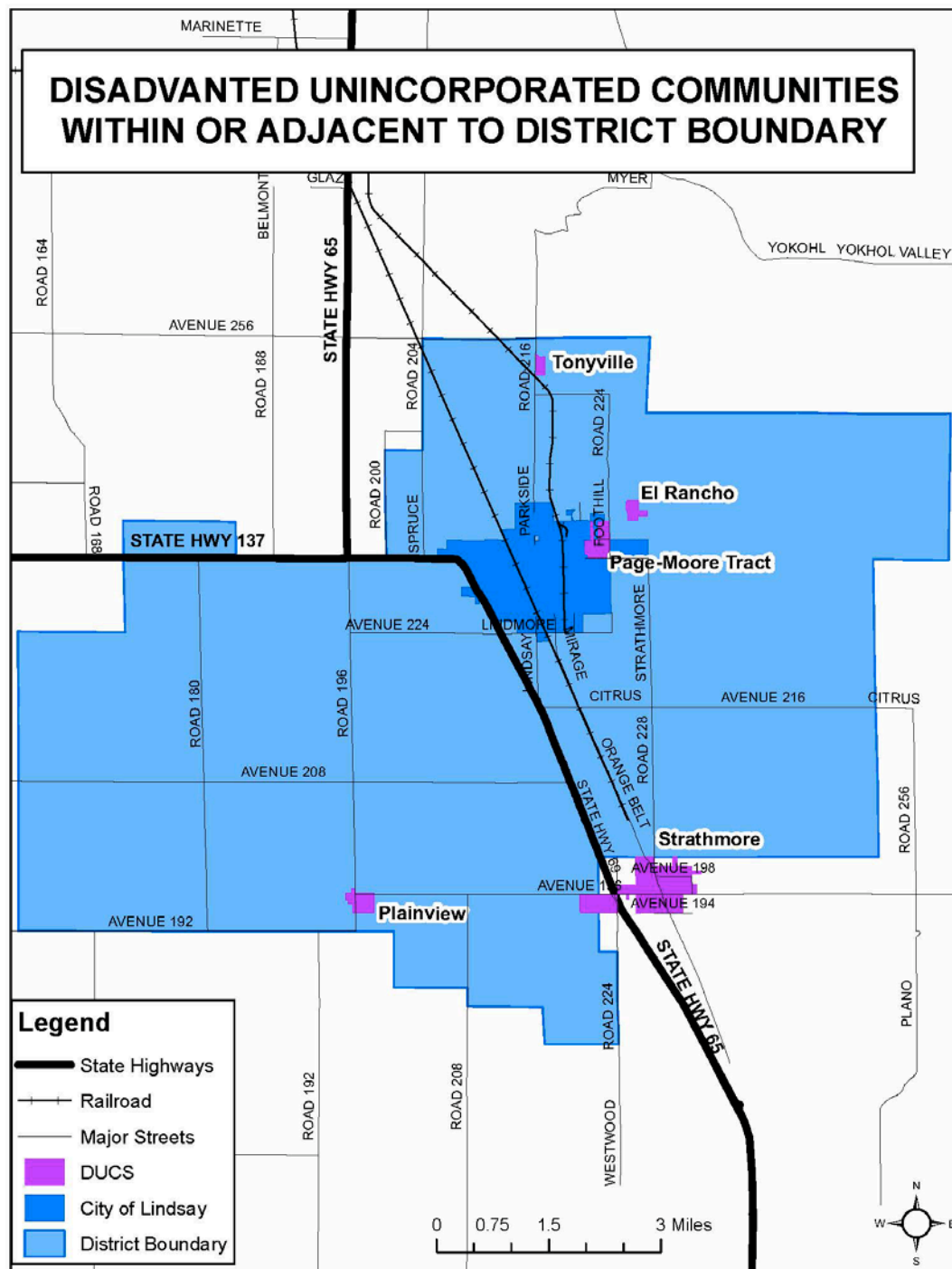
Tulare County LAFCO Policy C-5.7(C) defines a disadvantaged community as an area that has a median household income 80% or less of the statewide average pursuant to Public Resources Code section 75005(g) and contains at least 20 dwelling units at a density not less than one unit per acre.

