

**PUBLIC NOTICE**  
**CITY OF ALAMEDA HEALTH CARE DISTRICT BOARD OF DIRECTORS**  
**SPECIAL MEETING AGENDA**

**Monday, December 10, 2018**

**CLOSED SESSION: 4:30 PM | OPEN SESSION: 5:30 P.M.**

Location:

<b>Closed Session 2</b> East Board Room	<b>Open Session</b> Dal Cielo Conference Room (Room A)
Alameda Hospital 2070 Clinton Avenue, Alameda, CA 94501	

**Office of the Clerk: 510-473-0755**

*Members of the public who wish to comment on agenda items will be given an opportunity before or during the consideration of each agenda item. Those wishing to comment must complete a speaker card indicating the agenda item that they wish to address and present to the Executive Director. This will ensure your opportunity to speak. Please make your comments clear and concise, limiting your remarks to no more than three (3) minutes.*

- I. Call to Order** (2 East Board Room) Michael Williams
- II. Roll Call** Debi Stebbins
- III. General Public Comments**
- IV. Adjourn into Executive Closed Session** (2 East Board Room)
- V. Closed Session Agenda**
  - A. Call to Order
  - B. Report Involving Health Care District Trade Secrets Health and Safety Code  
Section 32106
  - C. Adjourn into Open Session
- VI. Reconvene to Public Session** (Expected to start at 5:30 p.m. – Dal Cielo Conference Room)
  - A. Announcements from Closed Session Michael Williams
- VII. General Public Comments**

## VIII. Regular Agenda

### A. YTD AHS Reporting **INFORMATIONAL**

- ✓ 1) Alameda Health System / Alameda Hospital Update Luis Fonseca, COO  
**ENCLOSURE (PAGES 4-19)**
- ✓ 2) Status of 2020 Alameda Hospital Seismic Project Luis Fonseca, COO  
**ENCLOSURE (PAGES 20-38)**
- ✓ 3) AHS Financial Analysis of Alameda Hospital Luis Fonseca, COO  
**ENCLOSURE (PAGES 39-43)**

4) Alameda Hospital Medical Staff Update Elpido Magalong, MD

### B. District & Operational Updates

- 1) District Reports **INFORMATIONAL**
  - a. President's Report Michael Williams
  - b. Community Liaison Report Dennis Popalardo
  - ✓ c. Alameda Health System Liaison Report Tracy Jensen  
**ENCLOSURE (PAGE 44)**
  - ✓ d. Alameda Hospital Liaison Report Robert Deutsch  
**ENCLOSURE (PAGES 45-46)**
  - ✓ e. Executive Director Report and Board Updates Debi Stebbins  
**ENCLOSURE (PAGES 47-50)**

### C. Consent Agenda **ACTION ITEM**

- ✓ 1) Acceptance of Minutes of October 22, 2018 **ENCLOSURE (PAGES 51-57 )**

### D. Action Items

- ✓ 1) Acceptance of Financial Statements: July, August, September, October 2018 **ENCLOSURE (PAGES 58-85 )**
- ✓ 2) Review and Acceptance of FY 2018 Audit Rick Jackson  
**ENCLOSURE (PAGES 86-102)**
- ✓ 3) Review and Approval of FY Ending June 30, 2019  
Parcel Tax Spending Budget from Alameda Health System Luis Fonseca  
**ENCLOSURE (PAGES 103-106)**
- ✓ 4) Biennial Conflict of Interest Statements Debi Stebbins  
**ENCLOSURE (PAGES 107-110 )**

### E. February 11, 2019 Agenda Preview

**INFORMATIONAL - SUBJECT TO CHANGE**

Debi Stebbins

#### Action Items

- 1) Acceptance of December 10, 2018 Minutes

2) Kaufman Hall Report

3) Financial Statements: November and December 2018

Informational Items:

1) YTD AHS Reporting (CAO/Hospital, Quality, Financial, Medical Staff Reports)

**IX. General Public Comments**

**X. Board Comment**

**XI. Adjournment**

<p>Next Scheduled Meeting Dates (2<sup>nd</sup> Monday, every other month or as scheduled) <b>February 11, 2019</b></p>	<p>Open Session 5:30 PM Dal Cielo Conference Room Alameda Hospital</p>
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# City of Alameda Healthcare District Board December 2018





	September 2018				Year-To-Date				FY 2018	
	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance	YTD	% Change
<b>Acute discharges</b>	<b>1,486</b>	<b>1,436</b>	<b>50</b>	<b>3.5%</b>	<b>4,525</b>	<b>4,437</b>	<b>88</b>	<b>2.0%</b>	<b>4,561</b>	<b>(0.8)%</b>
Acute patient days	8,343	7,931	412	5.2%	25,801	24,223	1,578	6.5%	24,408	5.7%
Acute average length of stay	5.6	5.5	0.1	1.6%	5.7	5.5	0.2	4.4%	5.4	6.5%
<b>Acute average daily census</b>	<b>278</b>	<b>264</b>	<b>14</b>	<b>5.3%</b>	<b>280</b>	<b>263</b>	<b>17</b>	<b>6.5%</b>	<b>265</b>	<b>5.7%</b>
<b>Adjusted patient days (APD)</b>	<b>29,774</b>	<b>29,685</b>	<b>89</b>	<b>0.3%</b>	<b>92,296</b>	<b>90,391</b>	<b>1,905</b>	<b>2.1%</b>	<b>87,812</b>	<b>5.1%</b>
Post acute discharges	65	90	(25)	(27.8)%	216	227	(11)	(4.8)%	189	14.3%
Post acute patient days	9,056	9,081	(25)	(0.3)%	27,651	27,479	172	0.6%	27,029	2.3%
<b>Post acute average daily census</b>	<b>302</b>	<b>303</b>	<b>(1)</b>	<b>(0.3)%</b>	<b>301</b>	<b>299</b>	<b>2</b>	<b>0.7%</b>	<b>294</b>	<b>2.4%</b>
<b>Clinic Visits</b>	<b>26,122</b>	<b>29,136</b>	<b>(3,014)</b>	<b>(10.3)%</b>	<b>84,989</b>	<b>87,936</b>	<b>(2,947)</b>	<b>(3.4)%</b>	<b>84,526</b>	<b>0.5%</b>
Visits per Clinic Day	1,306	1,457	(151)	(10.3)%	1,349	1,396	(47)	(3.4)%	1,342	0.5%
<b>Physician wRVUs</b>	<b>77,422</b>	<b>79,341</b>	<b>(1,919)</b>	<b>(2.4)%</b>	<b>251,030</b>	<b>238,023</b>	<b>13,007</b>	<b>5.5%</b>	<b>214,370</b>	<b>17.1%</b>

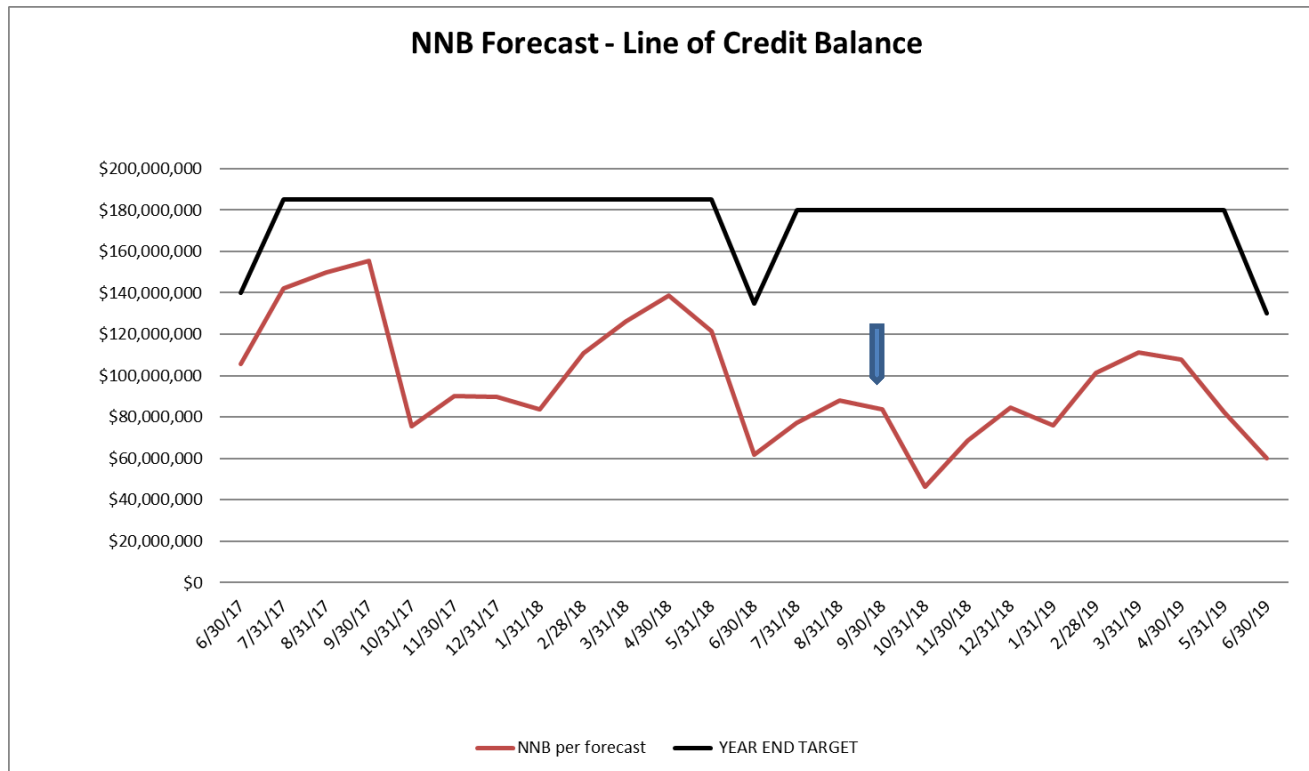


	September 2018				Year-To-Date				FY 2018	
	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance	YTD	% Change
Inpatient service revenue	\$ 158,776	\$ 157,567	\$ 1,209	0.8%	\$ 497,691	\$ 478,955	\$ 18,736	3.9%	\$ 466,884	6.6%
Outpatient service revenue	86,117	91,950	(5,833)	(6.3)%	277,844	277,548	296	0.1%	270,613	2.7%
Professional service revenue	26,815	25,426	1,389	5.5%	83,834	80,855	2,979	3.7%	59,555	40.8%
<b>Gross patient service revenue</b>	<b>271,708</b>	<b>274,943</b>	<b>(3,235)</b>	<b>(1.2)%</b>	<b>859,368</b>	<b>837,357</b>	<b>22,011</b>	<b>2.6%</b>	<b>797,052</b>	<b>7.8%</b>
Deductions from revenues	(223,738)	(223,941)	203	0.1%	(711,220)	(681,573)	(29,647)	(4.3)%	(655,661)	8.5%
Capitation - HPAC	3,161	2,803	359	12.8%	9,104	8,408	696	8.3%	8,299	9.7%
<b>Net patient service revenue</b>	<b>51,131</b>	<b>53,805</b>	<b>(2,673)</b>	<b>(5.0)%</b>	<b>157,253</b>	<b>164,192</b>	<b>(6,940)</b>	<b>(4.2)%</b>	<b>149,690</b>	<b>5.1%</b>
Medi-Cal Waiver	9,541	9,546	(5)	(0.1)%	28,623	28,638	(15)	(0.1)%	26,775	6.9%
Measure A, Parcel Tax, Other Support	9,942	10,025	(83)	(0.8)%	29,825	30,075	(250)	(0.8)%	29,472	1.2%
Supplemental Programs	15,584	11,187	4,396	39.3%	37,914	33,562	4,352	13.0%	29,822	27.1%
Grants & Research Protocol	516	652	(136)	(20.9)%	1,546	1,956	(410)	(21.0)%	1,538	0.5%
Other Operating Revenue	1,696	1,592	103	6.5%	5,434	4,777	657	13.7%	4,979	9.1%
Incentives	155	-	155	100.0%	155	-	155	100.0%	-	#DIV/0!
<b>Supplemental revenue</b>	<b>37,433</b>	<b>33,002</b>	<b>4,431</b>	<b>13.4%</b>	<b>103,497</b>	<b>99,007</b>	<b>4,489</b>	<b>4.5%</b>	<b>92,586</b>	<b>11.8%</b>
<b>Net operating revenue</b>	<b>\$ 88,564</b>	<b>\$ 86,807</b>	<b>\$ 1,757</b>	<b>2.0%</b>	<b>\$ 260,749</b>	<b>\$ 263,200</b>	<b>\$ (2,450)</b>	<b>(0.9)%</b>	<b>\$ 242,276</b>	<b>7.6%</b>
<b>Collection % - NPSR</b>	<b>18.8%</b>	<b>19.6%</b>	<b>(0.8)%</b>		<b>18.3%</b>	<b>19.6%</b>	<b>(1.3)%</b>		<b>18.8%</b>	<b>(2.6)%</b>
<b>Collection % - Total</b>	<b>32.6%</b>	<b>31.6%</b>	<b>1.0%</b>		<b>30.3%</b>	<b>31.4%</b>	<b>(1.1)%</b>		<b>30.4%</b>	<b>(0.2)%</b>



	September 2018				Year-To-Date				FY 2018	% Change
	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance	YTD	
Salaries and wages	\$ 40,930	\$ 40,416	\$ 513	1.3%	\$ 123,641	\$ 124,427	\$ (786)	(0.6)%	\$ 115,254	(7.3)%
Registry	2,326	3,049	(723)	(23.7)%	6,531	9,017	(2,486)	(27.6)%	10,667	38.8%
Employee benefits	13,835	14,377	(543)	(3.8)%	44,433	44,463	(30)	(0.1)%	39,505	(12.5)%
Contracted physician services	7,726	7,382	343	4.7%	23,197	23,307	(111)	(0.5)%	21,089	(10.0)%
Purchased services	6,275	6,057	217	3.6%	18,042	18,164	(122)	(0.7)%	18,619	3.1%
Pharmaceuticals	2,240	2,346	(106)	(4.5)%	6,723	6,898	(175)	(2.5)%	6,815	1.4%
Medical Supplies	2,741	2,910	(170)	(5.8)%	8,162	8,840	(678)	(7.7)%	9,086	10.2%
Materials and supplies	1,675	1,563	112	7.2%	4,812	4,824	(12)	(0.2)%	4,603	(4.5)%
Outside medical services	194	374	(180)	(48.1)%	859	1,147	(288)	(25.1)%	973	11.7%
General & administrative expenses	1,114	1,739	(625)	(35.9)%	4,538	5,220	(682)	(13.1)%	4,324	(4.9)%
Repairs/maintenance/utilities	1,366	1,670	(304)	(18.2)%	4,981	5,009	(27)	(0.5)%	5,159	3.4%
Building/equipment leases & rentals	707	724	(17)	(2.3)%	2,155	2,171	(17)	(0.8)%	2,044	(5.4)%
Depreciation	1,261	1,407	(145)	(10.3)%	3,799	4,291	(493)	(11.5)%	3,940	3.6%
<b>Total operating expense</b>	<b>\$ 82,390</b>	<b>\$ 84,014</b>	<b>\$ (1,624)</b>	<b>(1.9)%</b>	<b>\$ 251,871</b>	<b>\$ 257,778</b>	<b>\$ (5,907)</b>	<b>(2.3)%</b>	<b>\$ 242,078</b>	<b>(4.0)%</b>
Paid full time equivalents (FTE)	4,244	4,406	(162)	(3.7)%	4,290	4,416	(127)	(2.9)%	4,348	1.3%
Paid FTE's per adjusted occupied bed	4.3	4.5	(0.2)	(3.8)%	4.3	4.5	(0.2)	(4.9)%	4.6	6.1%
Worked Hours per APD	21.7	22.2	(0.5)	(2.1)%	21.4	22.3	(0.9)	(4.2)%	22.3	4.2%
Compensation ratio	64.5%	66.6%	(2.2)%		67.0%	67.6%	(0.6)%		68.3%	1.9%

	Current Month	Prior Month	FY 2018
Days in Cash	6.5	6.4	6.9
Gross Days in AR	73.6	72.4	65.5
Net Days in AR	63.1	64.2	70.7
Days in Accounts Payable	36.1	38.8	43.2
Current Ratio	1.5	1.7	1.5



- After noticing a decline in the reported net for Alameda Hospital, Finance Committee requested a “deeper dive” into Alameda Hospital’s finances.

