



BOARD FINANCE COMMITTEE

Tuesday, January 14, 2025

4:00 pm – 5:30 pm

In-person: PHCD Health & Fitness Center – 1875 Trousdale Dr., Burlingame, CA 94403

Members of the Public may Join Virtually: <https://us02web.zoom.us/j/85466393849>

Meeting ID: 854 6639 3849 - **By Phone:** +1 253 215 8782; +1 267 831 0333

A G E N D A

1. **Call to Order & Roll Call**

2. **Approval of Minutes:**
 - November 12, 2024 Minutes p. 1

3. **Committee Charge and Policy Annual Review – CEO Pulido & CFO Yee:**
 - Finance Committee Charge and Members p.5
 - Proposed Change
 - Member Term Extensions, if any
 - Statement of Investment Policy p.6
 - Q&A
 - Action, if any

4. **PHCD Health & Fitness Center Deep-Dive Session – Richard Bergstrom, Fitness Center Director**
 - Report & Presentation p. 14
 - Performance & Service Overview
 - Budget & Outlook
 - Future Program Development
 - Q&A
 - **Action, if any**

5. **Tour of the Health & Fitness Center** led by Richard Bergstrom, Fitness Center Director

6. **New Meeting Schedule Proposal – CEO Pulido & CFO Yee** p. 31

7. **Future agenda items:**
 - FY 25-26 Draft Budget

8. **Adjournment**



FINANCE COMMITTEE MEETING

Minutes

November 12, 2024

1. **Call to Order:** The meeting was called to order by **Chair Zell** at 4:22 pm.
2. **Roll Call:** Present: Chair Zell, Director Sanchez, CEO Pulido, CFO Yee. Absent: Member Seto, Member Revelo, Member Sun.
3. **Approval of Minutes** from July 9, 2024

It was moved by Director Sanchez and seconded by Chair Zell to approve the Minutes from July 9, 2024. The motion passed 4/0/0/3. Ayes: Chair Zell. Director Sanchez, CEO Pulido, CFO Yee. Absent: Member Sun, Member Seto, Member Revelo

4. **New Member Recommendation** – Chair Zell

Chair Zell informed the Committee that Jim Knight would not join due to another opportunity.

5. **Draft Audited Financials** – CFO Yee

CFO Yee provided an overview of the draft audited financials. The District received a clean opinion, which means the financial statements are presented fairly and free of material misstatement. This is also called an unqualified opinion. Below are key items to note:

- Cash & Investments are \$39.6M vs \$34.6M in the prior year, an increase of \$5M
- Long-term lease receivables and other assets increased by \$2.8M due to a CPI increase in the land lease to Sutter
- Two Construction loans for The Trousdale equals \$40M
- Unearned revenue of \$1.7M is comprised of prepaid rent from 1764 Marco Polo Way and the Sutter Land Lease
- Lease revenue increased by \$934K over the previous year due to a new lease at 1764 Marco Polo Way and a CPI increase in the Sutter land lease.
- All program operating revenue increased from last year.
- New in FY 23-24 is the allcove program.
- Salaries and wages increased from last year due to a decrease in Registry usage and additional FTEs at The Trousdale, a 4.3FTE increase at Sonrisas, and additional personnel for the allcove program.
- Professional fees and registry include additional expenses for the allcove program clinicians and Sonrisas consultants for HR and FQHC.
- Grants and contributions increased by \$1M over the past year from Sonrisas (\$800K) and allcove (\$200K).

- Adjustment for Pension Expenses is \$155K

Chair Zell wanted to understand more about the Pension Plan. **CFO Yee** referred to p. 31 of the audit. The total pension assets held at CalPERS are \$364,607, and the total annual pension expense is \$230,257. The unfunded monthly liability is around \$120, and the employer portion of the contributions is 8% or about \$4,000. All eligible employees also contribute 8%. There are only 2 or 3 employees who are vested.

Chair Zell asked if we are undervaluing the District properties. **CFO Yee** replied that the properties are recorded at cost with a 50/50 split between land and building. When the property is sold at market value, the District will recognize a gain according to the accounting rules.

Chair Zell asked **CEO Pulido** if she had any concerns or comments about the audit. **CEO Pulido** replied that the financials look good, and the numbers are better than the prior year. Operating losses are down from the previous year, and all the programs are improving. There is an opportunity to do more programming in the future.

It was moved by Director Sanchez and seconded by CEO Pulido to approve the draft audited financials as presented. The motion passed 4/0/0/3. Ayes: Chair Zell, Director Sanchez, CEO Pulido, CFO Yee. Absent: Member Sun, Member Seto, Member Revelo

6. **allcove Deep-Dive Session** – Marc Rappaport, Clinical Director, and Jackie Almes, Youth Behavioral Health Program Manager

Mr. Rappaport and Ms. Almes provided an update on the allcove program. Below are some highlights:

- Performance to Date: Services Visit: 190, Event Attendees: 261, Use of Space: 281
- Services Provided: Mental Health, Peer Support, Substance Use, Family Support, and Supported Education and Employment
- Outreach Efforts:
 - Collaborative events with various organizations
 - Community Outreach at malls, downtowns, and community centers
 - Presentations at Schools & CBO's
 - Tours
 - Tabling at schools and community events
 - Flyers and Postcards
 - Permanent Poster Fixtures at schools, rec centers and libraries
- YTD as of 9/30/24: Revenue - \$325,854, Expenses - \$333,032, Net Operating Loss - \$7.178
- Financial Sustainability and Outlook:
 - Medi-Cal Insurance
 - Private Insurance
 - Grants – MHSOAC and CIBHS total funding: \$3.5M
 - Sole Source Funding: \$1M
 - Staff Retention
 - Survey to measure the impact
 - Greater presence in the community
 - Increasing volume and becoming a household name

Director Sanchez asked about the barriers, challenges, or impediments to the grand opening. **Ms. Almes** replied that they are waiting for the contract for physical health and that the District is not a high priority for Stanford. **CEO Pulido** commented that this is the last piece of the puzzle and is expected to be finalized before the end of the year. **Director Sanchez** asked about the cost of the physical health

provider. **Ms. Almes** replied that it's a team of three people: one physician, one MA, and one to schedule and check people in. They are like a separate entity operating at the Center but will be integrated with allcove. There will be a two-way referral.

Direct Sanchez asked if there is a QR code on the flyers and if allcove has an app. **Ms. Almes** replied that the flyers have a QR code; however, allcove does not have an app yet. They are currently focusing on getting people in and promoting them at events. Still, it is something they will explore in the future. **Chair Zell** suggested collaborating with the high school district to develop the app and that the schools can also help promote allcove services.