In addition to what is required by GC §56430, Tulare County LAFCO Policy C-5.7(B)(VII)(a) requires that the Written Statement of Determinations for MSRs shall be based on a comprehensive review of area service providers conducted in accordance with GC §56430(b) and shall include, but is not limited to: estimate of existing population, identification of existing service providers, identification of services provided within the community, service costs and identification of surrounding land use designations, both existing and planned, contained in a city’s General Plan or County’s Community Plan for all (not just disadvantaged) unincorporated communities within or adjacent to the agency’s SOI. (Note: A reasonable effort shall be made to conduct a thorough review; however, the level of detail is subject to the extent data is readily available and relevant to the overall MSR analysis.)

Tulare County LAFCO identified El Rancho and the Page Moore Tract as part of a list of disadvantaged unincorporated communities (DUCs) that was adopted into policy on 5/2/12. The DUCs in or adjacent to the District’s current boundary/SOI also include Tonyville, Plainview and Strathmore and are shown

below in **Figure 2-1**. All of the DUCs are reviewed within the City of Lindsay and other special district MSRs with the exception of Plainview. Plainview is not within an urban services providing special district. The population of Plainview in the 2010 Census was 945 people with 224 housing units.

**Figure 2-1 Disadvantaged Unincorporated Communities (DUCs) Within or Adjacent to District Boundary**



Source: Tulare County LAFCO and Tulare County GIS Database (September 2020)

The service providers for water, wastewater, fire, and police protection for the identified DUCs are outlined in **Table 2-1** below.

**Table 2-1 Service Providers for DUCs Within or Adjacent to District Boundary**

	<u>Water</u>	<u>Wastewater</u>	<u>Fire</u>	<u>Police</u>
<b>El Rancho</b>	City of Lindsay	City of Lindsay	Tulare County Fire	Tulare County Sheriff
<b>Page-Moore</b>	City of Lindsay	City of Lindsay	Tulare County Fire	Tulare County Sheriff
<b>Tonyville</b>	Lindsay-Strathmore Irrigation District	Tulare County (CSA #1)	Tulare County Fire	Tulare County Sheriff
<b>Plainview</b>	Plainview Mutual Water Company	Private Septic	Tulare County Fire	Tulare County Sheriff
<b>Strathmore</b>	Strathmore Public Utility District	Strathmore Public Utility District	Strathmore Fire Protection District	Tulare County Sheriff

*Source: Tulare County Community Plans*

## 2.1 Written Determinations

1. El Rancho, Page Moore Tract, Tonyville and Plainview are identified disadvantaged unincorporated communities within the District boundaries and Strathmore borders the District to the south.
2. The DUCs within and bordering the District receive services from a variety of sources. These are listed in Table 2-1.

## 3 PRESENT AND PLANNED CAPACITY OF PUBLIC FACILITIES AND ADEQUACY OF PUBLIC SERVICES INCLUDING INFRASTRUCTURE NEEDS AND DEFICIENCIES

The District entered into an agreement with the City of Lindsay for the development of the Lindsay Wellness Center in 2001. The Memorandum of Understanding (MOU) generally called for the District to pay the debt service and the City to pay for the operations of the Wellness Center. The MOU was updated in 2019. The updated MOU came about as the Wellness Center aged and began needing equipment repairs, replacements and upgrades which weren't adequately addressed in the original MOU.

In summary, the new MOU states that the District will contribute \$285,000 annually for operational expenses including the debt service, basic services and programming costs for the Wellness Center. If there are major unexpected expenses, the City can request assistance from the District and the District will act in good faith to consider the request.

The City and District established a Programming Committee that advises the Wellness Center on programming and budgeting for the Center. The Committee consists of two District members, two City Council members, and a fifth at large member who can come from the local school board, Healthy Kids Healthy Lindsay or other individual residing in the District.



The Wellness Center is located at 860 North Sequoia in the City of Lindsay. It is a valuable facility that serves many community needs. A comparable facility isn't available anywhere else in the county. The District's recent effort to update the MOU with the City will help ensure that the Wellness Center will continue to serve the community into the future.

The District also owns and leases 5 medical offices and uses the proceeds to help fund the District's grant program.