	Highland Campus	Support Services	Ambulatory	John George Behavioral Health	Professional Services	Fairmont Campus	San Leandro Campus	Alameda Hospital	Consolidated
Inpatient service revenue	\$ 1,034,529	\$ -	\$ 2,630	\$ 159,933	\$ -	\$ 174,139	\$ 233,206	\$ 264,144	\$ 1,868,582
Outpatient service revenue	525,520	0	72,737	76,427	0	6,002	196,819	132,600	1,010,105
Professional service revenue	-	-	15,362	42	203,511	-	-	-	218,915
<b>Gross Patient Service Revenue</b>	<b>1,560,050</b>	<b>-</b>	<b>90,729</b>	<b>236,401</b>	<b>203,511</b>	<b>180,141</b>	<b>430,025</b>	<b>396,745</b>	<b>3,097,602</b>
Deductions from revenues	(1,235,652)	-	(59,604)	(184,541)	(169,275)	(138,088)	(366,507)	(317,131)	(2,470,799)
Capitation - HPAC	22,204	-	10,766	5,968	10,766	-	6,114	3,861	59,680
<b>Net Patient Service Revenue</b>	<b>346,601</b>	<b>-</b>	<b>41,892</b>	<b>57,829</b>	<b>45,002</b>	<b>42,053</b>	<b>69,632</b>	<b>83,475</b>	<b>686,483</b>
Medi-Cal Waiver	19,238	-	34,571	6,413	6,413	6,413	9,619	6,413	89,079
Measure A, Parcel Tax, Other Support	-	109,309	-	-	-	-	-	5,258	114,567
CA Hospital Fee	3,253	-	-	-	-	-	888	561	4,703
Supplemental Programs	5,925	-	10,049	5,282	10,784	2,469	5,391	10,173	50,074
Grants & Research Protocol	3,950	615	3,174	224	-	-	-	-	7,962
Other Operating Revenue	12,543	4,819	1	1	1,124	143	126	265	19,022
Incentives	(372)	(198)	-	-	829	-	-	198	457
<b>Total Supplemental Revenue</b>	<b>44,538</b>	<b>114,545</b>	<b>47,795</b>	<b>11,919</b>	<b>19,149</b>	<b>9,026</b>	<b>16,024</b>	<b>22,868</b>	<b>285,864</b>
<b>Net Operating Revenue</b>	<b>391,138</b>	<b>114,545</b>	<b>89,687</b>	<b>69,748</b>	<b>64,151</b>	<b>51,079</b>	<b>85,656</b>	<b>106,343</b>	<b>972,347</b>
Salaries and wages	152,871	59,214	42,516	37,117	22,631	30,624	44,847	49,948	439,768
Registry	18,261	5,527	561	470	-	973	3,286	6,081	35,158
Employee benefits	51,864	27,078	14,500	12,620	6,395	10,412	15,248	16,971	155,087
Contracted physician services	2,620	55	3	217	80,360	-	6	62	83,325
Professional services	22,184	-	31,648	1,255	(55,590)	184	89	230	(0)
Purchased services	9,955	43,329	2,295	916	1,469	3,365	4,647	8,879	74,854
Pharmaceuticals	20,422	59	1,482	399	-	849	1,855	2,887	27,953
Medical Supplies	19,900	14	1,865	112	-	1,042	5,557	7,629	36,119
Materials and supplies	8,266	1,979	631	687	-	2,087	2,193	2,787	18,632
Outside medical services	-	2,205	-	-	-	-	0	-	2,205
General & administrative expenses	612	16,203	231	(3)	688	19	79	209	18,037
Repairs/maintenance/utilities	5,209	7,887	509	708	-	1,441	1,512	1,975	19,241
Building/equipment leases & rentals	2,211	1,372	1,644	-	-	61	381	2,841	8,510
Depreciation	1,625	9,659	1,004	110	-	75	1,074	1,593	15,140
<b>Total operating expense</b>	<b>316,000</b>	<b>174,581</b>	<b>98,889</b>	<b>54,609</b>	<b>55,952</b>	<b>51,131</b>	<b>80,775</b>	<b>102,092</b>	<b>934,030</b>
<b>Contribution</b>	<b>75,138</b>	<b>(60,035)</b>	<b>(9,203)</b>	<b>15,139</b>	<b>8,199</b>	<b>(52)</b>	<b>4,881</b>	<b>4,250</b>	<b>38,317</b>

## COST

- First need to determine real/full cost of services.
- Allocation of support service is done by Home Office Cost Report – required by Medicare and Medi-Cal.
- All system wide support service costs are reviewed and determined to be allocated on direct or indirect allocation basis, and by what statistic.
- FY17 cost report determined AH received 13.8% of support services cost.
- The Home Office costs are added to direct facility overhead costs and allocated in the cost report to all chargeable areas.
- This creates cost to charge ratios which are used to calculate cost of services by service line, patient, etc.

### FY 18 Estimation of Support Service Allocation

FY 18 Expense Summary by Facility									
Sum of YTD	Column Labels								
Row Labels	Alameda Hospital	Ambulatory	Fairmont Campus	Highland Campus	John George Behavioral	Professional Services	San Leandro Campus	Support Services	Grand Total
Building/equipment leases & rentals	2,854,991	1,737,414	95,860	2,276,770	4,979		353,870	1,610,584	8,934,467
Contracted physician services		3,510		3,441,774		85,731,318			89,176,601
Depreciation	1,792,805	1,071,143	154,953	2,090,003	150,100		1,081,974	9,910,007	16,250,985
Employee benefits	17,571,099	14,805,851	10,827,019	54,841,726	13,021,062	6,629,739	14,958,531	32,223,174	164,878,200
General & administrative expenses	369,550	112,103	35,713	894,737	96,490	1,060,521	101,110	16,545,070	19,215,295
Interest income/(expense) net								1,664,146	1,664,146
Materials and supplies	3,273,077	833,774	2,421,355	9,803,760	923,761	1,600	2,204,306	1,878,595	21,340,228
Medical Supplies	6,116,890	2,357,178	1,030,688	19,579,430	108,829		5,633,290	20,011	34,846,316
<b>Outside medical services</b>								<b>5,020,762</b>	<b>5,020,762</b>
Pharmaceuticals	3,240,617	1,608,379	861,486	23,144,897	477,544		1,741,303	170,164	31,244,390
Professional Services	289,960	47,992,424	242,936	27,765,426	1,853,237	(78,363,411)	219,428		-
Purchased services	8,842,991	1,209,501	3,047,338	10,558,444	1,264,958	2,534,895	4,660,552	44,245,567	76,364,246
Registry	6,525,045	324,818	827,574	12,992,738	1,227,567		1,163,204	5,165,119	28,226,066
Repairs/maintenance/utilities	2,076,426	310,590	1,317,161	5,790,233	1,500,251		1,797,719	8,879,244	21,671,624
<b>Retirement GASB68</b>								<b>50,225,085</b>	<b>50,225,085</b>
Salaries and wages	55,322,037	46,154,311	34,319,628	173,693,875	41,355,000	23,702,410	47,153,176	64,701,435	486,401,872
<b>Grand Total</b>	<b>108,275,490</b>	<b>118,520,995</b>	<b>55,181,711</b>	<b>346,873,813</b>	<b>61,983,777</b>	<b>41,297,071</b>	<b>81,068,464</b>	<b>242,258,961</b>	<b>1,055,460,283</b>
								<b>Total FY 18 support services less HPAC Outside Costs and Retirement GASB68</b>	<b>187,013,115</b>
<b>FY 17 Total Cost</b>	<b>102,092,234</b>	<b>98,891,074</b>	<b>51,135,918</b>	<b>316,005,368</b>	<b>54,641,871</b>	<b>55,952,402</b>	<b>80,782,500</b>	<b>175,222,343</b>	<b>934,723,710</b>
<b>% Increase</b>	<b>106.1%</b>	<b>119.9%</b>	<b>107.9%</b>	<b>109.8%</b>	<b>113.4%</b>	<b>73.8%</b>	<b>100.4%</b>	<b>106.7%</b>	<b>107.5%</b>
								<b>Home Office allocation to AH in 17</b>	<b>24,267,328</b>
								<b>13.8%</b>	
								<b>AH FY 18 allocation estimate at 13.8% of Support Services</b>	<b>25,900,284</b>

## REVENUE

- Net Patient Service Revenue is calculated at the Account/Payer level.
- FY 17 NPSR known, FY 18 NPSR estimated
- Supplemental Revenues are in some cases earned at the facility level, some at the system level.
- System level revenues must be allocated.
- Some FY 17 and most FY 18 supplementals are estimated.
- Because of AB85 Realignment Redirection, Measure A allocations are done last, and based on uncompensated cost after all other allocations.

## Allocation of Supplemental Revenue

**AB 915** – Outpatient Medi-Cal FFS Supplemental -FY 17 Actual for AH

**SNF Medi-Cal FFS Supplemental** - Estimated at FY 17 AH cost per day increased by 6% less rate paid per day.

**Alameda Hospital District Tax** - Allocated to all AH services.

**Medi-Cal Managed Care Rate Range** - Allocated based on Medi-Cal Managed Care Charges.

**Hospital Fee (Direct Grant and Managed Care components)** - Allocated based on Medi-Cal Managed Care Charges.

**QIP/EPP** - Allocated based on Medi-Cal Managed Care Charges.

**PRIME** - Allocated based on Medi-Cal Managed Care Charges.

**HPAC** - Allocated first to Outside Medical Services, Highland and Ambulatory Clinics.

**GPP** - Allocated based on Uninsured, HPAC and Restricted Medi-Cal Uncompensated Cost.

**Measure A** - Allocated to indigent uncompensated cost for Medi-Cal, Medi-Cal Managed Care, Dually Eligible, HPAC, Uninsured and Other Government.



Alameda Hospital				
FY 17 Income Statement				
Full Costing				
Gross Revenue By Service/Payor	Acute Inpatient	Hospital Outpatient	Skilled Nursing	Total
County/City/State	2,109,155	3,124,816	-	5,233,971
Commercial Insurance	18,696,841	23,841,148	4,181,511	46,719,500
MediCal	14,175,243	4,135,767	56,446,760	74,757,770
MediCal Managed Care	32,587,143	34,213,733	1,591,345	68,392,221
Medicare	92,255,914	46,964,414	24,747,777	163,968,105
Medicare Managed Care	12,238,143	6,576,825	1,319,200	20,134,167
Patient Pay	2,037,701	13,743,410	1,757,742	17,538,854
<b>Grand Total Gross Revenue</b>	<b>174,100,139</b>	<b>132,600,114</b>	<b>90,044,335</b>	<b>396,744,588</b>
Contractual Adjustments	(142,428,930)	(108,397,337)	(61,244,074)	(312,070,342)
<b>Net Patient Service Revenue (Actual Payments FY 17)</b>	<b>31,671,209</b>	<b>24,202,777</b>	<b>28,800,261</b>	<b>84,674,247</b>
	18.19%	18.25%	31.98%	21.3%
Cost By Service/Payor	Acute Inpatient	Hospital Outpatient	Skilled Nursing	Total
County/City/State	637,019	772,340	-	1,409,358
Commercial Insurance	5,615,936	5,692,296	2,106,427	13,414,658
Medi-Cal	4,383,992	864,677	24,817,652	30,066,320
Medi-Cal Managed Care	10,105,666	8,285,219	471,030	18,861,915
Medicare	27,936,956	13,990,765	8,822,237	50,749,958
Medicare Managed Care	3,688,152	1,791,385	498,202	5,977,738
Patient Pay	594,569	4,488,412	810,324	5,893,304
<b>Grand Total Expense</b>	<b>52,962,289</b>	<b>35,885,093</b>	<b>37,525,871</b>	<b>126,373,253</b>
<b>Net Income (Loss) Before Supplementals</b>	<b>(21,291,080)</b>	<b>(11,682,317)</b>	<b>(8,725,610)</b>	<b>(41,699,006)</b>

17

<b>Alameda Hospital</b>				
<b>FY 18 Income Statement</b>				
<b>Full Costing</b>				
<b>Gross Revenue By Service/Payor</b>	<b>Acute Inpatient</b>	<b>Hospital Outpatient</b>	<b>Skilled Nursing</b>	<b>Total</b>
<b>County/City/State</b>	2,553,984	2,844,973	-	5,398,957
<b>Commercial Insurance</b>	13,862,847	23,116,351	6,310,916	43,287,942
<b>Medi-Cal</b>	16,159,292	8,343,157	52,109,756	76,612,205
<b>Medi-Cal Managed Care</b>	33,869,337	31,749,371	4,585,370	70,204,077
<b>Medicare</b>	101,712,718	47,018,357	22,349,090	171,080,165
<b>Medicare Managed Care</b>	11,396,547	7,367,524	701,534	19,465,606
<b>Patient Pay</b>	2,087,016	13,126,596	1,550,237	16,763,822
<b>Grand Total Gross Revenue</b>	<b>181,641,742</b>	<b>133,566,328</b>	<b>87,606,904</b>	<b>402,812,774</b>
<b>Contractual Adjustments</b>	<b>(151,842,947)</b>	<b>(112,489,981)</b>	<b>(59,770,585)</b>	<b>(324,103,513)</b>
<b>Net Patient Service Revenue</b>	<b>29,798,795</b>	<b>21,076,347</b>	<b>27,836,319</b>	<b>78,711,461</b>
	16.41%	15.78%	31.77%	19.5%
<b>Cost By Service/Payor</b>	<b>Acute Inpatient</b>	<b>Hospital Outpatient</b>	<b>Skilled Nursing</b>	<b>Total</b>
<b>County/City/State</b>	814,409	706,520	-	1,520,929.27
<b>Commercial Insurance</b>	4,271,109	5,804,131	3,170,006	13,245,245.16
<b>Medi-Cal</b>	5,322,537	2,326,504	23,921,767	31,570,807.83
<b>Medi-Cal Managed Care</b>	10,926,514	7,769,222	1,397,972	20,093,706.94
<b>Medicare</b>	32,073,372	14,844,650	8,778,427	55,696,448.54
<b>Medicare Managed Care</b>	3,617,316	2,123,741	381,220	6,122,276.58
<b>Patient Pay</b>	637,373	4,442,491	846,496	5,926,360.38
<b>Grand Total Expense</b>	<b>57,662,628</b>	<b>38,017,258</b>	<b>38,495,888</b>	<b>134,175,775</b>
<b>Net Income (Loss) Before Supplementals</b>	<b>(27,863,833)</b>	<b>(16,940,911)</b>	<b>(10,659,569)</b>	<b>(55,464,314)</b>

Alameda Hospital				
FY 18 Income Statement				
Full Costing				
Gross Revenue By Service/Payor	Acute Inpatient	Hospital Outpatient	Skilled Nursing	Total
<b>Grand Total Gross Revenue</b>	<b>181,641,742</b>	<b>133,566,328</b>	<b>87,606,904</b>	<b>402,812,774</b>
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<b>Net Income (Loss) Before Supplementals</b>	<b>(27,863,833)</b>	<b>(16,940,911)</b>	<b>(10,659,569)</b>	<b>(55,464,314)</b>
<b>Other Operating Revenue</b>				<b>477,949</b>
<b>AB915 OP Supplemental</b>				<b>502,010</b>
<b>SNF Supplemental</b>				<b>163,800</b>
<b>Alameda Hospital District Tax</b>				<b>5,120,268</b>
<b>Net Income (Loss) Before Allocation of Supplementals</b>				<b>(49,200,286)</b>
<b>Allocation Medi-Cal Managed Care Rate Range</b>				<b>1,904,902</b>
<b>Allocation Hospital Fee</b>				<b>144,408</b>
<b>Allocation QIP/EPP</b>				<b>3,719,059</b>
<b>Allocation PRIME</b>				<b>1,994,035</b>
<b>Allocation HPAC</b>				<b>-</b>
<b>Allocation GPP</b>				<b>6,927,743</b>
<b>Allocation Measure A</b>				<b>13,568,110</b>
<b>Net Income (Loss)</b>				<b>(20,942,029)</b>

<b>Contractor/Vendor Name:</b>	Webcor Builders Inc., ("Webcor")
<b>Description:</b>	<p>Alameda Hospital ("AH"), an affiliate of Alameda Health System ("AHS"), and certain aspects of AH's physical infrastructure are not currently in compliance with the seismic requirements set forth by California Senate Bill 1953 ("SB 1953"). As initially drafted and passed into law, SB 1953 required healthcare facilities to comply with upgraded seismic standards by year-end 2030 with facilities meeting Structural Performance Category 2 (SPC-2) rating by 2013. Subsequently the California Senate passed another bill ("SB 90") extending the seismic upgrade deadline to January 1, 2020. In order to comply with these legally mandated seismic upgrade requirements, to ensure compliance with the terms of the Joint Powers Agreement entered into with the City of Alameda Health District that requires AHS to "oversee and implement" the SB 90 upgrades, and to maintain uninterrupted provision of essential hospital services that are currently located in or will be impacted by the seismically non-compliant areas, specific sections of Alameda Hospital's physical building must be seismically retrofitted by AHS.</p> <p>Planning for the SB90-mandated AH seismic retrofit began approximately 10 years ago under the City of Alameda Health Care District ("District") and has continued under the auspices of Alameda Health System since the affiliation with the District in 2014. The seismic retrofit effort has been divided into 4 projects with accompanying work plans as described below:</p> <ol style="list-style-type: none"> <li>1. <u>Make Ready – Project 1, Occupational Therapy</u> Relocates the Occupational Therapy ("OT") Department from the 1<sup>st</sup> floor West Wing to the 2<sup>nd</sup> floor South Building that formerly hosted a now vacated nursing unit. Whereas OT is currently located in an area that does not require seismic retrofit, the relocation is required to make space available for the subsequent relocation of environmental and linen services ("EVS") that is currently located in an area requiring seismic retrofit. The OT relocation is the 1<sup>st</sup> of 2 "make ready" projects needed to prepare for the seismic upgrade activities.</li> <li>2. <u>Make Ready – Project 2, EVS</u> This is the 2<sup>nd</sup> Make Ready project that includes a remodel of the existing OT area on the 1<sup>st</sup> floor of the West Wing with new flooring, ceiling, 2 bathrooms and office to serve as the new permanent home of EVS. However, prior to relocation to its new permanent home, EVS will be <u>temporarily</u> relocated to the 2<sup>nd</sup> floor South Building to accommodate the seismic upgrade work in the West and Stephens Wings.</li> <li>3. <u>Increment 1 (Seismic)</u> The work to be performed in the impacted areas of the West and Stephens Wings includes the removal of the existing concrete slab to perform chemical grout injections to reinforce the soil until the required compression strength is achieved, installation of new concrete shear wall infill in designated walls and removal of an existing pedestrian bridge. Completion of this work plan (Increment 1) will bring the impacted areas into compliance with the legally mandated seismic retrofit requirements; however additional work will be required and provided under the work plans associated with Projects 2 and 4 as described in this summary to fully equip the seismically compliant space to accommodate hospital services.</li> <li>4. <u>Increment 2 (Kitchen Relocation)</u> New construction for the kitchen, dining and associated spaces. The existing kitchen will operate in its existing location in the East Building until the project is complete.</li> </ol>

The food and nutrition service will then be relocated to the seismically compliant Stephens Wing. The Kitchen is an essential service that is required to be in a seismically compliant building.