Chair Zell asked if allcove has any relationships with foster programs. He believes that there is a high percentage of foster kids experiencing homelessness and psychological issues. What is the outreach to that population? **Ms. Almes** said they are working with an organization called ILP that connects various foster youth agencies in San Mateo County. They have a committee like the YAG but with foster youth on the council. The organization will be touring the space on Monday. **Chair Zell** would like to see more collaboration, and if an opportunity arises, the District can also incentivize the partnership.

Mr. Rappaport commented that the Medi-Cal application has been submitted and will start credentialing the providers to render the service under the contract. The application uses his license because allcove is not a licensed facility, but once allcove gets its license, it can revert. They are exploring private insurance options as well.

Chair Zell asked if there is an emergency/evacuation plan for the Center. **Mr. Rappaport** responded that they do not but would probably move all clients away and out of the building. They currently have strobe lights and a silent alarm for the police.

Director Sanchez asked about the retention at the Center. **Mr. Rappaport** responded that they wanted to create a comfortable and relaxed place. Everyone working at the Center has a passion, not just for the population but also for the work. There is a great level of interaction within the team. They have a post-visit survey. Overwhelmingly, people have felt positive about being at the Center, received a lot of support, and feel better afterward. They received some suggestions, which have helped inform them about what youth would like to see more of. They also have a cultural document for the environment, so a lot of effort is put into making the place welcoming.

Chair Zell asked about the relationship with the high school counselors. **Ms. Almes** reported that she has connected with every single lead wellness counselor for all the high schools in the District. They have presented at the schools and continue to build on the outreach efforts. They have had three field trips to the Center and noticed that those are the best outreach efforts because seeing how beautiful the space is and the fun things they can do really appeals to them.

Chair Zell would like to see a series of educational events hosted at the Center for Parents and Athletes. **Director Sanchez** asked if allcove has a virtual tour of the facility. **CEO Pulido** replied that they are currently working on it and will be part of Mills-Peninsula Medical Center's discharging videos.

Ms. Almes said that a potential ask would be for transportation for their clients. It is currently a huge barrier for youth to access the Center. **Director Sanchez** asked if the barrier lies in affordability or transportation access. **Ms. Almes** responded, both. Currently, there is no transportation to East and West, only North and South on El Camino.

7. Tour of allcove

_The Committee had a tour of allcove led by Marc Rappaport and Jackie Almes.

8. **Future Agenda Items**

- Annual Policy Review & Committee Charge
- PHCD Health & Fitness Center Deep-Dive Session
- Explore Program Opportunities such as Senior Services, Blue Zones, and HUB programs.

Adjournment: Chair Zell Adjourned the meeting at 5:50 pm.

Written by Vickie Yee, CFO

Approved by: The Finance Committee X/X/XX



**BOARD OF DIRECTORS
FINANCE COMMITTEE
2024-2025**

Purpose:

To provide oversight of all Financial activities of the Board and report regularly to the Board on compliance with the Board’s Long Term Financial and Investment Policies, performance of investment managers’ and administration of the District’s governmental and entrepreneurial activities.

Functions of this committee include:

- Reviewing quarterly financials
- Monitoring performance against target financial ratios
- Monitoring the performance of investment and banking managers
- Overseeing the development of the annual budget
- Selecting the auditor and guiding the annual audit process
- Determining the allocation of investment deposits
- Conducting periodic reviews of the District’s Financial Policies:
 - Internal Control Policy
 - Strategic Financial Policy
 - Statement of Investment Policy
- Monitoring Sutter Health’s compliance with Master Agreement Terms
- Monitoring compliance with Western Alliance Bank construction loan covenants
- Monitoring performance of Eskaton Management Services agreements

Membership:

The Committee will be comprised of two representatives of the District Board of Directors, the District’s CEO and CFO, and three - five members from the community at large who will bring financial management expertise and experience to the work of the Committee and support the sound stewardship of the Board. Community members will be appointed for 3-year terms. Terms will be staggered to achieve continuity as well as “fresh eyes” to the District. Members can be reappointed ~~for a second 3-year term.~~ for additional 3-year terms.

Members and Terms:

| | Terms |
|-------------------------------|-----------------|
| ➤ Director Dennis Zell, Chair | |
| ➤ Director Henry Sanchez | |
| ➤ <u>CEO Ana M. Pulido</u> | |
| ➤ <u>CFO Vickie Yee</u> | |
| ➤ Member Paul Seto | 2/2022 - 2/2025 |
| ➤ Member Kristin Sun | 2/2022 - 2/2025 |
| ➤ Member Don Revelo | 3/2023 – 3/2026 |



Board Policy
Statement of Investment Policy

Reviewed: January 26, 2017, March 22, 2018, November 14, 2019
Updated and Approved May 28, 2020, March 28, 2024

SUMMARY
INVESTMENT POLICY STATEMENT
Peninsula Health Care District

| | |
|---|---|
| <u>Portfolio Account Detail:</u> | Peninsula Health Care District (PHCD) |
| <u>Investment Objective:</u> | While there is no specific target for income or total return the portfolio should be managed with the objective of outperforming comparable liquidity management strategies such as money market funds or short-term U.S. Treasuries. The fundamental objective is to provide a portfolio return that preserves the purchasing power of PHCD's assets while maintaining a high level of liquidity and safety allowing PHCD to fulfill its' mission of service to the community. |
| <u>Withdrawal Requirements:</u> | PHCD may periodically withdraw from the portfolio to support the operations and strategic goals of the District, but there are no planned regular withdrawals at this time. |
| <u>Time Horizon:</u> | While PHCD's time horizon as an institution is long term there can be instances when portfolio assets are required on a short-term basis in the course of operations. As such, all securities purchased in the portfolio will be characterized as "highly liquid" with 30% of the portfolio available within 48 business hours under normal trading conditions. |
| <u>Risk Tolerance:</u> | Conservative |
| <u>Target Return:</u> | Over the long-term, exceed the portfolio benchmark, net of fees with similar risk. |
| <u>Evaluation Benchmark:</u> | Bloomberg Barclays US Treasury 1-3 Year Index |

Purpose:

This Investment Policy Statement (IPS) establishes investment objectives, policies, guidelines and eligible securities related to the management of all assets held by the Peninsula Health Care District (“PCHD”) and/or any of our subsidiary corporations, primarily for investment purposes. The purpose of this Statement is to ensure that surplus funds are invested by the District in accordance with statutory guidelines and a prudent balance between fund preservation, liquidity, and return on investment. As a Health Care District, investment options are governed by the State of California as set forth in the Government Code chapters on “Investment of Surplus” (Section 53600, et.seq.) and “Deposit of Funds” (Sections 53630, et.seq.). This Statement also provides guidance for assignment of responsibilities, on-going evaluation, reporting and unique circumstances or constraints. The IPS serves as the foundation of PHCD’s investment goals and priorities.