There are no current plans to expand the infrastructure of the district. Efforts to increase the use of the Wellness Center are ongoing. Nutrition and Diabetes classes are regularly held at the Wellness Center.

The District's grant program remains a key component of the District's functions. The grant policy and funding request procedures and policies are available on the District's website. The District should consider adding a grant application form to the website to aid prospective grantees. When a request for past district grants was made, the District directed LAFCO staff to review board meeting minutes that are available on their website. A review of board minutes shows the following approved grants in recent years:

**Table 3-1 District Grant Awards**

<b>Grantee</b>	<b>Approval of Grant</b>	<b>Amount Awarded</b>	<b>Notes</b>
Healthy Kids-Healthy Lindsay	5/26/15	\$233,310	Diabetes Integrated Project Program Phase 1
McDermont	8/25/15	\$8,500	Get Up and Move (GUM) program
Tim Cregor, LMFT	12/22/15	\$30,000	Mental Health Workshops
Lindsay Unified School District	2/16/16	Unknown	SPOT Screener Vision Assessment Tool
McDermont	3/15/16	\$8,400	Get Up and Move (GUM) program
Exeter District Ambulance	11/22/16	\$59,000	3 year commitment to serve district area. Ambulance is to be used primarily within LLHD District boundaries
Healthy Kids-Healthy Lindsay	12/13/16	Unknown	Diabetes Integrated Project Program
City of Lindsay	6/20/17	\$60,000	Get Up and Move (GUM) program
City of Lindsay	8/15/17	\$1,000	Health Fair Sponsorship
Healthy Kids-Healthy Lindsay	5/15/18	\$284,627	Diabetes Integrated Project for two years
McDermont	8/21/18	\$60,000	Get Up and Move (GUM) program
Lindsay Unified School District	12/18/18	\$10,000	Items for Human Body Systems for Lindsay High School Science Program
Lindsay Department of Public Safety	2/19/19	Not to exceed \$4,000	Two Automatic Defibrillators
Community Services Employment Training (CSET)	6/18/19	Not to exceed \$60,000	Tulare County Senior Services Meals on Wheels Program to serve seniors of Lindsay

McDermont	7/16/19	Not to exceed \$60,000	Get Up and Move (GUM)
Kaweah Delta	9/17/19	\$1,400/Saturday \$37,800 Total	MOU for Saturday Care at the clinic in Lindsay.

In May 2020, the board approved \$5,000 to be spent on facemasks to distribute to District residents at drive-through events in order to help curb the spread of Covid-19.

### **3.1 Written Determinations**

1. The District has an updated MOU with the City of Lindsay to fund \$285,000 annually for the Lindsay Wellness Center debt service and operation costs.
2. The District owns and leases 5 medical offices.
3. The District operates a grant program to fund a variety of health related projects, equipment, and programs.
4. The District should consider adding a grant application form to the website to aid prospective grantees.
5. The District should develop and maintain a list of past and current grant recipients.
6. The District should consider adding the list of prior grant awards to their website.

## **4 FINANCIAL ABILITY TO PROVIDE SERVICE**

The purpose of this section is to evaluate the jurisdiction's capability to finance needed improvements and services.

According to the District's 2019 audit, the District's expenses exceeded the District's revenues by \$35,024 for the year with a total net position of \$2,785,997. According to the 2019 audit, the district had \$2,289,779 in cash assets. According to the District's 2018 audit, the District revenues exceeded its expenses by \$260,279 for the year to end the fiscal year with a total net position of \$2,821,001. According to audits in 2016, 2017, and 2018 the District has ended with a higher total net position in each year. The 2019 audit shows a slight decrease in total net position (reduced from \$2,821,001 to \$2,785,997). The recently updated MOU increases the District's payments to the City of Lindsay from \$233,000 to \$285,000. Fiscal year 2019/20 also had an expensive repair for the Wellness Center which resulted in the District budgeting a \$163,000 deficit.

From property taxes, the district received \$521,477 in 2016, \$541,601 in 2017, \$566,910 in 2018 and \$593,642 in 2019. The District also receives revenue from leases several office buildings. These office building revenues usually exceed building maintenance expenses. However, the funds from property taxes alone would sufficiently cover ongoing district's costs for the Wellness Center and the medical offices.