Each of the above work plans have been submitted to the Office of Statewide Health Planning and Development (“OSHPD”) for review and approval. To-date, 3 of the 4 project plans have received OSHPD approval with the last project (Increment 2) anticipated for approval in December 2018.

In recognition of the complexity and importance of ensuring seismic compliance for the impacted AH locations, AHS leadership issued a formal Request for Proposal (“RFP”) requiring the bidding vendors to develop and submit proposals using a Construction Manager (“CM”) at Risk / Guaranteed Maximum Price (“GMP”) model with two phases ( 1. Pre-Construction Phase (“Pre-Construction”), and 2. Construction Phase (“Construction”). The CM at Risk/GMP model of obtaining construction services is widely accepted throughout the industry and serves to protect AHS’ financial interests while ensuring timely completion of the seismic retrofit. During the Pre-Construction Phase, the selected vendor will create a detailed work plan outlining the start-to-finish steps required to complete each of the 4 projects and establish a Guaranteed Maximum Price for all 4 projects. Upon review of the detailed work plan and GMP proposals that are generated during Pre-Construction, AHS leadership will confirm acceptability of the detailed work plan and proposed GMP and return to the Board in March 2019 to review and request approval for the second and final stage (Construction) of the seismic retrofit.

To ensure that the broadest number of potential vendors were identified and had the opportunity to participate, the RFP was distributed through multiple sources including the AHS website, Alameda County Builders Exchange and direct solicitation. In addition, AHS contacted many well-established general contractors within the Bay Area and Alameda County that had experience with projects of similar breadth and complexity. This comprehensive solicitation effort produced 17 potential vendors; all 17 potential vendors were invited to bid. Of the 17, 5 attended the mandatory pre-bid site walk and 2 of the 5 vendors submitted a response to the RFP.

After a comprehensive evaluation of the submitted bids that included a 35% weighting for Cost, 25% for Experience and Qualification, 10% for Project Plan, 10% for Safety Plan and Safety Modification, 10% for Financial Strength and 10% for vendors with a local office in the County of Alameda. AHS leadership has determined that Webcor, with a local office in the city of Alameda, is best suited and most capable of effectively and affordably managing the seismic retrofit project.

With a keen eye to maintaining adherence to the seismic retrofit completion timeline, AHS leadership is now proposing to enter an agreement (“Agreement”) with Webcor under which Webcor will serve as the Construction Manager (CM) at Risk and provide Pre-Construction services. During Pre-Construction, Webcor will conduct investigations of the facility and fully review the OSHPD approved plans to develop a detailed proposal of how to most effectively complete the seismic retrofit projects within a guaranteed and fixed budget (i.e. significantly reducing the risk of unanticipated and unbudgeted cost overruns). During the pre-construction phase the CM at Risk will develop a “Guaranteed Maximum Price” (GMP) for the project in coordination with the design team. The GMP will be based on any findings

	<p>from the pre-construction phase and the OSHPD approved plans. Webcor will serve as the general contractor during the pre-construction phase and for the duration of the project, managing all trades and construction related work.</p> <p>The proposed Agreement includes the following provisions:</p> <ol style="list-style-type: none"> <li>1. During Pre-Construction, Webcor will perform a range of Construction Manager (CM) services, working collaboratively with AHS and its representatives, including architecture, engineering and other project team members. Upon completion of the Pre-Construction phase, including procurement of trade subcontracts, and upon subsequent Board approval of the Construction phase terms, Webcor will transition from the role of CM to project General Contractor ("GC") during the second (and final) Construction phase.</li> <li>2. Webcor shall establish a finalized value for the Construction phase price guarantee (GMP) by their performance of a number of duties, including the following:             <ol style="list-style-type: none"> <li>a. Constructability review services</li> <li>b. Value engineering services</li> <li>c. Bidding services</li> <li>d. Scheduling services</li> <li>e. Estimating services</li> <li>f. Phasing-, logistics-, infection control-, signage-, shutdown-, and method of procedure-planning services</li> <li>g. Interim life safety measure services</li> </ol> </li> <li>3. Work diligently and proactively to estimate the values of, competitively bid for and/or otherwise procures the necessary contracts for the trades to be deployed during the Construction phase.</li> <li>4. Additionally and if requested by AHS, Webcor will work with AHS to identify any major trade subcontracts warranting use of a process that prequalifies potential bidders, and that also may involve, if requested by AHS, contract awards based on a competitive best-value analysis.</li> </ol> <p>AHS leadership is now requesting Board approval to enter the Agreement with a contract to Webcor for the Pre-Construction services, CM at Risk General Conditions, CM at Risk General Requirement and CM at Risk Fee as described above.</p>						
<p><b>Contract Type and Term:</b></p>	<p>New Contract Term: Upon Execution – 12/21/2020</p>						
<p><b>Termination Clause:</b></p>	<p>AHS may terminate the Agreement after a ten (10) day cure period for cause or immediately upon written notice for convenience.</p>						
<p><b>Total Spend with Vendor:</b></p>	<table border="1"> <thead> <tr> <th data-bbox="412 1768 1010 1839">Description</th> <th data-bbox="1013 1768 1224 1839">Board Approval</th> <th data-bbox="1227 1768 1487 1839">Total</th> </tr> </thead> <tbody> <tr> <td data-bbox="412 1843 1010 1940">Webcor Builders Inc., (Upon Execution – 12/21/2020) Pre-Construction Services</td> <td data-bbox="1013 1843 1224 1940"></td> <td data-bbox="1227 1843 1487 1940">\$ 205,291.00</td> </tr> </tbody> </table>	Description	Board Approval	Total	Webcor Builders Inc., (Upon Execution – 12/21/2020) Pre-Construction Services		\$ 205,291.00
Description	Board Approval	Total					
Webcor Builders Inc., (Upon Execution – 12/21/2020) Pre-Construction Services		\$ 205,291.00					

# Board of Trustees Contract Summary November 2018

		<b>Approval Requested</b>															
	<b>CM at Risk General Conditions</b>	<b>Approval Requested</b>	<b>\$1,749,759.00</b>														
	<b>CM at Risk General Requirement</b>	<b>Approval Requested</b>	<b>\$ 706,398.00</b>														
	<b>CM at Risk Fee</b>	<b>Approval Requested</b>	<b>\$ 855,000.00</b>														
	<b>Grand Total</b>		<b>\$3,516,448.00</b>														
<b>Estimated Cost Savings:</b>	AHS received 2 proposals, 1 from Webcor and the other from Dome Construction, in response to the seismic retrofit RFP. The Webcor proposal was the low bid and will result in a cost avoidance of \$987,451.00 as compared to the other bid.																
<b>Fiscal Implications:</b>	This agreement has been included in the FY 19 budget as a Capital Expenditure for the SB90 AH retrofit project. The total amount budgeted for this project is approximately \$20M (aggregate for both Pre-Construction and Construction phases).																
<b>Reasons for Recommendation:</b>	This award is being made based on a competitive bid. Upon careful analysis and evaluation, AHS leadership determined that Webcor submitted the proposal representing the best value to AHS and the community we serve. In addition, this project work is required to meet regulatory seismic compliance for inpatient services. Failure to complete project will result in the closure of Alameda Hospital as an Acute Care Hospital																
<b>Impacted Facilities:</b>	<table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr style="background-color: #e1f5fe;"> <th style="width: 15%;">AHS</th> <th style="width: 15%;">Highland</th> <th style="width: 15%;">Fairmont</th> <th style="width: 15%;">San Leandro</th> <th style="width: 15%;">Alameda</th> <th style="width: 15%;">Clinic(s)</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td style="text-align: center;">X</td> <td></td> </tr> </tbody> </table>					AHS	Highland	Fairmont	San Leandro	Alameda	Clinic(s)					X	
AHS	Highland	Fairmont	San Leandro	Alameda	Clinic(s)												
				X													
<b>Coordination with Medical Staff:</b>	The relocation of ancillary services related to the Project have been vetted with Ancillary Support Service Leaders, Nursing Leadership and Medical Staff Leadership.																
<b>Administrative Review:</b>	Primary: Manager, Support Services; Secondary: Vice President Support Services																
<b>Prior BOT Review/Action:</b>	N/A																

Executive Sponsor

  
 Luis Fonseca  
 Chief Operating Officer

  
 Date Approved:

# Alameda Health System

AHS Contract with Webcor Builders, Inc.  
Board of Trustees Meeting  
November 29, 2018

Luis Fonseca  
Chief Operating Officer

Baljeet S. Sangha  
VP, Support Services



# AHS Contract with Webcor Builders

# Project Updates – OSHPD Approvals

## Make Ready – Project 1, Occupational Therapy

Plans Submitted	5/18/18
OSHPD Approval	10/30/18

## Make Ready – Project 2, EVS/Linen

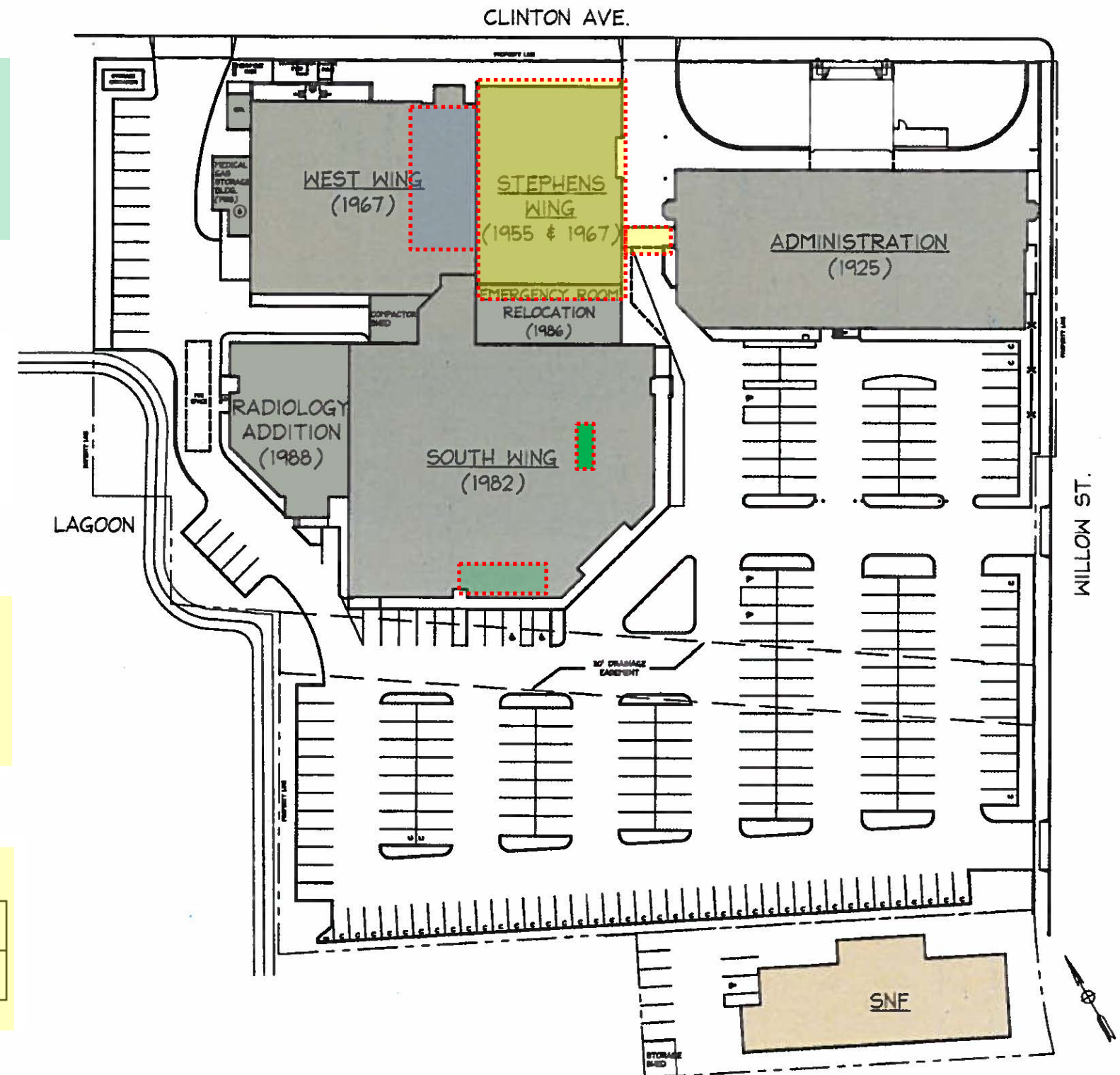
Plans Submitted	6/12/18
OSHPD Approval	10/02/18

## Increment 1 (Seismic)

Plans Submitted	February 2018
OSHPD Approval	05/18/18

## Increment 2 OSHPD (Kitchen Relocation)

Plans Submitted	April 2018
OSHPD Approval	December 2018



Areas of Construction (See also Appendix)

# RFP Development

- The RFP was developed through the coordination of a cross functional team which included:
  - VP Support Services
  - Associate General Counsel
  - Non-Physician Contracting Department
  - Manager, Support Services
  - Mayers | Nave (outside legal counsel)
  - Ratcliff Architects
  - Jtec HCM
- The scope of work was carefully vetted by the design and project team
- The RFP document and process was thoroughly vetted by legal counsel and the AHS Non Physician Contracting Department

# RFP Timeline/ Process

Date	Milestone
September 21, 2018	RFP Posted
September 27, 2018	Addendum 1 Posted* <ul style="list-style-type: none"> <li>This addendum to the RFP responded to initial questions related to the project and questions regarding the RFP.</li> </ul>
October 02, 2018	RFP Mandatory Site Walk
October 5, 2018	RFP Questions from Proposers Due
October 10, 2018	Addendum 2 Posted* <ul style="list-style-type: none"> <li>This addendum responded to questions from the mandatory bid walk and further questions related to clarifications on the RFP.</li> </ul>
October 12, 2018	RFP Responses from AHS to Proposers Due
October 26, 2018	RFP Deadline for Proposals to be Submitted
October 29, 2018	Bids received on 10/26 were officially opened by AHS Contracting Team
November 01, 2018	Bids Reviewed by Evaluation Committee
November 05, 2018	Clarification Process – Clarification Questions sent to Proposers
November 06, 2018	Clarification Process – Clarification Questions received from Proposers
November 07, 2018	Clarification Meeting With Highest Ranked Proposer

# Solicitation & Bidders List

	Company Name (Alpha)	Bay Area Office Locations	Responded-Response	Attended Mandatory Site-Walk?
1	BUILD GROUP	San Francisco/Santa Clara	Did not respond	No
2	COLIN CONSTRUCTION	Auburn	Declined Invitation to Attend The Mandatory Site Walk	No
3	THE CORE GROUP	Milpitas	Declined Invitation to Attend The Mandatory Site Walk	Yes
4	DOME	S. San Francisco, Emeryville, San Jose, San Francisco	Responded to RFP	Yes
5	DPR	Redwood City, San Francisco, San Jose	Declined Invitation to Attend The Mandatory Site Walk	No
6	FTG BUILDERS	San Jose, Santa Clara	Unable to submit bid due to - Resource Constraints	No
7	HENSEL PHELPS CONSTRUCTION CO.	San Jose	Did not respond	No
8	HERRERO BUILDERS	San Francisco	Declined Invitation to Attend The Mandatory Site Walk	No
9	LAYTON	San Jose	Unable to submit bid due to - Resource Constraints	Yes
10	LEVEL 10 CONSTRUCTION	Sunnyvale, San Francisco	Did not respond	No
11	MCCARTHY	San Jose, San Francisco	Declined Invitation to Bid	No
12	RUDOLPH & SLETTEN CONSTRUCTION	San Carlos	Did not respond	No
13	SWINTERON BUILDERS	Santa Clara, San Francisco, Concord, Oakland	Declined Invitation to Attend The Mandatory Site Walk	No
14	TRUEBECK CONSTRUCTION	Redwood City, San Francisco, Pleasanton	Unable to submit bid due to - Resource Constraints	No
15	TURNER CONSTRUCTION COMPANY	Oakland, San Francisco, South Bay	Unable to submit bid due to - Resource Constraints	Yes
16	WEBCOR	Alameda, San Francisco, San Jose	Responded to RFP	Yes
17	XL CONSTRUCTION	Milpitas, San Francisco	Declined Invitation to Attend The Mandatory Site Walk	No