In doing so this policy will:

- clarify the delegation of duties and responsibilities concerning the management of institutional funds.
- identifies the criteria against which the investment performance of the organization’s investments will be measured.
- communicates the objectives to the Board, staff, investment managers, brokers, constituents and funding sources that may have involvement.
- confirms policies and procedures relative to the expenditure of institutional funds.
- serves as a review document to guide the ongoing oversight of the management of the organizations’ investments.

1) Delegation of Responsibilities

The Board of Directors has a direct oversight role regarding all decisions that impact PHCD’s institutional funds. The Board has delegated supervisory responsibility for the management of PCHD’s institutional funds to the Finance Committee. Specific responsibilities of the various bodies and individuals responsible for the management of our institutional funds are set forth below:

a) Responsibilities of the Board of Directors:

The Board shall ensure that its fiduciary responsibilities concerning the proper management of PHCD’s institutional funds are fulfilled through appropriate investment structure, internal and external management, and portfolio performance consistent with all policies and procedures. Based on the advice and recommendations of the Finance Committee, the Board shall:

- approve investment policies and objectives that reflect the long-term investment-risk orientation of the portfolio.
- approve the Committee's charge.

b) Responsibilities of the Finance Committee

Members of the Finance Committee are not held accountable for less than desirable outcomes, rather for adherence to procedural prudence, or the process by which decisions are made in respect to investment assets. In consideration of the foregoing, the Finance Committee is responsible for the development, recommendation, implementation and maintenance of all policies relative to PCHD's investment funds and shall:

- develop and/or propose policy recommendations to the Board with regard to the management of all institutional funds.
- recommend long-term and short-term investment policies and objectives for our institutional funds, including the study and selection of asset classes, determining asset allocation ranges, and setting performance objectives.
- determine that institutional funds are prudently and effectively managed with the assistance of management and any necessary investment consultants and/or other outside professionals, if any.
- monitor and evaluate the performance of all those responsible for the management of institutional funds.
- recommend the retention and/or dismissal of investment consultants and/or other outside professionals.
- receive and review reports from management, investment consultants and/or other outside professionals, if any.
- periodically meet with management, investment consultants and/or other outside professional management, investment consultants and/or other outside professionals.
- convene regularly to evaluate whether this policy, investment activities, risk management controls and processes continue to be consistent with meeting the goals and objectives set for the management of institutional funds.
- select, appoint and remove members of the Finance Committee.

2) Investment Management

- a) The Treasurer of the Board of Directors shall be in charge of oversight of the District's surplus funds and their investment and shall advise the Board on investment options and investment policy. The Treasurer shall have such other responsibilities that may be set forth in the District Bylaws or from time to time assigned by the Board of Directors. The Board of Directors is ultimately responsible for the disposition of the District's funds. The Board may at any time appoint one or

more investment managers to advise on Board fund investment issues. The Board of Directors may, if it chooses, delegate discretion and authority to the Treasurer, the District CEO, or a professional investment manager(s) over surplus funds, subject to the limitations on such delegation and investment restrictions established by State Law, this Policy, or from time to time by the Board of Directors. Based on budget or other spending needs of the District, the CEO, subject to Board Treasurer approval, is authorized to shift surplus funds in operational bank accounts to District surplus fund investment vehicles approved by the Board, or to shift liquid investment funds into operations spending accounts to cover budgeted or otherwise approved expenditures of the District. If such shift of funds occurs it shall be reported to the Board at its next meeting.

3) Investment Guidelines

- a) Investment of funds on behalf of the District shall conform to the Prudent Investor Standard as set forth in Government Code Section 53600.3, which includes proceeding in a manner “a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.”
- b) **Eligible Securities** - Investment vehicles authorized and described in Gov’t Code chapters on “Investment of Surplus” (Sections 53600, et seq.) and “Deposit of Funds” (Section 5360, et seq.) including U.S. Treasury instruments, certain Bank obligations, “prime” commercial paper and bills of exchange, bank certificates of deposit, money market funds, bonds and notes, shall be limited in the manner described therein. The District is specifically authorized to place funds in the Local Agency Investment Fund established by the State of California (Government Code Section 16429.1) and with the San Mateo County Pooled Investment Fund (Government code Section 53684). For a detailed list of eligible securities, see Appendix A.
- c) **Real Property** - Pursuant to Health and Safety Code Section 32121(c) the Board of Directors may also invest in certain real property for the benefit of the District. Any real estate acquisition or arrangement with private organizations should have an existing or potential health-related purpose. A health-related purpose shall include purchasing property (a) with the intention of leasing it back to an entity that agrees to provided needed health services to people within the District; (b) with the intention of entering into a joint venture with an entity that will provide needed health services within the District; (c) that will enhance the value or desirability of existing District projects; or (d) that will be open to the general public for exercise or rehabilitation. Real property that is zoned for health services and is easily accessible by public transportation is most desirable. The Board directs the CEO and Board Treasurer to actively pursue real estate opportunities and present them to

the full Board for consideration of acquisition. The Board may invest such money not required for the immediate needs of the agency in such portions as it deems wise or expedient. (Gov't Code Section 53601). In deciding whether to make an investment the Board shall consider three primary objectives: (1) safeguarding the principal, (2) meeting the liquidity needs of the District and (3) achieving a return. (Gov't Code Section 53600.5). At the first public meeting at which the acquisition of any real estate is publicly announced by the Board, the Board shall also announce the purpose of the acquisition, and record the purpose in the official minutes. If the original purpose becomes frustrated, the Board shall either publicly announce a new purpose and record the same in the official minutes, sell the real estate, or hold the real estate until market conditions improve to a specified level.

- d) **Investment Goals** – While there is no specific target for income or total return the portfolio should be managed with the objective of outperforming comparable liquidity management strategies such as money market funds or short-term U.S. Treasuries. The fundamental objective is to provide a portfolio return that preserves the purchasing power of PHCD's assets while maintaining a high level of liquidity and safety allowing PHCD to fulfill its' mission of service to the community.
- e) **Liquidity Requirements** – The PCHD investment portfolio will be characterized as “highly liquid” with 30% of the portfolio available within 48 business hours under normal trading conditions.
- f) **Hedging and Margin** – Neither hedging in any form nor borrowing against (margin loan) PCHD's investment portfolio will be permitted.