Funds that exceed the costs of the Wellness Center and building maintenance for the offices can be used for grants which allows the district to be flexible and financially able to continue to provide service for the foreseeable future. Even with this flexibility, the District should develop a policy for a target level of reserves.

#### **4.1 Written Determinations**

1. The District prepares an annual budget
2. The District prepares its financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP)
3. As of July 1, 2019 the District had a total net position of \$2,785,997.
4. The District has one long term liability and continues to make a good faith effort in payment. The District has agreed to pay the City of Lindsay \$285,000 toward the debt service and maintenance of the Lindsay Wellness center.
5. Based on available financial information, the District is financially sound.
6. The District should develop a policy for a target level of reserves.

### **5 STATUS OF AND OPPORTUNITIES FOR COST AVOIDANCE AND SHARED FACILITIES**

The purpose of this section is to identify practices or opportunities that may help to eliminate unnecessary costs and to evaluate opportunities to share facilities and resources, thereby increasing efficiency.

#### **5.1 Cost Avoidance**

The District's employs one part-time staff but primarily relies on efforts of the board members and contracted professional services including engineering, legal services and other consulting services to meet the District's needs. This avoids unnecessary costs and long term liabilities such as the provision for retirement and healthcare.

#### **5.2 Shared Facilities**

The Wellness Center is a shared facility that has hosted a variety of tenants, classes, and events. Some of these include a fitness center, physical therapy office, nutrition classes, educational and social activities. The Wellness Center pool and therapy pool are used by the Lindsay High School swim team, summer recreation swim team, fitness center members, aquarobics classes, and the physical therapy office in addition to general public access.

The funding arrangement with the City of Lindsay that built and runs the wellness center is a key-part of the district's function. The district's recently updated MOU with the City calls for the District to pay

\$285,000 annually to the City of Lindsay for debt service and programming of the Wellness Center. Without the collaboration between the District and the City of Lindsay, it is unlikely that such a facility and its accompanying services and programs would be available to district residents. It is recommended that the District continue to coordinate and collaborate with the City of Lindsay, the Lindsay School District, and non-profit organizations to program the best uses of the Wellness Center

### 5.3 Written Determinations

1. The District avoids unnecessary costs and liabilities by contracting out professional services
2. The Wellness Center is a unique partnership between the District and City of Lindsay. The District pays \$285,000 towards the debt service and programming for the Wellness Center which serves a variety of users and persons within the District and City.
3. The District should continue to coordinate and collaborate with the City of Lindsay, the Lindsay School District and other non-profit organizations to program the best uses of the Wellness Center

## 6 ACCOUNTABILITY FOR COMMUNITY SERVICE NEEDS INCLUDING GOVERNMENT STRUCTURE AND OPERATIONAL EFFICIENCIES

The purpose of this section is to consider the advantages and disadvantages of various government structure to provide public services, consider the management structure of the jurisdiction and evaluate the accessibility and levels of public participation associated with the agency's decision-making processes.

### 6.1 Government Structure

In 2019 the Kaweah Delta Health Care District issued a district boundary study where the potential consolidation of neighboring districts was examined for the purposes of spreading future bond issues to areas that use Kaweah Delta HCD facilities but are not currently within their boundaries. No recommendations were made from the study regarding if Kaweah Delta HCD should try to consolidate with neighboring districts. Rather an analysis of what it might look like, how much revenue Kaweah Delta HCD may receive, the feasibility and the process of doing so were examined. The report also looked at data from California's Office of Statewide Health Planning and Development (OSHPD) regarding Kaweah Delta HCD's market share of emergency/urgent care facilities and hospital stays of patients from within Lindsay LHD.

**Table 6-1 Hospital Services Provided to Lindsay LHD Residents (2018)**

Hospital	In-Patient*	%		Hospital	ER Only*	%
Kaweah Delta	728	44.7		Sierra View	3,612	56.6
Sierra View	595	36.5		Kaweah Delta	1,800	28.2
Valley Children's	70	4.3		Valley Children's	253	4.0
All Others	236	14.5		All Others	711	11.2

Source: OSHPD using 93247 zip code

\*In-Patient includes Emergency visits that result in hospitalization. Emergency includes Ambulatory Surgery (same day surgery – no hospitalization).