# Evaluation Criteria / Methodology:

- The selection process was conducted using the “best value” methodology.
  - “Best Value” Methodology looks at factors other than only price when selecting a vendor
- The Evaluation Committee met as a group and evaluated the responsive proposals using the posted Bid Criteria listed below.
- The Bid Criteria was posted with the RFP
- Evaluation Team included:
  - VP Support Services
  - Manager, Support Services
  - Contract Administrator
  - Chief Engineer
  - Architect
  - Project Managers

Posted Bid Criteria	Maximum Points
Cost Proposal	35
Experience and Qualification	25
Project Plan	10
Safety Plan/Safety Modification	10
Financial Strength	10
Local Business	10

# Bid Evaluation Comparison

Posted Bid Criteria	Maximum Points	Dome Construction	Webcor Builders
Cost Proposal	0-35	19.67	35.0
Experience and Qualification	0-25	20.6	13.4
Project Plan	0-10	8.2	8.0
Safety Plan/Safety Modification	0-10	9.6	7.8
Financial Strength	0-10	9.6	7.8
Local Business	0-10	6.6	7.6
<b>TOTALS</b>	<b>100</b>	<b>74.27</b>	<b>79.60</b>

# AHS Request

- Approval to enter into a contract with Webcor Builders, Inc.
- Contract amount: \$3,516,448.00

Description	Board Approval	Total
Webcor Builders Inc., (Upon Execution – 12/21/2020) Pre-Construction Services	Approval Requested	\$ 205,291.00
CM at Risk General Conditions	Approval Requested	\$ 1,749,759.00
CM at Risk General Requirement	Approval Requested	\$ 706,398.00
CM at Risk Fee	Approval Requested	\$ 855,000.00
Grand Total		\$ 3,516,448.00

- Term: Upon Execution – 12/21/2020



# APPENDIX

# OCCUPATIONAL THERAPY REMODEL - 2<sup>nd</sup>

## Floor South Wing Bldg

OSHPD #S181111-01-00 - Approved

**Occupational Therapy Relocation Project** is approximately 1240 sf and relocates an Occupational Therapy department from the first floor to the 2<sup>nd</sup> floor in a vacated nursing unit. It is the first of two make ready projects needed to vacate the first floor Stephens Wing for a Seismic Upgrade and Kitchen Relocation. The program includes a new Occupational Therapy workroom, a staff breakroom and sink in a speech office. ADA upgrades included work in a staff toilet room down the hall, a patient toilet and another staff toilet adjacent to staff conference room.

A temporary barrier is required to reconfigure entry to staff toilet from hallway.

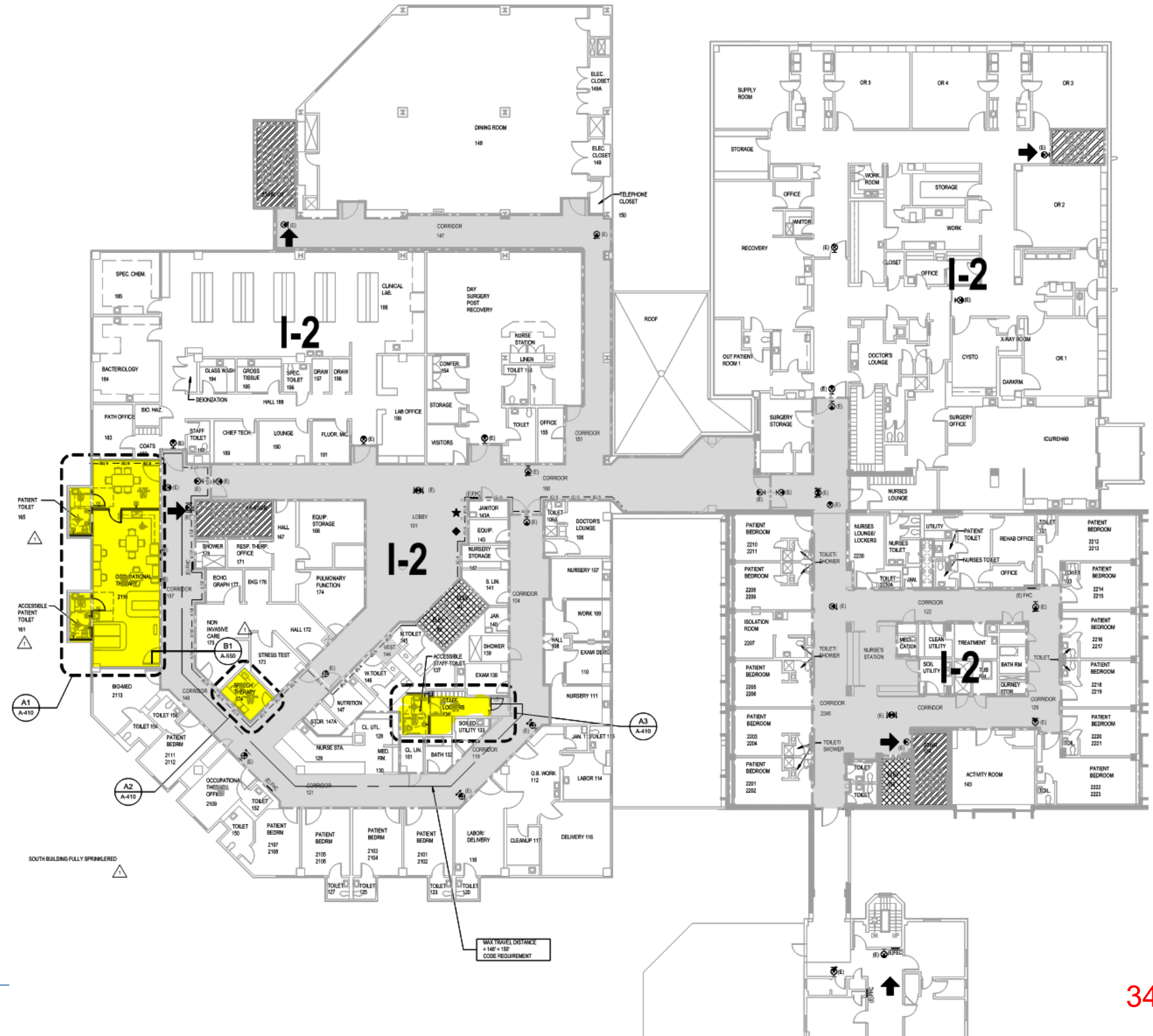
New flooring, ceiling, wall and ceiling patch, paint, kitchen accessories, bathroom accessories as shown and noted on drawings.

New lighting, power, plumbing and mechanical as shown on drawings

Fire Sprinkler as shown on drawings

Fire Alarm as shown on drawings.

Coordinate with nursing staff on floor above before doing any attachments to structure above and before creating noise or vibration. Some accommodation for noise or flexibility in work schedule will be required.



# EVS + LINEN REMODEL

1<sup>ST</sup> Floor West Wing Bldg

OSHPD # S181422-01-00 – Approved

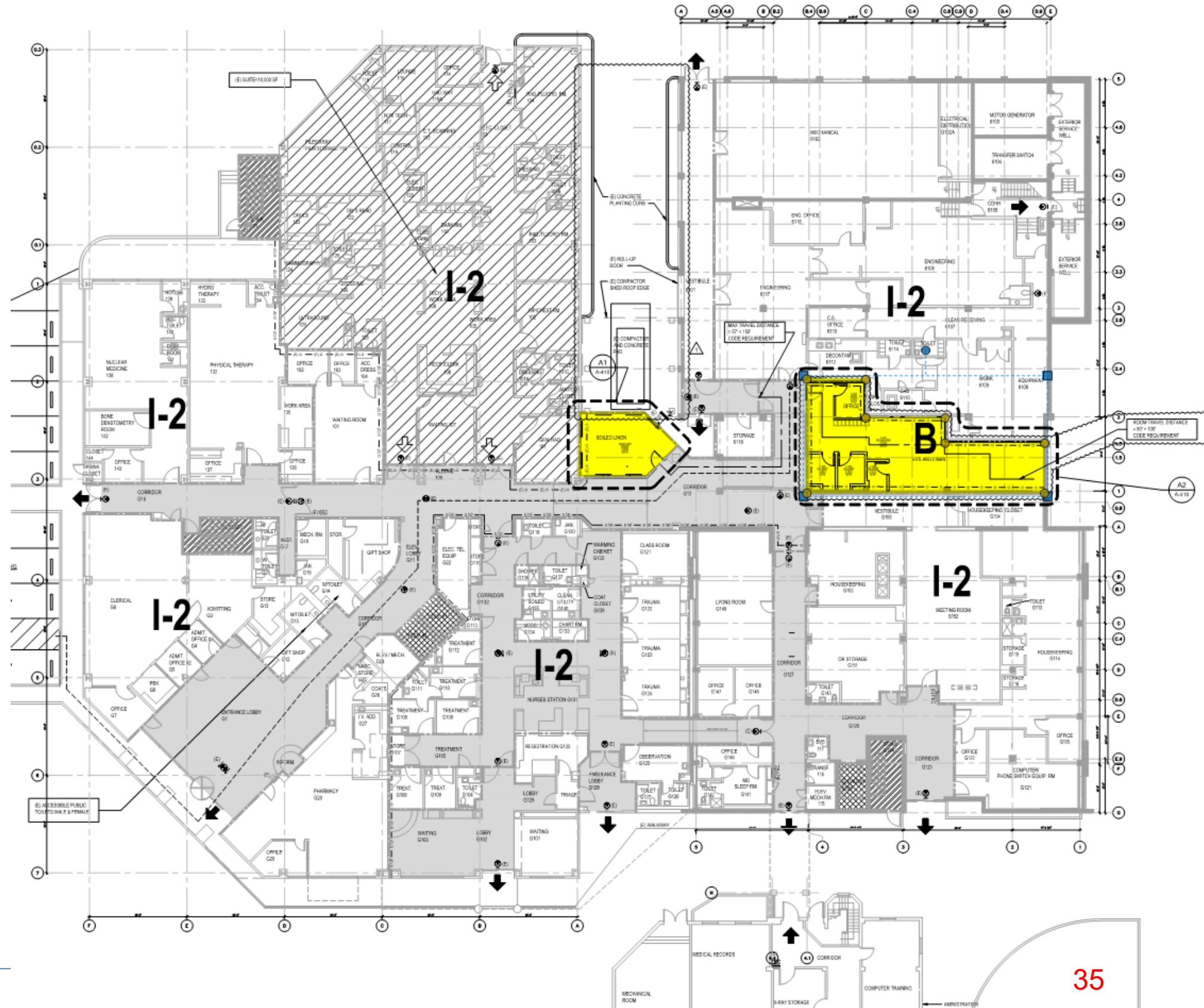
**EVS-Linen Relocation Project** is approximately 1500 sf and includes:

Remodel of existing OT area on the first floor of West Wing building with new flooring, ceiling, 2 bathrooms and office.

New fan coil unit, ductwork, and exhaust fan on an existing roof of the vending room.

Conversion of the existing vending room into soiled linen storage. Ceiling, lighting and flooring to remain. Interior glass windows to be removed and replaced with gyp board to maintain 1 hr rated wall.

Coordinate with nursing staff on floor above before doing any attachments to structure above and before creating noise or vibration. Some accommodation for noise or flexibility in work schedule will be required.





# Seismic Upgrade Increment 2

## Kitchen Relocation

### 1<sup>st</sup> Floor Stephens Wing Bldg.

### OSHPD # I17009-01-02 – 2<sup>nd</sup> backcheck

**Increment #2 Kitchen Relocation** project is approximately 7800 sf and includes the following:

Preparation of existing and new below-slab plumbing for the installation of a new slab. Some existing piping may need to be repaired or replaced.

Scan existing ceiling for BIM coordination in preparation of mechanical shop drawings. The floor to floors are extremely low, so close coordination of above ceiling infrastructure is required.

New construction for the kitchen, dining and associated spaces.

New ductwork is required within an existing shaft up to the roof where a new chiller and exhaust fans are to be installed on a steel platform.

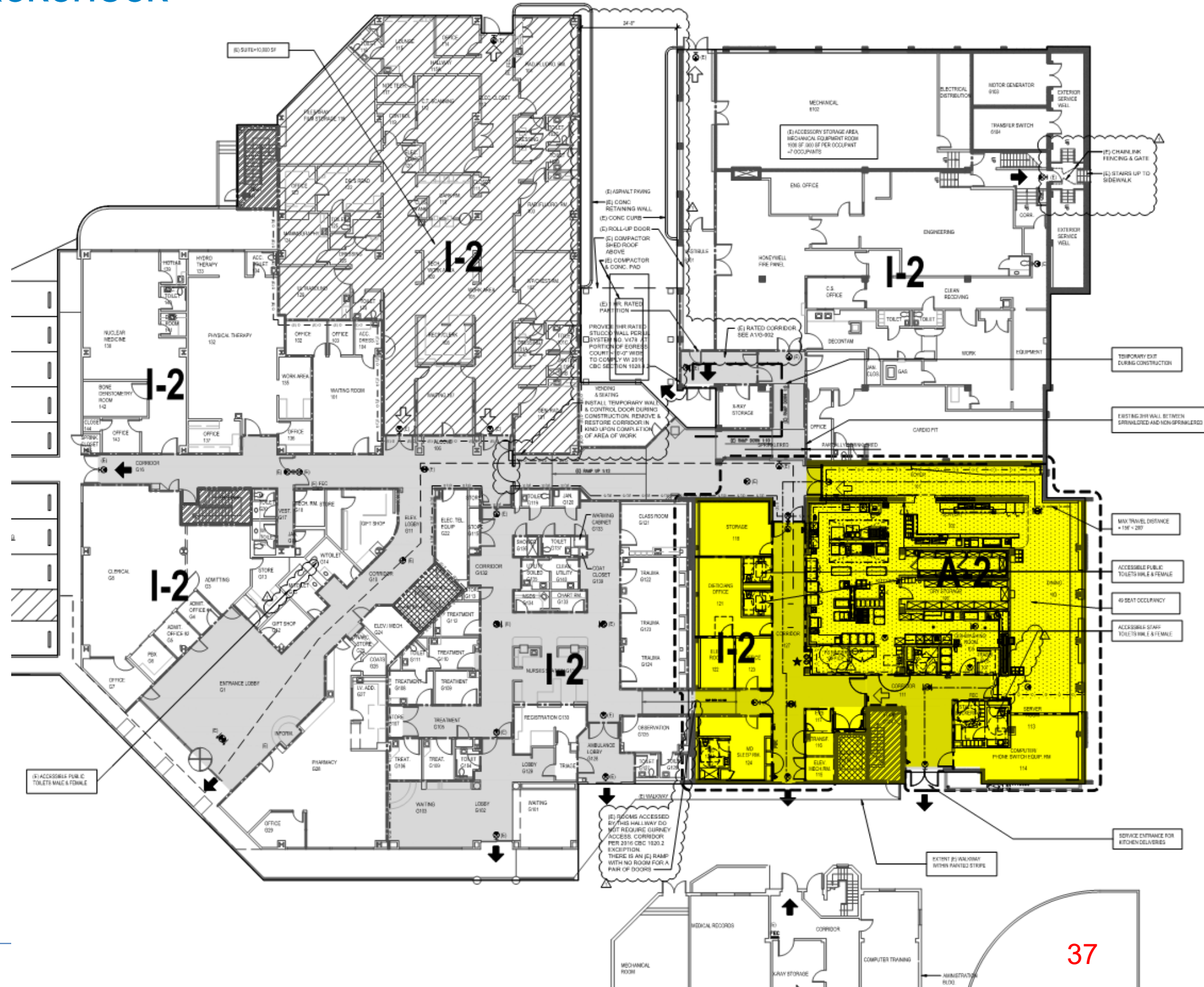
Demo and piping from the existing penthouse above West Wing is also included.

Existing ductwork and piping shall be brought up to NPC 4 where uncovered in ceilings.

New MD sleep room and shower.

New accessible toilets on 2<sup>nd</sup> floor.

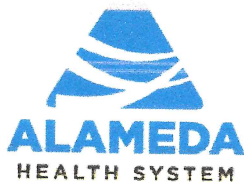
Coordinate with nursing staff on floor above before doing any attachments to structure above and before creating noise or vibration. Some accommodation for noise or flexibility in work schedule will be required.