4) Legislative Changes

The statutory references within this Policy shall be deemed to incorporate any legislative changes to the codes subsequent to adoption of this Policy and shall further be deemed to incorporate any successor statutes that subsequently replace the referenced statutes or statutory schemes.

5) Controls and Monitoring

The PHCD Finance Committee will review the investment performance of the individual managers with respect to the risk and return objectives established for PCHD. The review may include topics such as the overall business management, organizational changes and other relevant factors.

a) **Regular Reviews:**

- i) Monthly: PCHD's investment manager(s) is/are responsible for providing PHCD with timely reporting including performance, portfolio market values, income received and portfolio holdings.
- ii) Quarterly: At the request of PHCD's Finance Committee, Officers or Board, the investment manager(s) will provide an investment update to discuss market conditions, investment outlook, and portfolio and performance review.
- iii) Ad Hoc Meetings: PHCD's Finance Committee, Officers or Board can dictate changes to this reporting schedule, preferring less frequent updates if desired, or off-cycle meetings and calls if market or business conditions dictate.

b) **Watch List** – In the event that any manager is significantly underperforming over the long-term, the PCHD Finance Committee will maintain a higher level of oversight and may put the firm on watch.

c) The Board Treasurer shall annually provide the Board a copy of this Statement of Investment Policy for review at a public meeting. In addition, the Treasurer shall deliver a quarterly report to be submitted within 30 days following the end of the quarter covered by the report. This report shall cover information required by Government Code Section 53646, including type of investment, issuer, investments and moneys held, and shall additionally include a description of any of District funds under the management of contracted parties, and general investment fund compliance with this policy. For investments that have been placed in the Local Agency Investment Fund or in the County Investment Pool, or any combination of these, the Treasurer may supply to the Board and District Auditor the most recent statement or statements received from these institutions in lieu of the Treasurer's own report required by this policy.

6) **Process for Hiring Outside Investment Managers**

The PCHD Finance Committee may at any point in time deem it necessary to source new investment manager(s) for the PCHD portfolio. A formal Request for Proposal (RFP) will be prepared and circulated among known investment advisors. The RFP will include an explanation of PCHD's investment management requirements, a copy of the current IPS, brokerage statements and timeline for submission. The Finance Committee or an ad hoc committee formed by the Board of Directors, will be responsible for reviewing all RFP responses, interviewing the finalists, and selecting the new manager(s).

Appendix A

| Investment Type | Maximum Remaining Maturity | Maximum Specified % Portfolio | Minimum Quality Requirements | Government Code Section |
|---|----------------------------|--|--|----------------------------|
| Local Agency Bonds | 5 years | None | None | 53601(a) |
| U.S. Treasury Obligations | 5 years | None | None | 53601(b) |
| State Obligations: CA and Others | 5 years | None | None | 53601(d) |
| CA Local Agency Obligations | 5 years | None | None | 53601(e) |
| U.S. Agency Obligations | 5 years | None | None | 53601(f) |
| Bankers' Acceptances | 180 days | 40% | None | 53601(g) |
| Commercial Paper: Non-pooled Funds | 270 days or less | 25% of the agency's money | Highest letter and number rating by an NRSROH | 53601(h)(2)(c) |
| Commercial Paper: Pooled Funds | 270 days or less | 40% of the agency's money | Highest letter and number rating by an NRSROH | 53601(a)(1) |
| Negotiable Certificates of Deposit | 5 years | 30% | None | 53601(i) |
| Non-negotiable Certificates of Deposit | 5 years | None | None | 53630 et seq. |
| Placement Service Deposits | 5 years | 30% | None | 53601.8 and 53635.8 |
| Placement Service Certificates of Deposit | 5 years | 30% | None | 53601.8 and 53635.8 |
| Repurchase Agreements | 1 year | None | None | 53601(j) |
| Reverse Repurchase Agreements and Securities Lending Agreements | 92 daysL | 20% of the base value of the portfolio | None | 53601(j) |
| Medium-term NotesN | 5 years or less | 30% | "A" rating category or its equivalent or better | 53601(k) |
| Mutual Funds and Money Market Mutual Funds | N/A | 20% | Multiple | 53601(l) and 53601.6(b) |
| Collateralized Bank Deposits | 5 years | None | None | 53630 et seq. and 53601(n) |
| Mortgage Pass-through and Asset Backed Securities | 5 years or less | 20% | "AA" rating category or its equivalent or better | 53601(o) |
| County Pooled Investment Funds | N/A | None | None | 27133 |
| Joint Powers Authority Pool | N/A | None | Multiple | 53601(p) |
| Local Agency Investment Fund (LAIF) | N/A | None | None | 16429.1 |
| Voluntary Investment Program Fund | N/A | None | None | 16340 |
| Supranational Obligations | 5 years or less | 30% | "AA" rating category or its equivalent or better | 53601(q) |



2024 Summary of Membership and Financials

Memberships

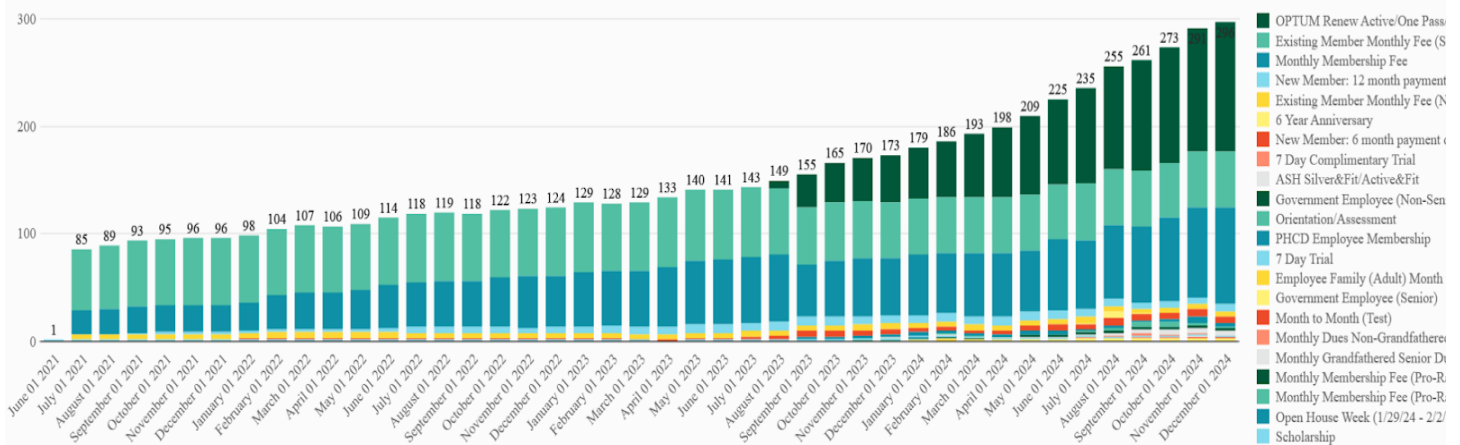
Membership Growth

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|-------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| 2021 | - | - | - | - | - | - | 85 | 88 | 93 | 95 | 96 | 96 |
| 2022 | 98 | 104 | 107 | 106 | 109 | 114 | 118 | 119 | 118 | 122 | 123 | 124 |
| 2023 | 129 | 128 | 129 | 133 | 140 | 141 | 143 | 149 | 152 | 162 | 167 | 170 |
| 2024 | 175 | 183 | 190 | 196 | 204 | 221 | 235 | 254 | 262 | 272 | 282 | 292 |