Kaweah Delta operates a clinic within the District boundaries at the Sequoia medical offices. One of the grants distributed in 2019 by the District was to expand Saturday service at the clinic. The grant came with a MOU that the District would pay \$1,400 per Saturday up to \$37,800.

In 2016 one of the grants award by the District was to the Exeter District Ambulance and a MOU with the between the districts was approved 2017. This agreement came with a 3-year commitment that the Exeter District Ambulance would serve the LLHD District area with the ambulance

A primary benefit of Lindsay LHD remaining independent is maintaining local control of funding of health care services within their district. However, a potential consolidation with either Kaweah Delta HCD or Sierra View HCD should still be reviewed to determine if the consolidation would result in greater efficiency in the use of taxpayer funding and a better economy of scale for the provision of health care services to the area. A consolidation could include a condition where existing property tax revenue within Lindsay LHD must be used within the former District boundaries and condition that the consolidating district maintain the MOU with the City for the debt service and maintenance of the Wellness Center.

Lindsay LHD's funding for ambulance service from Exeter, funding for expanded services at the Kaweah Delta clinic, partnership with the City for the debt service and maintenance of the Wellness Center and provision of other grant awards appear to be an effective way at meeting the District's mission of serving its residents and is consistent with the responsibilities of a health care district in California Health and Safety Code.

## **6.2 Local Accountability and Governance**

LAFCO may consider the agency's record of local accountability in its management of community affairs as a measure against the ability to provide adequate services to the SOI and annexation areas.

The District has a five member Board of Directors elected by voters residing within the District's Boundary. All five District board seats are elected at large and are presently filled.

The board creates District policy by adopting resolutions and ordinances through duly-noticed public meetings. Regularly scheduled Board meetings, which are open to the public are held on the third Tuesday of the month starting at 6:00pm. The meetings are held in the Lindsay Hospital District Board Room located at 831 B N. Sequoia Ave in Lindsay. District board meetings are open to the public and residents are invited to attend the monthly board meetings. Opportunity to address the District board on items not on the agenda is provided on each meeting's agenda.

The District maintains a website that meets the requirements of SB 929 and SB 272. The District's website provides general district information, board of directors contact information, board meetings times and location, and grant funding policy and procedures. Agendas are posted at the district office, city of Lindsay municipal building, and on the district's website no less than 72 hours prior to the

meeting. Agendas and minutes are posted to the website under the “Agenda / Minutes” tab. A direct link to the most recent agenda should be added to the home page.

The District has an active social media account. Recently the District has used it to advertising mask distribution to help curb the spread of Covid-19. The social media account is also use it also for air quality alerts and wellness center programming.

The board members are familiar with the Brown Act and receive regular training.

### **6.3 Written Determinations**

1. The District’s method of awarding grants to increase clinic medical access and ambulance service appears to be an effective way of serving District residents.
2. The District should review and consider consolidation with Kaweah Delta HCD and/or Sierra View HCD.
3. The District is governed by a five member Board of Directors elected at large from within its boundaries.
4. The District complies with the Brown Act open meeting law by holding regularly scheduled meetings in which the public is invited. Regularly scheduled meetings are held on the third Tuesday of each month at 6:00 p.m. Agendas for Board meetings are posted at the district office, city of Lindsay municipal building, and on the district’s website no less than 72 hours prior to the meeting.
5. The District maintains a website that meets the requirements of SB 929 and SB 272. The District’s website provides district information, contact information, meeting times and locations and grant funding policy and procedures. It is recommended that the District provide a direct link to the most recent agenda to the home page.

## **7 ANY OTHER MATTER RELATED TO EFFECTIVE OR EFFICIENT SERVICE DELIVER AS REQURIED BY COMMISSION POLICY.**

Lindsay Local HD has no boundary conflicts or sphere of influence conflicts with any other hospital/health care district. Since Lindsay Local HD does not have a hospital facility and there are no plans for outward growth of services, the existing SOI is recommended to remain conterminous with the District boundaries.