# Proposed Project Timeline

Alameda Hospital SB90 Seismic and Kitchen Relocation Project Estimated Timeline  
October 5, 2018

		2018				2019												2020											
		9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12
Finance			10/11	11/8		1/10		3/7	4/11																				
BOT			10/26	11/28		1/24		3/28	4/25																				
EVS – Reloc. To 2 South	October 1 - November 30																												
Inc. 1, 2, OT, EVS – RFP	September 21 - October 26																												
Inc. 1, 2, OT, EVS – CM @ Risk Precon	November 1 - January 15																												
CM @ Risk Bidding	January 16 - February 13																												
Project Team Review of GMP	February 14 - February 26																												
Inc. 1 – Start Construction	April 8 - September 8																												
OT – Construction & Move	April 8 - August 8																												
EVS – Construction	September 1 - December 31																												
Inc. 2 – Construction	September 1 - June 30																												
Substantial Completion	June 30, 2020																												
Occupancy	June 30 - September 30																												



# MEMORANDUM

1411 East 31st Street  
Oakland, CA 94602

TO: AHS Finance Committee  
FROM: Nancy Kaatz, Interim CFO  
DATE: November 1, 2018  
SUBJECT: Overview of Alameda Hospital's Finances

Attached you will find income statements for fiscal years 2017 and 2018. What has changed from what has been previously in financial reports is as follows:

- Support services has been allocated to each facility. This allocation is based on the FY17 Home Office Cost Report filed for AHS. In FY17, 13.8% of support services costs were allocated to Alameda Hospital. For the FY17 Income Statement, the actual allocation amount is per the cost report. For the FY18 Income Statement, 13.8% of adjusted support services costs were allocated to Alameda Hospital.
- Costs were allocated to charges based on cost to charge ratios from the FY17 cost report. For FY18, costs were adjusted up for the overall increase in cost. The percentage increase was made to all cost to charge ratios and adjusted to insure total costs were equal to total cost for FY18. This is obviously an estimate as FY18 cost reports have not been completed yet.
- Net Patient Service revenue for FY 17 is based on actual collections to date. As all services have a one year billing limit, all payments should be final at this point. For FY18, revenue is based on calculations done by the reimbursement department at fiscal year end.
- In addition to the Alameda Hospital District Tax Revenue, Supplemental Revenues were allocated based on the following:
  - Medi-Cal Managed Care Rate Range Supplementals were allocated based on Medi-Cal Managed Care charges.
  - Medi-Cal Fee for Service SNF, OP and Physician supplemental revenues were allocated based on the estimated actuals for Alameda Hospital.
  - HPAC revenue was allocated first to Outside Medical Costs, then to Highland (including Ambulatory Clinics) due to highest total unreimbursed cost.
  - GPP revenue was offset against unreimbursed cost for HPAC, Uninsured, and restricted Medi-Cal services.
  - Hospital Fee Revenue was allocated 50% to Medical Managed Care Services and 50% to all unreimbursed cost. Then allocated to facilities based on % of charges.
  - PRIME revenue was allocated to Medi-Cal Managed Care base on % of charges..
  - Measure A revenue was allocated to indigent revenues including Uninsured, HPAC, Medi-Cal, Medi-Cal managed care, other government and Medicare/Medi-Cal dually eligible services.

- Supplemental revenues were allocated for FY 18 only due to the significant amount of work involved in the process of allocating the funding. The allocations would have been similar for FY 17.

As you can see from the analysis, the facility does not make a profit based solely on their direct revenues. As a District Hospital, the facility has always had the opportunity to receive Supplemental Revenue for Medi-Cal FFS SNF and Outpatient services, a small portion of Hospital Fee and non-Designated Public Hospital revenue, and potentially for negotiated Rate Range Supplementals and some PRIME revenues, however they would not have had access to GPP, HPAC or Measure A revenues.

Alameda Hospital is an important part of the AHS hospital system. This is information only as requested by the Finance Committee.



Alameda Hospital  
 FY 17 Income Statement  
 Full Costing

Gross Revenue By Service/Payor County/City/State	Acute Inpatient	Hospital Outpatient	Skilled Nursing	Total	
Commercial Insurance	2,109,155	3,124,816	-	5,233,971	
MediCal	18,696,841	23,841,148	4,181,511	46,719,500	
MediCal Managed Care	14,175,243	4,135,767	56,446,760	74,757,770	
Medicare	32,587,143	34,213,733	1,591,345	68,392,221	
Medicare Managed Care	92,255,914	46,964,414	24,747,777	163,968,105	
Patient Pay	12,238,143	6,576,825	1,319,200	20,134,167	
<b>Grand Total Gross Revenue</b>	<b>2,037,701</b>	<b>13,743,410</b>	<b>1,757,742</b>	<b>17,538,854</b>	
<b>174,100,139</b>	<b>132,600,114</b>	<b>90,044,335</b>	<b>396,744,588</b>		
Contractual Adjustments	(142,428,930)	(108,397,337)	(61,244,074)	(312,070,342)	
Net Patient Service Revenue (Actual Payments FY 17)	31,671,209	24,202,777	28,800,261	84,674,247 A	
	18.19%	18.25%	31.98%	21.3%	
Cost By Service/Payor County/City/State	Acute Inpatient	Hospital Outpatient	Skilled Nursing	Total	B
Commercial Insurance	637,019	772,340	-	1,409,358	
Medi-Cal	5,615,936	5,692,296	2,106,427	13,414,658	
Medi-Cal Managed Care	4,383,992	864,677	24,817,652	30,066,320	
Medicare	10,105,666	8,285,219	471,030	18,861,915	
Medicare Managed Care	27,936,956	13,990,765	8,822,237	50,749,958	
Patient Pay	3,688,152	1,791,385	498,202	5,977,738	
<b>Grand Total Expense</b>	<b>594,569</b>	<b>4,488,412</b>	<b>810,324</b>	<b>5,893,304</b>	
<b>52,962,289</b>	<b>35,885,093</b>	<b>37,525,871</b>	<b>126,373,253</b>		
Net Income (Loss) Before Supplementals	(21,291,080)	(11,682,317)	(8,725,610)	(41,699,006)	
Other Operating Revenue				264,813	
AB915 OP Supplemental				502,010	C
SNF Supplemental				372,731	D
Alameda Hospital District Tax				5,258,297	E
Net Income (Loss) Before Supplemental Allocations				(33,010,687)	

A) Since more than 1 year has passed, Net Revenue is actual payments on accounts.

B) Cost includes \$102,092,234 in Direct Costs and \$24,267,328 of allocated Support Services Costs (13.8%) based on FY17 Home Office Cost Report.

C) Actual Claims

D) Actual Claims

E) Allocated to all AH services

Alameda Hospital  
 FY 18 Income Statement  
 Full Costing

Gross Revenue By Service/Payor County/City/State	Acute Inpatient	Hospital Outpatient	Skilled Nursing	Total
Commercial Insurance	2,553,984	2,844,973	-	5,398,957
Medi-Cal	13,862,847	23,116,351	6,310,916	43,287,942
Medi-Cal Managed Care	16,159,292	8,343,157	52,109,756	76,612,205
Medicare	33,869,337	31,749,371	4,585,370	70,204,077
Medicare Managed Care	101,712,718	47,018,357	22,349,090	171,080,165
Patient Pay	11,396,547	7,367,524	701,534	19,465,606
Patient Pay	2,087,016	13,126,596	1,550,237	16,763,822
<b>Grand Total Gross Revenue</b>	<b>181,641,742</b>	<b>133,566,328</b>	<b>87,606,904</b>	<b>402,812,774</b>
Contractual Adjustments	(151,842,947)	(112,489,981)	(59,770,585)	(324,103,513)
<b>Net Patient Service Revenue</b>	<b>29,798,795</b>	<b>21,076,347</b>	<b>27,836,319</b>	<b>78,711,461</b> A
	16.41%	15.78%	31.77%	19.5%
Cost By Service/Payor County/City/State	Acute Inpatient	Hospital Outpatient	Skilled Nursing	Total
Commercial Insurance	814,409	706,520	-	1,520,929.27
Medi-Cal	4,271,109	5,804,131	3,170,006	13,245,245.16
Medi-Cal Managed Care	5,322,537	2,326,504	23,921,767	31,570,807.83
Medicare	10,926,514	7,769,222	1,397,972	20,093,706.94
Medicare Managed Care	32,073,377	14,844,650	8,778,427	55,696,448.54
Patient Pay	3,617,316	2,123,741	381,220	6,122,276.58
Patient Pay	637,373	4,442,491	846,496	5,926,360.38
<b>Grand Total Expense</b>	<b>57,662,628</b>	<b>38,017,258</b>	<b>38,495,888</b>	<b>134,175,775</b>
<b>Net Income (Loss) Before Supplementals</b>	<b>(27,863,833)</b>	<b>(16,940,911)</b>	<b>(10,659,569)</b>	<b>(55,464,314)</b>
Other Operating Revenue				477,949
AB915 OP Supplemental				502,010 C
SNF Supplemental				163,800 D
Alameda Hospital District Tax				5,120,268 E
<b>Net Income (Loss) Before Allocation of Supplementals</b>				<b>(49,200,286)</b>
Allocation Medi-Cal Managed Care Rate Range				1,904,902 F
Allocation Hospital Fee				144,408 G
Allocation QIP/EPP				3,719,059 H
Allocation PRIME				1,994,035 I
Allocation HPAC				- J
Allocation GPP				6,927,743 K
Allocation Measure A				13,568,110 L
<b>Net income (Loss)</b>				<b>(34,510,139)</b>

- A) Per Net Revenue Calculation by Reimbursement Department for FYE Financial Statements Calculated at Account/Payor Level.  
 B) Cost includes \$108,275,490 in Direct Costs and \$26,595,632 of allocated Support Services Costs (13.8%) based on FY17 Home Office Cost Report.  
 C) FY 17 Actual.  
 D) Estimated at FY 17 cost per day increased by 6% less rate paid per day.  
 E) Allocated to all AII services.  
 F) Allocated based on Medi-Cal Managed Care Charges.  
 G) Allocated based on Medi-Cal Managed Care Charges.  
 H) Allocated based on Medi-Cal Managed Care Charges.  
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 J) Received no allocation, all funds went to Outside Medical Services, Highland and Ambulatory Clinics.  
 K) Allocated based on Uninsured, HPAC and Restricted Medi-Cal Uncompensated Cost.  
 L) Allocated to uncompensated cost for Medi-Cal, Medi-Cal Managed Care, Dually Eligible, HPAC, Uninsured and Other Government.  
 M) Due to unreimbursed Medicare and insurance cost which does not get an allocation of supplemental revenue.

Alameda Hospital  
 FY 18 Income Statement  
 Full Costing

Gross Revenue By Service/Payor	Acute Inpatient	Hospital Outpatient	Skilled Nursing	Total
County/City/State	2,553,984	2,844,973	-	5,398,957
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Medi-Cal	16,159,292	8,343,157	52,109,756	76,612,205
Medi-Cal Managed Care	33,869,337	31,749,371	4,585,370	70,204,077
Medicare	101,712,718	47,018,357	22,349,090	171,080,165
Medicare Managed Care	11,396,547	7,367,524	701,534	19,465,606
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<b>Net Patient Service Revenue</b>	<b>29,798,795</b>	<b>21,076,347</b>	<b>27,836,319</b>	<b>78,711,461</b> A
	16.41%	15.78%	31.77%	19.5%
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County/City/State	814,409	706,520	-	1,520,929.27
Commercial Insurance	4,271,109	5,804,131	3,170,006	13,245,245.16
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Medicare Managed Care	3,617,316	2,123,741	381,220	6,122,276.58
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<b>Other Operating Revenue</b>				<b>477,949</b>
AB915 OP Supplemental				<b>502,010</b> C
SNF Supplemental				<b>163,800</b> D
Alameda Hospital District Tax				<b>5,120,268</b> E
<b>Net Income (Loss) Before Allocation of Supplementals</b>				<b>(49,200,286)</b>
<b>Allocation Medi-Cal Managed Care Rate Range</b>				<b>1,904,902</b> F
<b>Allocation Hospital Fee</b>				<b>144,408</b> G
<b>Allocation QIP/EPP</b>				<b>3,719,059</b> H
<b>Allocation PRIME</b>				<b>1,994,035</b> I
<b>Allocation HPAC</b>				- J
<b>Allocation GPP</b>				<b>6,927,743</b> K
<b>Allocation Measure A</b>				<b>13,568,110</b> L
<b>Net Income (Loss)</b>				<b>(20,942,029)</b>

- A) Per Net Revenue Calculation by Reimbursement Department for FYE Financial Statements Calculated at Account/Payor Level.
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- L) Allocated to uncompensated cost for Medi-Cal, Medi-Cal Managed Care, Dually Eligible, HPAC, Uninsured and Other Government.
- M) Due to unreimbursed Medicare and Insurance cost which does not get an allocation of supplemental revenue.

**DATE:** December 5, 2018  
**TO:** City of Alameda Health Care District Board of Directors  
**FROM:** Tracy Jensen  
**SUBJECT:** Alameda Health System Liaison Report

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Board of Trustees Updates

AHS Board: AHS regular board and committee meetings are in recess until January.

A joint meeting with the Alameda County Board of Supervisors is scheduled for December 11 at 4p.m. The meeting will be in the County Training Center, 125 12<sup>th</sup> Street, 4<sup>th</sup> Floor across from the Alameda County Administration building.

System Updates

Executive Team: On October 3, 2018 Ronica Shelton, RN MSN, was appointed as the Vice President for Patient Care Services Alameda Hospital. Ronica has been with Alameda Hospital since 2016, and she previously held nursing leadership positions in the emergency department and critical care.

Facilities: At the November 29, 2018 meeting the AHS Board approved the contract with Webcor Builders, Inc. for the Alameda Hospital 2020 seismic construction projects. Webcor will serve as the “construction manager at risk” and direct the project from preconstruction through completion. The contract ends December 21, 202 and the estimated cost is \$3,516,448. The link to the AHS Board Agenda report is here:  
<http://www.alamedahealthsystem.org/wp-content/uploads/2018/11/2018-11-29-BOT-G2-AH-Seismic-Upgrades-COMBINED.pdf>

On November 28, the Joint Commission for Hospital Accreditation arrived at Alameda Hospital for the triennial survey. I attended the exit interview with Luis Fonseca, Dr. Jamaledine, Ronica Shelton and other leaders. The surveyors noted the Hospital staff’s continued commitment to high quality patient care and exited without any significant findings. This makes Alameda Hospital among only 20% of hospitals nationwide that pass the initial survey and do not require a revisit. Congratulations to staff!!

**MEETING DATE:** November 13, 2018  
**TO:** City of Alameda Health Care District, Board of Directors  
**FROM:** Robert Deutsch, Director and Committee Chair  
**SUBJECT:** Summary of Ad Hoc Seismic and Facilities Planning Committee – 11-13-18

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The Ad Hoc Seismic and Facilities Planning Committee met on November 13, 2018.

Present were:

Robert Deutsch, Director and Committee Chair  
Gayle Codiga, Director and Committee Member  
Debi Stebbins, Executive Director  
Thomas Driscoll, District Legal Counsel (by phone)

AHS representatives:

Luis Fonseca, COO (by phone)  
Kristen Thorson, Support Services Manager, Alameda Hospital and San Leandro Hospital

Consultants to Seismic Project:

Katy Ford, Ratcliff (Architect)  
Greg Santiago, Jtec (Project Manager)

The following represents a summary of the discussion:

1. The two make ready projects (Occupational Therapy and Environmental Services relocations) for the 2020 seismic projects as well as the two Increment Projects (Seismic I and Kitchen relocation) had originally been intended to be separate projects with separate general contractors. This structure had been intended to move the smaller components of the project ahead faster while awaiting those components needing OSHPD approval.

Unfortunately, the bids for the first two components came in significantly higher than anticipated (approximately \$1.1-1.2 Million as opposed to an estimated \$500 K each). As a result, AHS has restructured the approach to the projects significantly with input from Ratcliff and Jtec.

AHS has now solicited bids from general contractors who would serve as Construction Managers, At Risk with a gross maximum price for all four components of the project. RFP's were sent out to approximately 17 firms in September, 2018. In the RFP, the entire project was estimated to be a scope of

\$17 million (including soft costs). Site visits were conducted on October 2. The due date for proposals was October 26. Five firms responded with proposals.

The original intent was to bring a recommendation on selection of one firm to do the pre- construction work leading up to awarding a bid in 2019 for the whole project. Due to time constraints, the proposal to award the pre-construction project will be taken directly by staff to the November 29, 2018 AHS Board meeting.

2. AHS staff was not at liberty to discuss which of the contractors they will be recommending be awarded the contract. The five construction firms which are bidding include: Core Group, Dome, Layton, Turner and Webcorp. Ratcliff and Jtec staff have had experience with all five and have affirmed the capability of any of the five firms to manage a project of this nature.
3. The time frame for the next steps in the project are as follows:

Once awarded (presumably after the November 29 AHS Board meeting), pre-construction planning in which the contractor will attempt to explore as many unforeseen conditions of the building as possible) will take about 45 days. Following that, estimates will be obtained by the contractor from subcontractors. The contractor is then expected to be able to propose a guaranteed maximum price for the project which will go to the AHS Finance Committee and Board in March 2019. If approved, construction should be able to start immediately.