Insurance Member Growth

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|-------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| 2023 | - | - | - | - | - | - | - | 30 | 36 | 41 | 45 | 49 |
| 2024 | 56 | 62 | 74 | 75 | 80 | 82 | 90 | 92 | 108 | 115 | 117 | 122 |

Average Active Members (Owners) Trends



Visits

Total Visits

| | |
|-------------|--------|
| 2021 | 7,151 |
| 2022 | 16,033 |
| 2023 | 15,574 |
| 2024 | 22,561 |

Unique Visits

| | |
|-------------|-----|
| 2021 | 150 |
| 2022 | 215 |
| 2023 | 230 |
| 2024 | 355 |

Check-ins vs Classes Distribution

| | Check-ins | Group Fitness Classes | Pop-Up Classes |
|-------------|------------------|------------------------------|-----------------------|
| 2021 | 83.75% (5,989) | 14.80% (1060) | - |
| 2022 | 83.45% (13,379) | 15.52% (2,488) | - |
| 2023 | 83.63% (13,025) | 15.46% (2,408) | - |
| 2024 | 72.71% (16,404) | 22.15% (4,998) | 2.2% (497) |

Group Fitness Classes Breakdown

| | Balance | Seniors in Motion | Chair Zumba | Strength in Numbers | Tune-Up Circuit | Yoga |
|------|---------|-------------------|---------------------|---------------------|-----------------|----------------------|
| 2021 | 299 | 612 | - | - | 82 | 67 |
| 2022 | 715 | 1,395 | - | - | 96 | 282 |
| 2023 | 752 | 1343 | - | - | 80 | 233 |
| 2024 | 2,181 | 1,453 | 241 (Began in July) | 536 (Began in May) | 140 | 351 (excl. 2 months) |

Massage Therapy

| | Total | Members | Non-Members | Groupon |
|------|----------------|---------|-------------|---------|
| 2021 | 102 | - | - | - |
| 2022 | 166 | - | - | - |
| 2023 | 140 (Jan-July) | - | - | - |
| 2024 | 153 (Aug-Dec) | 115 | 21 | 17 |

Personal Training & Orientations

| | Personal Training | Orientations |
|------|-------------------|--------------|
| 2023 | 1 | - |
| 2024 | 74 | 63 |

Blood Pressure Screenings

| Total Screenings | Unique Visits |
|------------------|---------------|
| 38 | 13 |

Fall Prevention Program

| Total Participants | Total Attendance | Average Class Attendance | Balance & Strength Workshop | Fall Emergency Workshop | Home Safety Workshop |
|--------------------|------------------|--------------------------|-----------------------------|-------------------------|----------------------|
| 8 | 132 | 5.7 | 21 | 17 | 14 |

Workshop, Socials, and Pop-Up Classes

| Event | Attendance |
|---|------------|
| Fitness Goals Workshop (3 day event) | 46 |
| Balance Strong Workshop (4 day event) | 74 |
| Christmas Card Tree Creations | 12 |
| Cookie Exchange | 11 |
| Cozy Sock Gnome Workshop | 10 |
| Diabetes & You (Dr. Henry Sanchez) | 13 |
| Eye Revive: Yoga for Vision Wellness | 27 |
| February Fab Five | 51 |
| March into Spring | 17 |
| Halloween Potluck | 18 |
| Knitting Basics | 15 |
| Mindful Meditation | 42 |
| Mindful Motion | 3 |
| Music as Medicine | 13 |
| Neck & Shoulder Reset | 18 |
| Pilates | 14 |
| Tai Chi | 11 |
| Sleep Hygiene (Marc Rappaport) | 10 |
| Social Engagement & Community Involvement (PVI) | 6 |
| Trivia & Games | 28 |
| Turkey Burn Fit | 9 |

| | |
|---------------------|------------|
| Upper Body Mobility | 15 |
| Intro to Yoga | 12 |
| Total | 497 |

Sales

| | Total | Membership (w/o insurance) | Insurance Membership | Total Membership (w/ insurance) | Massage Therapy | Personal Training | Yoga | Guests |
|------|--------------|--------------------------------------|---------------------------------------|---|----------------------------------|------------------------------------|-------------|---------------|
| 2021 | \$70,852 | \$63,482 | - | | \$6,900 | - | \$335 | \$15 |
| 2022 | \$124,262 | \$112,947 | - | | \$9,750 | - | \$1,410 | \$135 |
| 2023 | \$131,888 | \$119,333 | \$4,920 | \$124,253 | \$6,360 | \$100 | \$1,175 | \$225 |
| 2024 | \$169,265 | \$116,577 | \$30,472 | \$147,049 | \$16,736 | \$3,742 | \$1,543 | \$195 |

Outlook for 2025

- We expect a temporary decrease in insurance membership and a slight rise in regular memberships to begin the year. This shift is a result of some members (15) transitioning to a different insurance program with different fitness program benefits. Some of these members have opted to take advantage of our special New Year's promotional rate.
- We will continue to offer pop-up classes and workshops as they were a huge success in 2024. Classes of varying interests were popular amongst our members.
- The acceptance of additional fitness benefit programs will depend on the growth of our membership. While the fitness center is nearing full capacity overall, evening attendance remains low. To address this, we plan to offer evening classes, such as yoga or Pilates, to increase engagement during that time.

2025 Initiatives & Goals

Fitness Goals Workshop

A hands-on session to help participants set realistic, personalized fitness goals. The workshop includes expert guidance on goal-setting techniques (e.g., SMART goals), creating action plans, and tracking progress for long-term success. Will be used as a lead up to Diabetes Prevention Program. January 2025.