Under the revised timeline (attached), the entire project should be completed by September 2020 which complies with the current extensions allowed by AB 2190.

4. The only component of the project still awaiting OSHPD approval is Increment 2 (Kitchen Relocation and Construction). Staff is hopeful these will be received in the next couple of months.
5. Given the timeline, the next meeting of the Ad Hoc Committee should be scheduled for February, 2019 in order to receive a comprehensive project update from AHS staff and consultants.

AHS staff and consultants were excused. The remaining part of the meeting was dedicated to discussion of the Committee charge. It was agreed that while the Ad Hoc Committee has been focused on seismic and facility planning with AHS, in the future it should also include an additional focus on planning by the District for facilities following 2030 when new seismic requirements are imposed.

Mrs. Stebbins will draft a new charge for the Ad Hoc Committee to incorporate a broader focus.

Respectfully submitted,

Debi Stebbins, Executive Director, City of Alameda Health Care District

# CITY OF ALAMEDA HEALTH CARE DISTRICT

December 7, 2018

Memorandum to: Board of Directors  
City of Alameda Health Care District

From: Deborah E. Stebbins  
Executive Director

SUBJECT: EXECUTIVE DIRECTOR REPORT

## **Recognition of AHS Post Acute Care Facilities:**

Congratulations to Richard Espinoza, Chief Administrative Officer, Post Acute Care at AHS and his team for the recognition of all the post acute care facilities in AHS (including the three in Alameda) as among the 139 best “nursing homes” in California last month by ***U.S. News and World Report.***

## **Kaufman Hall Study:**

The interviews of AH and AHS leadership conducted by Kaufman Hall are complete. We have had two meetings of the District Ad Hoc Committee to do a check-in on progress on the interviews and data collection.

At the October, 2018 District Board meeting, I reported that AHS management had had a change in their willingness to provide data to Kaufman Hall regarding the volume and location of certain services, particularly at Highland Hospital. The purpose of collecting this data would have been to allow Kaufman Hall to provide a Scenario Two analysis, which was to focus on how Alameda Hospital might be used in the future to optimize the structure and flow of services with the System. I did have an opportunity to discuss this further with Luis Fonseca and Delvecchio Finley and they maintain their position that AHS does not want to participate in discussions of the broader issue of how Alameda Hospital might benefit the broader system since AHS has not engaged and is not paying for the Kaufman Hall study.

We have obtained other data from AHS and on the market place that will allow Kaufman Hall to analyze the baseline status quo scenario (Scenario 1) and the standalone scenario (Scenario 3). They should be able to present these findings at the February 2019 Board meeting.

## **Update on 2020 Seismic Project:**

At the November, 2018 AHS Board of Trustees meeting, the Board approved management's recommendations to enter into a contract with Webcor Builder's Inc. to provide Construction Manager services during the Pre-Construction phase of the 2020 seismic project at Alameda Hospital at a cost of \$3.5 million. At the end of this approximately 3 month phase, AHS is scheduled to award a contract (hopefully to Webcor as well) for the overall construction project on a guaranteed maximum price basis. The purpose of the pre-construction planning is to identify as many complexities of the project as possible and obtain realistic bids from sub-contractors.

AHS sent an RFP to several firms and held orientation meetings with several contractors prior to receiving bids from Webcor and Dome Construction. Webcor is a very established and well-regarded general contractor with experience in health care construction.

A copy of the entire Webcor contract summary can be accessed on the AHS Website under Leadership, Board of Trustees agenda and attachments for November, 2018.

The modified schedule for the project calls for an estimated additional six months for construction completion over and above AHS' original estimates. The District will continue to monitor in following progress on any revised timelines and AHS' continued commitment to capitalization of the project. Meeting the seismic requirements under the new timeline and under the revised state deadlines continues to be essential to maintenance of acute care (and therefore emergency, surgery and other services) at Alameda Hospital as well as a requirement of the affiliation JPA.

## **AHS Analysis of Alameda Hospital Financial Performance:**

At the November, 2018 AHS Finance Committee and Board meetings, Nancy Kaatz, Interim CFO, presented an Overview of Alameda Hospital's Finances. A copy of her original analysis (for FY 2017) is attached to this report along with updated financial figures for 2018. A significant change between the two analyses include the allocation of supplemental revenues to Alameda Hospital in 2018. These allocations were not included in the 2017 report so the bottom lines are not comparable. Nevertheless, the comparing "apples to apples" in the form of Net Income before Supplemental Allocations (but after allocation of the parcel tax), the AHS analyses are showing a loss for Alameda Hospital of **\$33 million** in 2017 and **\$49 million** in 2018.

In discussing this with Luis Fonseca and having the opportunity to sit in on the November, 2018 meeting of the AHS Board, I believe that AHS leadership feels this is an accurate depiction of the financial performance of Alameda Hospital. The AHS



Finance Chair stated at the meeting that the Committee acknowledges there are financial challenges at Alameda Hospital but the hospital remains an important part of the AHS system. Ms. Kaatz makes a similar statement at the end of her cover narrative.

The conclusions are even more alarming when contrasted with the pre-affiliation performance of Alameda Hospital prior to the affiliation, when 2013 OSHPD reports and the audited financial statements for Alameda Hospital reflect a **\$2.3 Million** (after parcel tax revenue). Working with our auditor and consultants I was able to pull OSHPD reports for both 2013 and 2017. Between those years, overhead expenses increased from \$28 million in 2013 to \$48 million in 2017, an increase of \$20.5 million or an average increase of over 10% per year in overhead. During the same period, average patient days increased only 4 % per year and direct care delivery expenses went up 4.8% per year.

The analysis completed by AHS allocates 13.8% of total overhead expenses for the system to AHS. This does not seem unreasonable on the surface given the proportionate role of Alameda Hospital as a part of the AHS. What does seem worthy of discussion is that the total overhead of AHS as a system is extremely high. One of the assumed benefits of affiliation with AHS was some efficiencies in overhead. This is not reflected in an increase of overhead of \$20 million in just 4 years. On all other measures, volume increases, staffing levels and direct expenses, Alameda Hospital operates very much the same as it did in 2013 with some improvement in volume.

The approach used by AHS, which projects direct revenue by payor class and presents expenses based on the cost to charge ratio for each payor class, is a valid approach to evaluating Alameda Hospital as an existing part of the AHS system. However, it does not accurately reflect the actual marginal contribution (or loss) of Alameda Hospital for the system. An alternate approach to the analysis would consider contribution margin, i.e. an assessment of the marginal net revenue less marginal expenses, for Alameda Hospital. It is also extremely unlikely that the allocated overhead attributed to Alameda Hospital would go away if Alameda Hospital were no longer part of the AHS system.

The contrast in methodology is not being raised to debate the validity of different approaches to measuring Alameda Hospital's impact, positive or negative, on Alameda Health System. My discussions with AHS management lead me to conclude that they sincerely believe that Alameda Hospital is currently losing \$49 M per year before supplemental revenue or \$20.9 million after supplemental revenue. This would mean that in FY 2017 Alameda Hospital would constitute over one-half of the total loss reported by AHS for the entire system. I believe that conclusion is erroneous at best given the performance of Alameda Hospital just five years ago before the affiliation took place. At worst it has potentially established a mind-set on the part of the AHS Board of Trustees that Alameda Hospital is a financial drain on the system.

I believe the Boards and management teams of AHS and the District need to continue a dialogue about our respective assessment of the financial performance of Alameda Hospital. An annual reporting on financial performance by the hospital was provided for in the JPA. It is my understanding that this analysis represents the first time AHS has provided this since the affiliation since AHS does not routinely track financial performance by each of its locations. Furthermore, the JPA requires that the District and the system begin discussions in 2020 to plan for what will happen to the Hospital after the 2030 seismic standards are in place. These discussions can only be effective if there is a common assessment of the role Alameda Hospital plays now and in the future both from a patient care and financial perspective.

Board Members Present		Legal Counsel Present	Excused / Absent
Gayle Godfrey Codiga Robert Deutsch, MD Tracy Jensen	Dennis Popalardo Michael Williams	Thomas Driscoll, Esq.	
Submitted by: Debi Stebbins, Executive Director			
Topic	Discussion	Action / Follow-Up	
I. Call to Order	The meeting was called to order at 5:30 p.m.		
II. Roll Call	Debi Stebbins called roll, noting a quorum of Directors was present.		
III. Report from Closed Session			
IV. General Public Comments	None.		
VI. Regular Agenda			
A. YTD AHS Reporting			
1)	<p>Alameda Health System Liaison Report</p> <p>Luis Fonseca, COO for Alameda Health System provided a power point report on AHS operations, a copy of which was posted on-line with the agenda.</p> <p>In September, AHS experienced above budget admissions but also an average length of stay exceeding budget. Clinic visits overall were on target. The new primary care clinic in Alameda saw 30 patients visits for the month.</p> <p>The FY 2019 AHS net patient services revenue was over-budgeted by \$26-29 million annually. The unfavorable variance in NPSR for September was consistent with this budget problem. This puts tremendous pressure on management to control operating</p>	No action taken.	

expenses to neutralize this revenue problem. Fortunately in September, operating expenses for AHS were \$2.5 favorable to budget.

At Alameda Hospital, census was on target with ALOS exceeding budget levels slightly. While salaries and wages exceeded budget, registry use and expenses has declined.

Mr. Fonseca stated AHS plans to report on the parcel tax reconciliation at the December, 2018 Board meeting, including a review of the budget to actual spending at Alameda Hospital. Mr. Williams noted that the JPA calls for the parcel tax reconciliation report for the prior year to be presented within 60 days submission of the budget by the District. The District budget was approved at the August 27 meeting, so a December presentation of the reconciliation report is technically not in compliance with JPA provisions.

Mr. Fonseca described a variety of community events in and around Alameda, including the annual health fair, the Alameda running festival in which AHS was a sponsor.

There was discussion about the temporary CT scanner currently occupying space adjacent to the imaging department. This mobile unit allows for an upgrade to the permanent CT scanner and has ensured a reduction in the downtime experienced on the old CT. It has for an interim period displaced the mobile MRI that used to occupy the same parking lot space. On an interim basis, outpatients are referred from Alameda to San Leandro for MRI's.

#### Seismic and Facility Updates:

Mr. Fonseca reported on the status of the CT replacement at Alameda Hospital. During the installation of the new CT scanner, a portable CT has been set up on the pad outside the Imaging Department where the portable MRI was previously parked. During the construction, MRI's will be referred from Alameda Hospital to San Leandro Hospital. Construction is anticipated to take 3-4 months, concluding in February 2019.

There was extensive discussion by Board members about the reasons the CT scanner replacement had taken so long. The AHS Board approved the CT scanner purchase in September 2017 with a purchase order sent to GE at the time, Over the months, this purchase and the related construction have been delayed. At an October 2017 meeting the completion date was estimated to be June 2018. Now the current projection is February 2019. The \$3 million budgeted in the FY 2018 capital budget for the CT project was not spent. What was it spent for? Board members commented on the importance of this equipment in view of Alameda Hospital's role as the only

Primary Stroke Center in the AHS system. Given the dates of the delays and his date of joining AHS, Mr. Fonseca did not have a complete explanation.

Discussion turned to updates on the SB 90 (aka: 2020) seismic project. The deadlines for completion of 2020 seismic retrofit had recently been extended by the Governor signing AB 2190 to 2022. While AHS had reported at the last Board meeting (prior to AB 2190) passage that they intended to keep to the original deadlines even if the extension was passed.

However, a first round of bids submitted by contractors on the two make ready moves of occupational therapy and environmental services had come in about 100% higher than projections. This caused AHS to re-think the approach to contractor selection. The new plan is to find a general contractor willing to contract for the two make ready projects as well as the two increments of seismic retrofit under a single, construction manager at risk with a guaranteed maximum price. RFP's have been issued and AHS hopes to make a selection of a final contractor for the pre-construction phase of the project by November 2018. Between November 2018-March 2019, the contractor will formulate a guaranteed maximum price bid based on work with subs and further analysis of the challenges retrofitting an older building. These changes in approach to the project will change the projected completion of the project to September 2020. There is also one more approval AHS is awaiting from OSHPD for the second seismic increment, construction of the kitchen.

There was general discussion about the experience of the AHS staff in directing construction given that almost all other facilities at AHS are owned by and have been constructed under the direction of County staff. Luis noted that AHS is directly managing the San Leandro Acute Rehab construction. This project is on schedule and on budget albeit with a contractor who is unfortunately not available to bid on the Alameda Hospital project. AHS is using the construction management firm of Jtec, who has worked on previous small projects at Alameda Hospital and is overseeing the San Leandro project.

In response to Board questions, any construction work engaged by AHS will be done by contractors with labor represented by labor unions. It was also noted that the pre-construction fees incurred in the next few months will be imbedded into the guaranteed maximum price of the contractor in the next phase.

Director Codiga noted that we all need to keep in mind that in addition to its association with the JPA terms, the seismic project is an important component in maintaining safe and up-to-date facilities for Alameda residents.

2)	<p><b>Alameda Hospital Medical Staff Update</b></p> <p>Dr. Magalong provided an update on the activities of the Alameda Hospital Medical staff. There are two applications for initial appointment and 8 applications for reappointment at Alameda Hospital pending before the AHS Board.</p> <p>New clinical privilege policies for Psychiatry and OB-GYN have been approved by the medical staffs.</p> <p>A work group of physicians has been formed to address the transfer process between AHS facilities to ensure patient safety.</p> <p>The new physician contracts under AHS for the Emergency Department and general surgery have been working well from the medical staff standpoint. While the process for transfer to San Leandro for MRI studies is working well, the medical staff has had concerns about MRI interpretation at San Leandro which is being addressed.</p> <p>The new Alameda primary care clinic, developed by AHP, is operational and the new clinic physician has been introduced to the medical community. So far only about 30 patients have been seen per month in the initial months of operation.</p> <p>The Alameda medical staff is also monitoring the availability of Radiologists and techs on the weekends.</p> <p>The Medical Staff Bylaws committee has met over the past few months to work on an update to bylaws and the Rules and Regulations are also under review.</p> <p>Securing ED coverage for some specialties, such as Urology and GI, remains a challenge. AHS is aware of this in terms of their physician recruitment and contracting efforts.</p> <p>Physicians at Alameda Hospital are very involved in the planning for the EPIC conversion. The medical staffs at all the facilities are working on system-wide order sets for certain key diagnostic sets that will be built into the new system.</p> <p>A retreat of the combined Medical Executive Committees for all AHS facilities is planned for October 13, 2018.</p>	No action taken.
B. District and Operational Updates		
1)	District Liaison Repots	
	a. President's Report	No action taken.