Diabetes Prevention Program (1-year program)

Launch a comprehensive program aimed at reducing the risk of Type 2 diabetes through education, exercise, and lifestyle management over the course of one year. February 2025.

Fall Prevention Program (3-month, 2x)

Host two 3-month programs focused on improving balance, strength, and flexibility to reduce the risk of falls, especially for older adults. April-June 2025 & August-October 2025.

Health Fair (Mid-Year)

Organize a community health fair to provide free screenings, fitness demos, health education, and local wellness resources, and small farmer's market. Summer 2024.

Add Tai Chi, Yoga/Pilates, Dancing Class to the Schedule

Diversify fitness options by incorporating Tai Chi for balance/mindfulness, Pilates for low impact strength, and dance classes for fun cardio workouts.

Medical Fitness Certified Facility

Pursue certification to become a recognized medical fitness facility, ensuring programs and equipment meet healthcare standards. Achieving this recognition will enhance credibility with healthcare providers, attract referrals, expand membership opportunities, and position the facility as a trusted resource for individuals seeking medically supervised fitness programs. It could also open doors to partnerships with insurance companies, support community health initiatives, and set the facility apart as a leader in the medical fitness space.

Collaboration with other Organizations

- Millbrae Rec Center
- San Mateo Adult Education
- Burlingame Recreation Center
- Sutter Health Education Department
- SMC Nursing
- Home Safety Services



Peninsula Health Care
District
Health & Fitness Center

2024
Summary

12,361

Visit
61% Y/Y
S

292

Members
+59 since 7/1/24

122

Insurance
+32 since 7/1/24

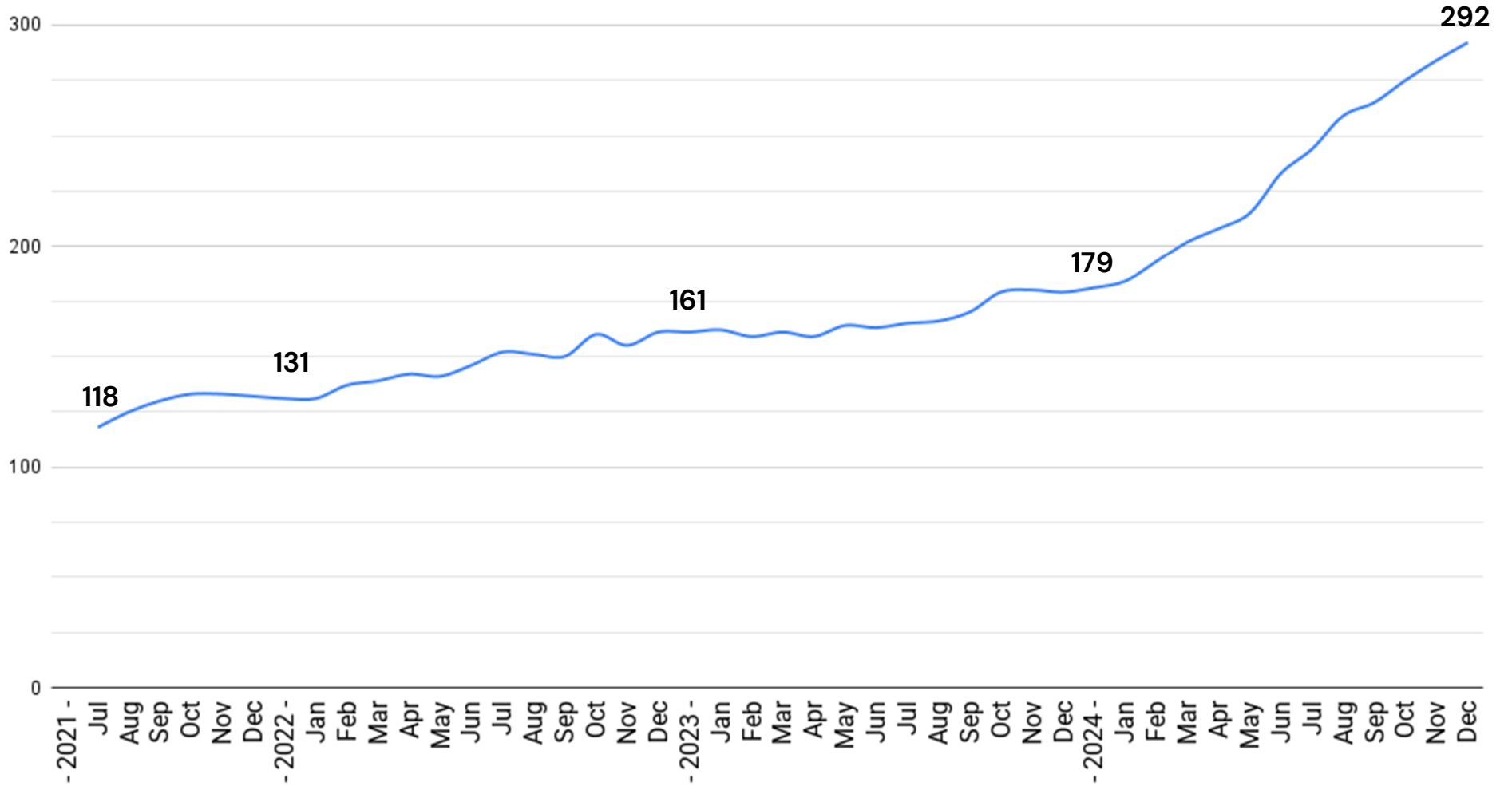
\$95.5k

Revenue

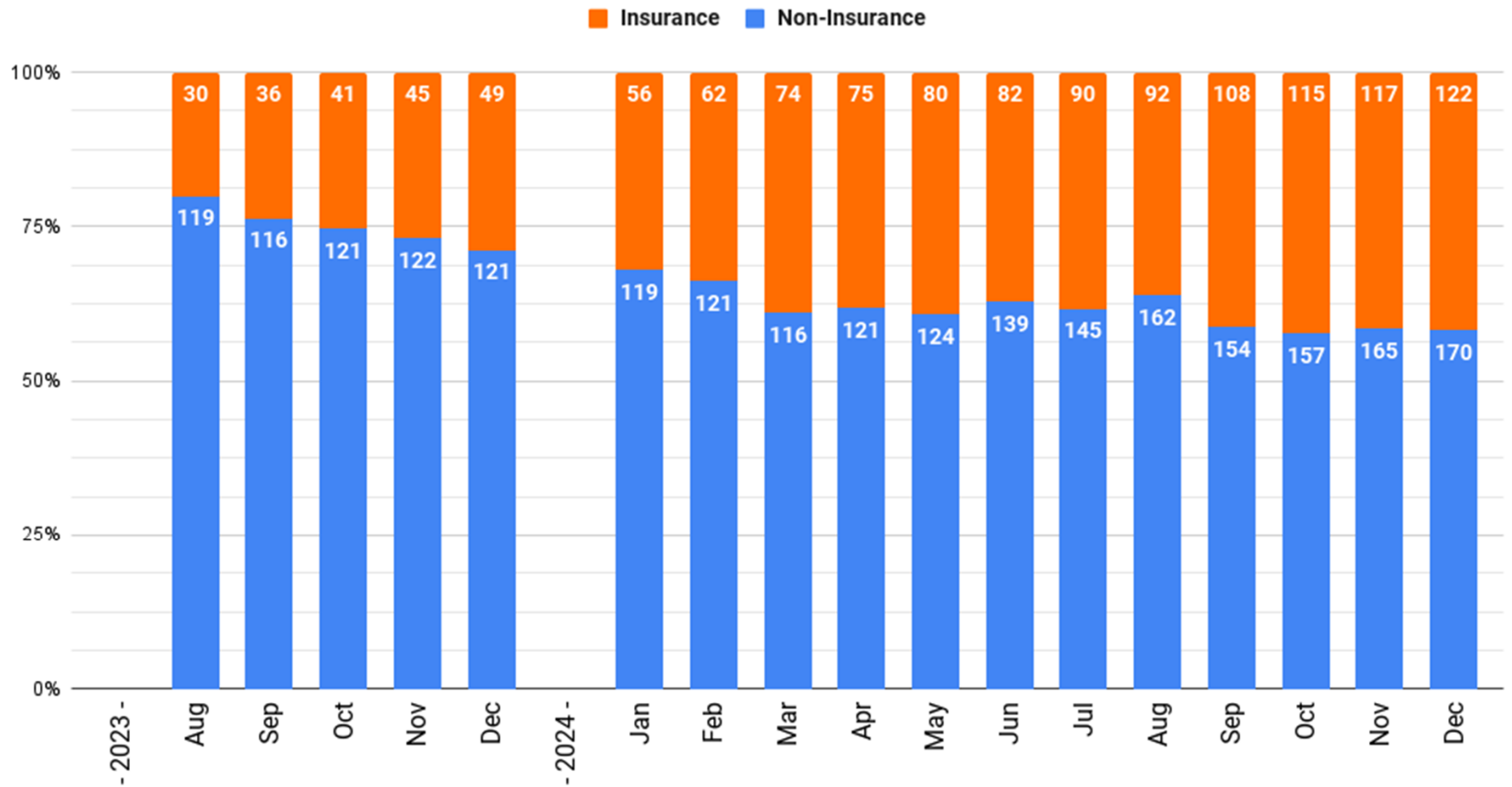
\$175k

Expenses

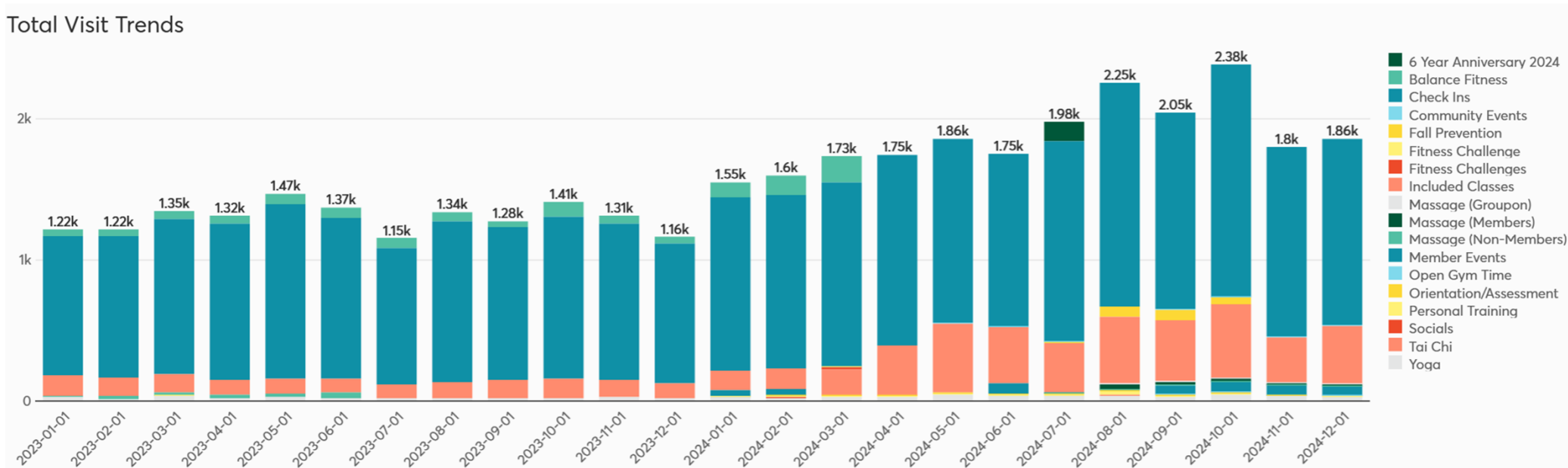
Membership Growth



Insurance Program Growth



Visits Breakdown by Type



| <u>Year</u> | <u>Visits</u> | <u>YoY Growth</u> |
|-------------|---------------|-------------------|
| 2021 | 1,751 | - |
| 2022 | 16,033 | 815.65% |
| 2023 | 15,574 | -2.86% |
| 2024 | 22,561 | 44.86% |

Check-ins vs. Class Attendance

| | Total Visits | Gym Check-In | Group Fitness Classes | Pop-Up Classes |
|-------------|---------------------|---------------------|------------------------------|-----------------------|
| 2021 | 7,151 | 83.75% (5,989) | 14.80% (1060) | - |
| 2022 | 16,033 | 83.45% (13,379) | 15.52% (2,488) | - |
| 2023 | 15,573 | 83.63% (13,025) | 15.46% (2,408) | - |
| 2024 | 22,561 | 72.71% (16,404) | 22.15% (4,998) | 2.2% (497) |