	<p>President Williams reported the annual Health Fair was held at Alameda Hospital in early October. A full range of community organizations and providers participated. He thanked Louise Nakada for her leadership in organizing the fair. He also reminded the Board that the annual Foundation Board gala is scheduled for November 3, 2018 at the Grand Pavilion and will honor long-term physician leader, Dr. Eric Otani.</p>	
	<p>b. Community Liaison Report</p> <p>Director Popalardo reported that he and Debi Stebbins have met to discuss the possible composition of a community Advisory Board for the District. He stated this group could be very important as the Board addresses the issues of what will happen with the configuration of health care in Alameda after 2030. He also recommended that the Executive Director explore posting information about future meetings of the District Board and other related activities on the Alameda Sun website.</p> <p>Noting that he was up for election on the November ballot, Mr. Popalardo indicated he had hopes to continue to serve on the District Board and be a part of the important planning before the Board in future years. In the event he was not re-elected, Mr. Popalardo expressed his appreciation for the help and support of his fellow Board members and the District staff during his tenure on the Board.</p>	<p>No action taken.</p>
	<p>c. Alameda Health System Liaison Report</p> <p>Director Jensen provided an update as liaison to the AHS Board of Trustees. The AHS Board has appointed two new members, one of whom, Ross Peterson, is a resident of Alameda.</p> <p>She also noted that the AHS Board will be having a two day Board retreat on October 25 and 26. The agenda and materials for the Board retreat will be available on the AHS website.</p> <p>Director Jensen also highlighted some of the key volume trends for AHS and Alameda Hospital.</p>	<p>No action taken.</p>
	<p>d. Alameda Hospital Liaison Report</p> <p>i. Ad Hoc Seismic and Facilities Planning Committee</p> <p>Director Deutsch stated that the committee continues to look at options for 2030 and beyond including whether to rebuild or upgrade based on the analysis. The Committee will meet every 2 months to monitor progress on 2020 work and discuss future planning for the District relating to 2030 seismic requirements.</p>	<p>No action taken.</p>

	<p>Dr. Deutsch also indicated that the medical staff is monitoring the process of transfer of patients between Highland and Alameda Hospital. Alameda Hospital continues to be an important resource for Highland. In addition to accepting patients for admission directly from the Highland ED in order to reduce wait times for other patients, it may be appropriate to consider transferring patients who have hospitalized at Highland for some time for continued care at the end of their hospitalization.</p>	
	<p>e. Executive Director Report</p> <p>Executive Director Stebbins reported that the draft audit for FY 2018 was received yesterday but due to limited time for the principals to review the document, it will be presented to the Board formally at the December Board meeting.</p> <p>Likewise due to people’s schedules the District Financial reports for July and August will presented at the next Board meeting along with the September and October financial statements.</p> <p>We are exploring the possibility of creating a new website for the District which would be shared with the Alameda Hospital Foundation. The Foundation currently has a website which, like the District, is embedded in the AHS website and would like to see theirs separated as well.</p> <p>The Kaufman Hall interviews are proceeding on schedule. There has been some change of position on the part of AHS, which had preliminarily agreed to exchange more data about volume by service line in other parts of the AHS system in order to address Scenario Two of the KH project – namely, an evaluation of a scenario for use of Alameda Hospital which would optimize AHS achievement of their strategic objectives. AHS is now concerned about this aspect of the study since it is the District, not AHS, that commissioned the Kaufman Hall study. Mrs. Stebbins indicated she will meeting with Delvecchio Finley next week and will raise this issue as a part of their discussion.</p>	<p>No action taken.</p>
<p>C. Consent Agenda</p>		
<p>1)</p>	<p>Acceptance of Minutes of August 27, 2018</p>	<p>A motion was made, seconded and carried unanimously to approve the Consent Agenda.</p>



<b>D. Action Items</b>		
1)	.Review of Calendar Year 2019 District Board meetings	A motion was made, seconded and carried unanimously to approve the proposed dates for CY 2019 District Board of Directors meetings (attached to minutes)
<b>E. December, 2018 Agenda Preview</b>		
<b>Action Items</b>		No action taken.
1)	Review and Approval of FY Ending June 30, 2019 Parcel Tax Spending Budget from Alameda Health System	
2)	Review and Acceptance of FY June 30, 2018 Audit	
3)	Acceptance of October 22, 2018 Minutes	
4)	Acceptance of Financial Statements: July/August/September/October 2018	
<b>Information Items</b>		No action taken.
1)	YTD AHS Reporting (CAO/Hospital, Quality, Financial, Medical Staff Reports)	
<b>V. General Public Comments</b>	None	
<b>VI. Board Comments</b>	None	
<b>VII. Adjournment</b>	There being no further business, the meeting was adjourned at 7:45 pm	

Approved: \_\_\_\_\_

# CITY OF ALAMEDA HEALTH CARE DISTRICT

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## UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD  
ENDING JULY 31, 2018

## Balance Sheets

### CITY OF ALAMEDA HEALTHCARE DISTRICT

	As of 6/30/2018	As of 6/30/2019
<b>Assets</b>		
<u>Current assets:</u>		
Cash and cash equivalents	\$ 1,008,285	\$ 978,061
Grant and other receivables	298,045	764,710
Prepaid expenses and deposits	34,364	30,444
Total current assets	<u>1,340,694</u>	<u>1,773,216</u>
Assets limited as to use	557,671	569,636
Capital Assets, net of accumulated depreciation	<u>3,030,118</u>	<u>3,009,487</u>
	4,928,483	5,352,338
Other Assets	9,711	9,524
Total assets	<u>\$ 4,938,194</u>	<u>\$ 5,361,862</u>
 <b>Liabilities and Net Position</b>		
<u>Current liabilities:</u>		
Current maturities of debt borrowings	\$ 31,271	\$ 31,271
Accounts payable and accrued expenses	16,000	16,000
Total current liabilities	<u>47,271</u>	<u>47,271</u>
Debt borrowings net of current maturities	<u>939,726</u>	<u>937,329</u>
Total liabilities	986,997	984,600
 <b>Net position:</b>		
Total net position (deficit)	<u>3,951,197</u>	<u>4,377,262</u>
<b>Total liabilities and net position</b>	<u>\$ 4,938,194</u>	<u>\$ 5,361,862</u>

## Statements of Revenues, Expenses and Changes in Net Position

### CITY OF ALAMEDA HEALTHCARE DISTRICT

	Actual YTD 6/30/2018	Actual YTD 6/30/2019	Budget YTD 6/30/2019	Variance	
<b>Revenues and other support</b>					
District Tax Revenues	\$ 5,920,695	\$ 468,667	\$ 487,979	19,313	4%
Rents	204,791	13,580	16,274	2,693	17%
Other revenues	6	-	148	148	
Total revenues	6,125,491	482,247	504,401	22,153	
<b>Expenses</b>					
Salaries, wage and benefits	-	16,428	14,167	(2,261)	-16%
Professional fees	96,006	6,285	8,375	2,091	25%
Supplies	2,646	458	583	126	22%
Purchased services	6,471	450	375	(75)	-20%
Repairs and maintenance	19,076	335	1,417	1,082	76%
Rents	26,478	2,449	2,208	(240)	-11%
Utilities	10,459	581	887	306	34%
Insurance	47,368	3,920	3,898	(22)	-1%
Depreciation and amortization	249,818	20,818	33,702	12,884	
Interest	47,945	4,459	3,973	(486)	-12%
Travel, meeting and conferences	1,500	-	917	917	100%
Other expenses	9,399	-	2,968	2,968	100%
Total expenses	517,167	56,181	73,470	17,288	
Operating gains	5,608,325	426,066	430,931	4,865	1%
Transfers	(5,508,076)	-	(414,841)		
Increase in net position	100,249	426,066	16,090		
Net position at <i>beginning of the year</i>	3,850,948	3,951,197	3,850,948		
Net position at the <i>end of the period</i>	\$ 3,951,197	\$ 4,377,263	\$ 3,867,039		

## Statements of Cash Flows

### CITY OF ALAMEDA HEALTHCARE DISTRICT

	Actual YTD 6/30/2018	Actual YTD 6/30/2019
Increase in net position	\$ 100,249	\$ 426,066
Add Non Cash items		
Depreciation	249,818	20,818
<b>Changes in operating assets and liabilities</b>		
Grant and other receivables	(2,265)	(466,665)
Prepaid expenses and deposits	333	4,106
Accounts payable and accrued expenses	14,036	-
Accrued payroll and related liabilities	-	-
Net Cash provided(used) by operating activities	362,171	(15,675)
<b>Cash flows from investing activities</b>		
Acquisition of Property Plant and Equipment	-	(187)
Changes in assets limited to use	196,742	(11,965)
Net Cash used in investing activities	196,742	(12,152)
<b>Cash flows from financing activities</b>		
Principal payments on debt borrowings	(32,331)	(2,398)
New borrowings	-	-
Net cash used by financing activities	(32,331)	(2,398)
<b>Net change in cash and cash equivalents</b>	526,581	(30,224)
Cash at the beginning of the year	481,704	1,008,285
Cash at the end of the period	\$ 1,008,285	\$ 978,061

## Balance Sheets

### CITY OF ALAMEDA HEALTHCARE DISTRICT

	District 6/30/2018	Jaber 6/30/2018	As of 6/30/2018	District 6/30/2019	Jaber 6/30/2019	As of 6/30/2019
<b>Assets</b>						
<u>Current assets:</u>						
Cash and cash equivalents	\$ 1,008,285	\$ -	\$ 1,008,285	\$ 978,061	\$ -	\$ 978,061
Grant and other receivables	298,045	0	298,045	764,710	0	764,710
Prepaid expenses and deposits	31,101	3,263	34,364	27,590	2,855	30,444
Total current assets	1,337,432	3,263	1,340,694	1,770,361	2,855	1,773,216
Due To Due From	9,374	(9,374)	0	9,374	(9,374)	0
Assets limited as to use	0	557,671	557,671	0	569,636	569,636
Capital Assets, net of accumulated depreciation	1,522,518	1,507,600	3,030,118	1,505,003	1,504,484	3,009,488
	2,869,324	2,059,160	4,928,483	3,284,738	2,067,601	5,352,339
Other Assets	9,711	0	9,711	9,524	0	9,524
Total assets	2,879,034	2,059,160	4,938,194	3,294,262	2,067,601	5,361,863
<b>Liabilities and Net Position</b>						
<u>Current liabilities:</u>						
Current maturities of debt borrowings	31,271	0	31,271	31,271	0	31,271
Accounts payable and accrued expenses	16,000	0	16,000	16,000	0	16,000
Total current liabilities	47,271	0	47,271	47,271	0	47,271
Debt borrowings net of current maturities	939,726	0	939,726	937,329	0	937,329
Total liabilities	986,997	0	986,997	984,600	0	984,600
<b>Net position:</b>						
Total net position (deficit)	1,892,036	2,059,160	3,951,197	2,309,662	2,067,601	4,377,262
<b>Total liabilities and net position</b>	<b>\$2,879,034</b>	<b>\$2,059,160</b>	<b>\$4,938,194</b>	<b>\$3,294,262</b>	<b>\$2,067,601</b>	<b>\$5,361,862</b>

## Statements of Revenues, Expenses and Changes in Net Position

### CITY OF ALAMEDA HEALTHCARE DISTRICT

	District	Jaber	Actual	District	Jaber	Actual
	6/30/2018	6/30/2018	YTD 6/30/2018	6/30/2019	6/30/2019	YTD 6/30/2019
<b>Revenues and other support</b>						
District Tax Revenues	5,920,695	0	5,920,695	468,667	0	468,667
Rents	0	204,791	204,791	0	13,580	13,580
Other revenues	6	0	6	0	0	0
Total revenues	5,920,701	204,791	6,125,491	468,667	13,580	482,247
<b>Expenses</b>						
Salaries, wage and benefits	0	0	0	16,428	0	16,428
Professional fees	86,369	9,638	96,006	5,585	700	6,285
Supplies	2,646	0	2,646	458	0	458
Purchased services	6,471	0	6,471	450	0	450
Repairs and maintenance	0	19,076	19,076	0	335	335
Rents	26,478	0	26,478	2,449	0	2,449
Utilities	620	9,840	10,459	0	581	581
Insurance	42,474	4,894	47,368	3,512	408	3,920
Depreciation and amortization	212,418	37,400	249,818	17,701	3,117	20,818
Interest	47,945	0	47,945	4,459	0	4,459
Travel, meeting and conferences	1,500	0	1,500	0	0	0
Other expenses	4,052	5,348	9,399	0	0	0
Total expenses	430,971	86,195	517,167	51,041	5,140	56,181
Operating gains	5,489,730	118,595	5,608,325	417,626	8,440	426,066
Transfers	(5,150,445)	(357,631)	(5,508,076)	0	0	0
Increase in net position	339,285	(239,036)	100,249	417,626	8,440	426,066
Net position at <i>beginning of the year</i>	1,552,752	2,298,196	3,850,948	1,892,037	2,059,160	3,951,197
Net position at the <i>end of the period</i>	1,892,037	2,059,160	3,951,197	2,309,662	2,067,600	4,377,263

## Statements of Cash Flows

### CITY OF ALAMEDA HEALTHCARE DISTRICT

	District	Jaber	Actual	District	Jaber	Actual
	6/30/2018	6/30/2018	YTD 6/30/2018	6/30/2019	6/30/2019	YTD 6/30/2019
Increase in net position	339,285	(239,036)	100,249	417,626	8,440	426,066
Add Non Cash items						
Depreciation	212,418	37,400	249,818	17,701	3,117	20,818
<b>Changes in operating assets and liabilities</b>						
Grant and other receivables	(2,265)	0	(2,265)	(466,665)	0	(466,665)
Prepaid expenses and deposits	333	0	333	3,512	408	3,920
Due To Due From	(4,894)	4,894	0	0	0	0
Accounts payable and accrued expenses	14,037	0	14,036	0	0	0
Net Cash provided(used) by operating activities	558,913	(196,741)	362,171	(27,826)	11,965	(15,861)
<b>Cash flows from investing activities</b>						
Acquisition of Property Plant and Equipment	0	0	(0)	0	(0)	(0)
Changes in assets limited to use	0	196,742	196,742	0	(11,965)	(11,965)
Net Cash used in investing activities	0	196,742	196,742	0	(11,965)	(11,965)
<b>Cash flows from financing activities</b>						
Principal payments on debt borrowings	(32,331)	0	(32,331)	(2,398)	0	(2,398)
Net cash used by financing activities	(32,331)	0	(32,331)	(2,398)	0	(2,398)
<b>Net change in cash and cash equivalents</b>	526,582	0	526,581	(30,224)	(0)	(30,224)
Cash at the beginning of the year	481,704	(0)	481,704	1,008,285	0	1,008,285
Cash at the end of the period	1,008,285	0	1,008,285	978,060	(0)	978,061



# CITY OF ALAMEDA HEALTH CARE DISTRICT

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## UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD  
ENDING August 31, 2018

## Balance Sheets

### CITY OF ALAMEDA HEALTHCARE DISTRICT

	As of 6/30/2018	As of 8/31/2018
<b>Assets</b>		
<u>Current assets:</u>		
Cash and cash equivalents	\$ 1,008,285	\$ 1,239,853
Grant and other receivables	298,045	935,332
Prepaid expenses and deposits	34,364	26,525
Total current assets	<u>1,340,694</u>	<u>2,201,710</u>
Assets limited as to use	557,671	583,433
Capital Assets, net of accumulated depreciation	<u>3,030,118</u>	<u>2,988,855</u>
	4,928,483	5,773,998
Other Assets	9,711	9,337
Total assets	<u>\$ 4,938,194</u>	<u>\$ 5,783,336</u>
 <b>Liabilities and Net Position</b>		
<u>Current liabilities:</u>		
Current maturities of debt borrowings	\$ 31,271	\$ 31,271
Accounts payable and accrued expenses	16,000	13,015
Total current liabilities	<u>47,271</u>	<u>44,286</u>
Debt borrowings net of current maturities	<u>939,726</u>	<u>935,069</u>
Total liabilities	986,997	979,355
 <b>Net position:</b>		
Total net position (deficit)	<u>3,951,197</u>	<u>4,803,981</u>
<b>Total liabilities and net position</b>	<u>\$ 4,938,194</u>	<u>\$ 5,783,336</u>

## Statements of Revenues, Expenses and Changes in Net Position

### CITY OF ALAMEDA HEALTHCARE DISTRICT

	Actual YTD 6/30/2018	Actual YTD 8/31/2018	Budget YTD 6/30/2019	Variance	
<b>Revenues and other support</b>					
District Tax Revenues	\$ 5,920,695	\$ 937,333	\$ 975,959	38,625	4%
Rents	204,791	31,449	32,547	1,098	3%
Other revenues	6	-	295	295	
Total revenues	6,125,491	968,782	1,008,801	40,019	
<b>Expenses</b>					
Salaries, wage and benefits	-	35,594	28,333	(7,261)	-26%
Professional fees	96,006	9,728	16,750	7,022	42%
Supplies	2,646	2,086	1,167	(919)	-79%
Purchased services	6,471	900	750	(150)	-20%
Repairs and maintenance	19,076	667	2,833	2,166	76%
Rents	26,478	4,698	4,417	(281)	-6%
Utilities	10,459	1,491	1,773	283	16%
Insurance	47,368	7,839	7,796	(43)	-1%
Depreciation and amortization	249,818	41,636	67,404	25,768	
Interest	47,945	9,054	7,946	(1,108)	-14%
Travel, meeting and conferences	1,500	-	1,833	1,833	100%
Other expenses	9,399	2,306	5,937	3,630	61%
Total expenses	517,167	115,999	146,939	30,941	
Operating gains	5,608,325	852,784	861,862	9,078	1%
Transfers	(5,508,076)	-	(829,682)		
Increase in net position	100,249	852,784	32,180		
Net position at <i>beginning of the year</i>	3,850,948	3,951,197	3,951,197		
Net position at the <i>end of the period</i>	\$ 3,951,197	\$ 4,803,981	\$ 3,983,378		

## Statements of Cash Flows

### CITY OF ALAMEDA HEALTHCARE DISTRICT

	Actual YTD 6/30/2018	Actual YTD 8/31/2018
Increase in net position	\$ 100,249	\$ 852,784
Add Non Cash items		
Depreciation	249,818	41,636
<b>Changes in operating assets and liabilities</b>		
Grant and other receivables	(2,265)	(637,287)
Prepaid expenses and deposits	333	8,213
Accounts payable and accrued expenses	14,036	(2,985)
Accrued payroll and related liabilities	-	-
Net Cash provided(used) by operating activities	362,171	262,361
<b>Cash flows from investing activities</b>		
Acquisition of Property Plant and Equipment	-	(373)
Changes in assets limited to use	196,742	(25,762)
Net Cash used in investing activities	196,742	(26,136)
<b>Cash flows from financing activities</b>		
Principal payments on debt borrowings	(32,331)	(4,658)
New borrowings	-	-
Net cash used by financing activities	(32,331)	(4,658)
<b>Net change in cash and cash equivalents</b>	526,581	231,568
Cash at the beginning of the year	481,704	1,008,285
Cash at the end of the period	<u>\$ 1,008,285</u>	<u>\$ 1,239,853</u>