Group Fitness Classes

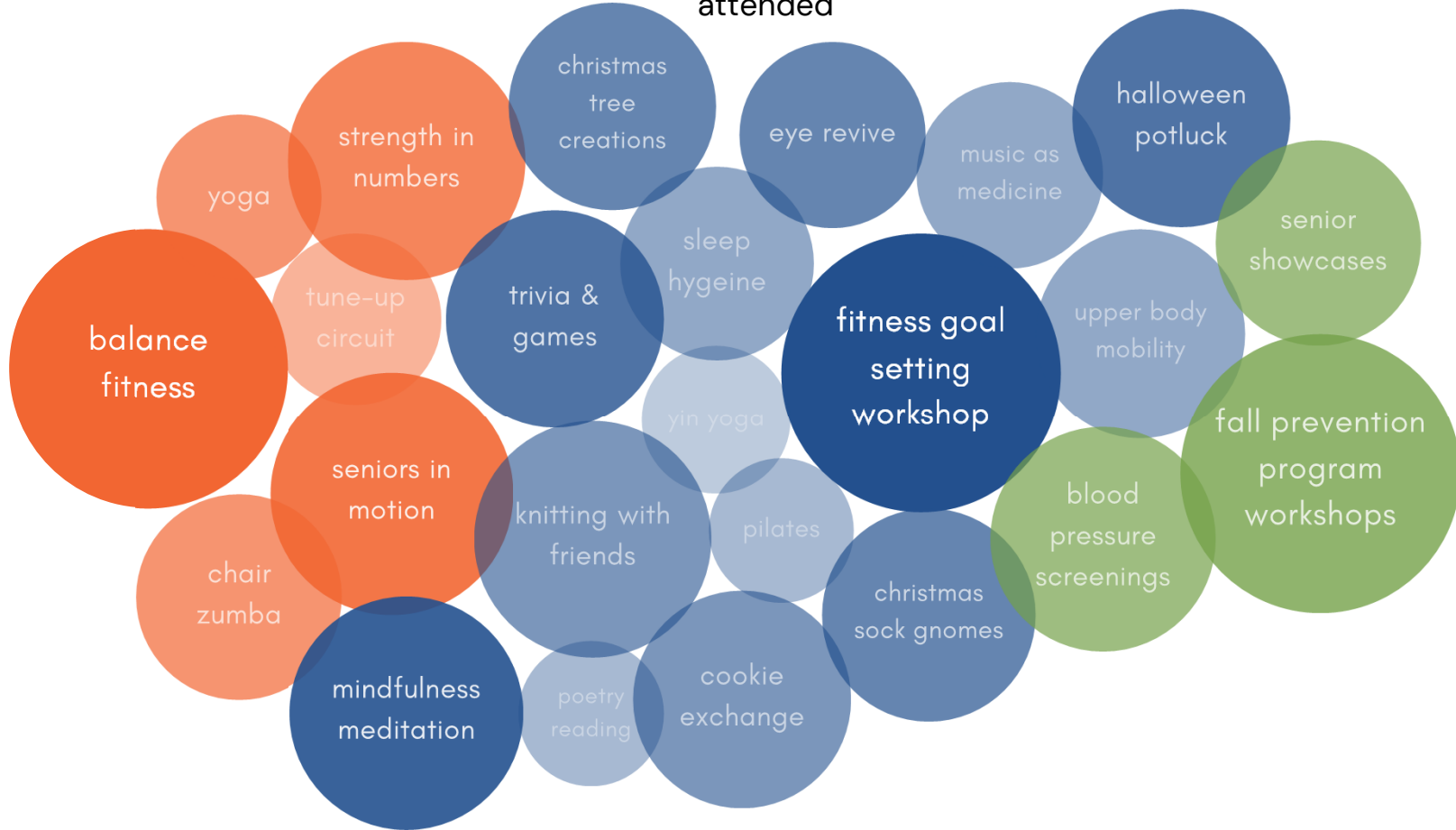
| | Balance | Seniors in Motion | Chair Zumba | Strength in Numbers | Tune-Up Circuit | Yoga |
|-------------|----------------|--------------------------|---------------------|----------------------------|------------------------|----------------------|
| 2021 | 299 | 612 | - | - | 82 | 67 |
| 2022 | 715 | 1,395 | - | - | 96 | 282 |
| 2023 | 752 | 1343 | - | - | 80 | 233 |
| 2024 | 2,181 | 1,453 | 241 (Began in July) | 536 (Began in May) | 140 | 351 (excl. 2 months) |

Paid Services

| | Massage Therapy | Personal Training |
|-------------|------------------------|--------------------------|
| 2021 | 102 | - |
| 2022 | 166 | - |
| 2023 | 140 (Jan-July) | 1 |
| 2024 | 153 (Aug-Dec) | 74 |

Fitness & Pop-Up Classes, Workshops, & Socials

5,495
attended



Financials

| | Total | Membership (w/o insurance) | Insurance Membership | Total Membership (w/ insurance) | Massage Therapy | Personal Training | Yoga | Guests |
|-------------|----------------------|---|---------------------------------|--|----------------------------|------------------------------|-------------|---------------|
| 2021 | \$70,852 | \$63,482 | - | | \$6,900 | - | \$335 | \$15 |
| 2022 | \$124,262 75% Y/Y | \$112,947 | - | | \$9,750 | - | \$1,410 | \$135 |
| 2023 | \$131,888 6% Y/Y | \$119,333 | \$4,920 | \$124,253 | \$6,360 | \$100 | \$1,175 | \$225 |
| 2024 | \$169,265 28% Y/Y | \$116,577 | \$30,472 | \$147,049 | \$16,736 | \$3,742 | \$1,543 | \$195 |

Outlook for 2025

- Overall increase in membership. Max capacity by year end.
- Continue to offer more fitness classes, recreational activities, and workshops.
- Add afternoon/evening classes to the schedule.
- Will continue to post on NextDoor as that has been successful in reaching out to the community.
- Collaborate with other organizations to mutually benefit and support each other.

2025 Highlights

- Diabetes Prevention Program (February)
- Seniors Showcases (Year-round)
- Fall Prevention Program (April & August)
- Health Fair (Mid-Year)
- Add new fitness classes to the schedule i.e. Tai Chi, Pilates
- Pursue Medical Fitness Certification

New Meeting Schedule Proposal

Meetings will be held on the 2nd Tuesday of each month from 4 pm to 5:30 pm –

| Month | Standing Agenda Items |
|--------------|--|
| February | Quarterly Financials Review Annual Policy Review |
| May | Draft Budget Review – 2 hours <ul style="list-style-type: none"> • The Trousdale • allcove • Health & Fitness • Consolidated General Budget Quarterly Financials – Q&A only |
| August | Year-End Financials Review Investment Portfolio Review Sonrisas – Prior Year Performance & Budget Presentation |
| November | Quarterly Financial Review Draft Audited Financial Report Review |

Non-standing agenda items will be added based on suggestions from the Committee.