## Balance Sheets

### CITY OF ALAMEDA HEALTHCARE DISTRICT

	District 6/30/2018	Jaber 6/30/2018	As of 6/30/2018	District 8/31/2018	Jaber 8/31/2018	As of 8/31/2018
<b>Assets</b>						
<u>Current assets:</u>						
Cash and cash equivalents	\$ 1,008,285	\$ -	\$ 1,008,285	\$ 1,239,853	\$ -	\$ 1,239,853
Grant and other receivables	298,045	0	298,045	935,332	0	935,332
Prepaid expenses and deposits	31,101	3,263	34,364	24,078	2,447	26,525
Total current assets	1,337,432	3,263	1,340,694	2,199,263	2,447	2,201,710
Due To Due From	9,374	(9,374)	0	9,374	(9,374)	0
Assets limited as to use	0	557,671	557,671	0	583,433	583,433
Capital Assets, net of accumulated depreciation	1,522,518	1,507,600	3,030,118	1,487,489	1,501,367	2,988,855
	2,869,324	2,059,160	4,928,483	3,696,125	2,077,873	5,773,998
Other Assets	9,711	0	9,711	9,337	0	9,337
Total assets	2,879,034	2,059,160	4,938,194	3,705,462	2,077,873	5,783,336
<b>Liabilities and Net Position</b>						
<u>Current liabilities:</u>						
Current maturities of debt borrowings	31,271	0	31,271	31,271	0	31,271
Accounts payable and accrued expenses	16,000	0	16,000	13,015	0	13,015
Total current liabilities	47,271	0	47,271	44,286	0	44,286
Debt borrowings net of current maturities	939,726	0	939,726	935,069	0	935,069
Total liabilities	986,997	0	986,997	979,355	0	979,355
<b>Net position:</b>						
Total net position (deficit)	1,892,036	2,059,160	3,951,197	2,726,107	2,077,873	4,803,981
<b>Total liabilities and net position</b>	<b>\$2,879,034</b>	<b>\$2,059,160</b>	<b>\$4,938,194</b>	<b>\$3,705,462</b>	<b>\$2,077,873</b>	<b>\$5,783,336</b>

**Statements of Revenues, Expenses and Changes in Net Position**

**CITY OF ALAMEDA HEALTHCARE DISTRICT**

	District	Jaber	Actual	District	Jaber	Actual
	6/30/2018	6/30/2018	YTD 6/30/2018	8/31/2018	8/31/2018	YTD 8/31/2018
<b>Revenues and other support</b>						
District Tax Revenues	5,920,695	0	5,920,695	937,333	0	937,333
Rents	0	204,791	204,791	0	31,449	31,449
Other revenues	6	0	6	0	0	0
Total revenues	5,920,701	204,791	6,125,491	937,333	31,449	968,782
<b>Expenses</b>						
Salaries, wage and benefits	0	0	0	35,594	0	35,594
Professional fees	86,369	9,638	96,006	8,165	1,563	9,728
Supplies	2,646	0	2,646	2,086	0	2,086
Purchased services	6,471	0	6,471	900	0	900
Repairs and maintenance	0	19,076	19,076	0	667	667
Rents	26,478	0	26,478	4,698	0	4,698
Utilities	620	9,840	10,459	0	1,491	1,491
Insurance	42,474	4,894	47,368	7,023	816	7,839
Depreciation and amortization	212,418	37,400	249,818	35,403	6,233	41,636
Interest	47,945	0	47,945	9,054	0	9,054
Travel, meeting and conferences	1,500	0	1,500	0	0	0
Other expenses	4,052	5,348	9,399	339	1,966	2,306
Total expenses	430,971	86,195	517,167	103,262	12,736	115,999
Operating gains	5,489,730	118,595	5,608,325	834,071	18,713	852,784
Transfers	(5,150,445)	(357,631)	(5,508,076)	0	0	0
Increase in net position	339,285	(239,036)	100,249	834,071	18,713	852,784
Net position at <i>beginning of the year</i>	1,552,752	2,298,196	3,850,948	1,892,037	2,059,160	3,951,197
Net position at the <i>end of the period</i>	1,892,037	2,059,160	3,951,197	2,726,108	2,077,873	4,803,981

## Statements of Cash Flows

### CITY OF ALAMEDA HEALTHCARE DISTRICT

	District	Jaber	Actual	District	Jaber	Actual
	6/30/2018	6/30/2018	YTD 6/30/2018	8/31/2018	8/31/2018	YTD 8/31/2018
Increase in net position	339,285	(239,036)	100,249	834,071	18,713	852,784
Add Non Cash items						
Depreciation	212,418	37,400	249,818	35,403	6,233	41,636
<b>Changes in operating assets and liabilities</b>						
Grant and other receivables	(2,265)	0	(2,265)	(637,287)	0	(637,287)
Prepaid expenses and deposits	333	0	333	7,023	816	7,839
Due To Due From	(4,894)	4,894	0	0	0	0
Accounts payable and accrued expenses	14,037	0	14,036	(2,985)	0	(2,985)
Net Cash provided(used) by operating activities	558,913	(196,741)	362,171	236,226	25,762	261,988
<b>Cash flows from investing activities</b>						
Acquisition of Property Plant and Equipment	0	0	(0)	(0)	0	0
Changes in assets limited to use	0	196,742	196,742	0	(25,762)	(25,762)
Net Cash used in investing activities	0	196,742	196,742	(0)	(25,762)	(25,762)
<b>Cash flows from financing activities</b>						
Principal payments on debt borrowings	(32,331)	0	(32,331)	(4,658)	0	(4,658)
Net cash used by financing activities	(32,331)	0	(32,331)	(4,658)	0	(4,658)
<b>Net change in cash and cash equivalents</b>	526,582	0	526,581	231,568	0	231,568
Cash at the beginning of the year	481,704	(0)	481,704	1,008,285	(0)	1,008,285
Cash at the end of the period	1,008,285	0	1,008,285	1,239,853	0	1,239,854

# CITY OF ALAMEDA HEALTH CARE DISTRICT

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## UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD  
ENDING September 30, 2018



## Balance Sheets

### CITY OF ALAMEDA HEALTHCARE DISTRICT

	As of 6/30/2018	As of 9/30/2018
<b>Assets</b>		
<u>Current assets:</u>		
Cash and cash equivalents	\$ 1,008,285	\$ 1,221,165
Grant and other receivables	298,045	1,403,999
Prepaid expenses and deposits	34,364	22,605
Total current assets	<u>1,340,694</u>	<u>2,647,769</u>
Assets limited as to use	557,671	595,787
Capital Assets, net of accumulated depreciation	<u>3,030,118</u>	<u>2,968,224</u>
	4,928,483	6,211,780
Other Assets	9,711	9,150
Total assets	<u>\$ 4,938,194</u>	<u>\$ 6,220,930</u>
 <b>Liabilities and Net Position</b>		
<u>Current liabilities:</u>		
Current maturities of debt borrowings	\$ 31,271	\$ 31,271
Accounts payable and accrued expenses	16,000	14,315
Total current liabilities	<u>47,271</u>	<u>45,586</u>
Debt borrowings net of current maturities	<u>939,726</u>	<u>932,798</u>
Total liabilities	986,997	978,384
 <b>Net position:</b>		
Total net position (deficit)	<u>3,951,197</u>	<u>5,242,547</u>
<b>Total liabilities and net position</b>	<u>\$ 4,938,194</u>	<u>\$ 6,220,930</u>

## Statements of Revenues, Expenses and Changes in Net Position

### CITY OF ALAMEDA HEALTHCARE DISTRICT

	Actual YTD 6/30/2018	Actual YTD 9/30/2018	Budget YTD 9/30/2018	Variance	
<b>Revenues and other support</b>					
District Tax Revenues	\$ 5,920,695	\$ 1,406,000	\$ 1,463,938	57,938	4%
Rents	204,791	45,817	48,821	3,004	6%
Other revenues	6	-	443	443	
Total revenues	6,125,491	1,451,817	1,513,202	61,385	
<b>Expenses</b>					
Salaries, wage and benefits	-	45,177	42,500	(2,677)	-6%
Professional fees	96,006	11,745	25,125	13,380	53%
Supplies	2,646	2,086	1,750	(336)	-19%
Purchased services	6,471	900	1,125	225	20%
Repairs and maintenance	19,076	1,968	4,250	2,282	54%
Rents	26,478	6,946	6,625	(321)	-5%
Utilities	10,459	2,165	2,660	495	19%
Insurance	47,368	11,759	11,694	(65)	-1%
Depreciation and amortization	249,818	62,454	101,106	38,652	
Interest	47,945	13,639	11,919	(1,720)	-14%
Travel, meeting and conferences	1,500	-	2,750	2,750	100%
Other expenses	9,399	1,628	8,905	7,277	82%
Total expenses	517,167	160,467	220,409	59,942	
Operating gains	5,608,325	1,291,350	1,292,793	1,443	0%
Transfers	(5,508,076)	-	(1,244,522)		
Increase in net position	100,249	1,291,350	48,271		
Net position at <i>beginning of the year</i>	3,850,948	3,951,197	3,951,197		
Net position at the <i>end of the period</i>	\$ 3,951,197	\$ 5,242,547	\$ 3,999,468		

## Statements of Cash Flows

### CITY OF ALAMEDA HEALTHCARE DISTRICT

	Actual YTD 6/30/2018	Actual YTD 9/30/2018
Increase in net position	\$ 100,249	\$ 1,291,350
Add Non Cash items		
Depreciation	249,818	62,454
<b>Changes in operating assets and liabilities</b>		
Grant and other receivables	(2,265)	(1,105,954)
Prepaid expenses and deposits	333	12,319
Accounts payable and accrued expenses	14,036	(1,685)
Accrued payroll and related liabilities	-	-
Net Cash provided(used) by operating activities	362,171	258,485
<b>Cash flows from investing activities</b>		
Acquisition of Property Plant and Equipment	-	(560)
Changes in assets limited to use	196,742	(38,116)
Net Cash used in investing activities	196,742	(38,676)
<b>Cash flows from financing activities</b>		
Principal payments on debt borrowings	(32,331)	(6,929)
New borrowings	-	-
Net cash used by financing activities	(32,331)	(6,929)
<b>Net change in cash and cash equivalents</b>	526,581	212,880
Cash at the beginning of the year	481,704	1,008,285
Cash at the end of the period	\$ 1,008,285	\$ 1,221,165

## Balance Sheets

### CITY OF ALAMEDA HEALTHCARE DISTRICT

	District 6/30/2018	Jaber 6/30/2018	As of 6/30/2018	District 9/30/2018	Jaber 9/30/2018	As of 9/30/2018
<b>Assets</b>						
<u>Current assets:</u>						
Cash and cash equivalents	\$ 1,008,285	\$ -	\$ 1,008,285	\$ 1,221,165	\$ -	\$ 1,221,165
Grant and other receivables	298,045	0	298,045	1,403,999	0	1,403,999
Prepaid expenses and deposits	31,101	3,263	34,364	20,566	2,039	22,605
Total current assets	1,337,432	3,263	1,340,694	2,645,730	2,039	2,647,769
Due To Due From	9,374	(9,374)	0	9,374	(9,374)	0
Assets limited as to use	0	557,671	557,671	0	595,787	595,787
Capital Assets, net of accumulated depreciation	1,522,518	1,507,600	3,030,118	1,469,974	1,498,250	2,968,224
	2,869,324	2,059,160	4,928,483	4,125,078	2,086,702	6,211,780
Other Assets	9,711	0	9,711	9,150	0	9,150
Total assets	2,879,034	2,059,160	4,938,194	4,134,228	2,086,702	6,220,930
<b>Liabilities and Net Position</b>						
<u>Current liabilities:</u>						
Current maturities of debt borrowings	31,271	0	31,271	31,271	0	31,271
Accounts payable and accrued expenses	16,000	0	16,000	14,315	0	14,315
Total current liabilities	47,271	0	47,271	45,586	0	45,586
Debt borrowings net of current maturities	939,726	0	939,726	932,798	0	932,798
Total liabilities	986,997	0	986,997	978,384	0	978,384
<b>Net position:</b>						
Total net position (deficit)	1,892,036	2,059,160	3,951,197	3,155,844	2,086,703	5,242,547
<b>Total liabilities and net position</b>	<b>\$2,879,034</b>	<b>\$2,059,160</b>	<b>\$4,938,194</b>	<b>\$4,134,228</b>	<b>\$2,086,703</b>	<b>\$6,220,930</b>

## Statements of Revenues, Expenses and Changes in Net Position

### CITY OF ALAMEDA HEALTHCARE DISTRICT

	District	Jaber	Actual	District	Jaber	Actual
	6/30/2018	6/30/2018	YTD 6/30/2018	9/30/2018	9/30/2018	YTD 9/30/2018
<b>Revenues and other support</b>						
District Tax Revenues	5,920,695	0	5,920,695	1,406,000	0	1,406,000
Rents	0	204,791	204,791	0	45,817	45,817
Other revenues	6	0	6	0	0	0
Total revenues	5,920,701	204,791	6,125,491	1,406,000	45,817	1,451,817
<b>Expenses</b>						
Salaries, wage and benefits	0	0	0	45,177	0	45,177
Professional fees	86,369	9,638	96,006	9,465	2,280	11,745
Supplies	2,646	0	2,646	2,086	0	2,086
Purchased services	6,471	0	6,471	900	0	900
Repairs and maintenance	0	19,076	19,076	0	1,968	1,968
Rents	26,478	0	26,478	6,946	0	6,946
Utilities	620	9,840	10,459	0	2,165	2,165
Insurance	42,474	4,894	47,368	10,535	1,224	11,759
Depreciation and amortization	212,418	37,400	249,818	53,104	9,350	62,454
Interest	47,945	0	47,945	13,639	0	13,639
Travel, meeting and conferences	1,500	0	1,500	0	0	0
Other expenses	4,052	5,348	9,399	339	1,289	1,628
Total expenses	430,971	86,195	517,167	142,192	18,274	160,467
Operating gains	5,489,730	118,595	5,608,325	1,263,808	27,543	1,291,350
Transfers	(5,150,445)	(357,631)	(5,508,076)	0	0	0
Increase in net position	339,285	(239,036)	100,249	1,263,808	27,543	1,291,350
Net position at <i>beginning of the year</i>	1,552,752	2,298,196	3,850,948	1,892,037	2,059,160	3,951,197
Net position at the <i>end of the period</i>	1,892,037	2,059,160	3,951,197	3,155,845	2,086,703	5,242,547

## Statements of Cash Flows

### CITY OF ALAMEDA HEALTHCARE DISTRICT

	District	Jaber	Actual	District	Jaber	Actual
	6/30/2018	6/30/2018	YTD	9/30/2018	9/30/2018	YTD
	6/30/2018	6/30/2018	6/30/2018	9/30/2018	9/30/2018	9/30/2018
Increase in net position	339,285	(239,036)	100,249	1,263,808	27,543	1,291,350
Add Non Cash items						
Depreciation	212,418	37,400	249,818	53,104	9,350	62,454
<b>Changes in operating assets and liabilities</b>						
Grant and other receivables	(2,265)	0	(2,265)	(1,105,954)	0	(1,105,954)
Prepaid expenses and deposits	333	0	333	10,535	1,224	11,759
Due To Due From	(4,894)	4,894	0	0	0	0
Accounts payable and accrued expenses	14,037	0	14,036	(1,685)	0	(1,685)
Net Cash provided(used) by operating activities	558,913	(196,741)	362,171	219,809	38,116	257,925
<b>Cash flows from investing activities</b>						
Acquisition of Property Plant and Equipment	0	0	(0)	0	0	0
Changes in assets limited to use	0	196,742	196,742	0	(38,116)	(38,116)
Net Cash used in investing activities	0	196,742	196,742	0	(38,116)	(38,116)
<b>Cash flows from financing activities</b>						
Principal payments on debt borrowings	(32,331)	0	(32,331)	(6,929)	0	(6,929)
Net cash used by financing activities	(32,331)	0	(32,331)	(6,929)	0	(6,929)
<b>Net change in cash and cash equivalents</b>	526,582	0	526,581	212,880	(0)	212,880
Cash at the beginning of the year	481,704	(0)	481,704	1,008,285	0	1,008,285
Cash at the end of the period	1,008,285	0	1,008,285	1,221,165	0	1,221,165

# CITY OF ALAMEDA HEALTH CARE DISTRICT

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## UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD  
ENDING October 31, 2018

## Balance Sheets

### CITY OF ALAMEDA HEALTHCARE DISTRICT

	As of	As of
	6/30/2018	10/31/2018

#### Assets

##### Current assets:

Cash and cash equivalents	\$ 1,008,285	\$ 1,109,603
Grant and other receivables	298,045	1,872,665
Prepaid expenses and deposits	34,364	33,787
Total current assets	<u>1,340,694</u>	<u>3,016,055</u>

Assets limited as to use	557,671	607,360
Capital Assets, net of accumulated depreciation	<u>3,030,118</u>	<u>2,947,592</u>
	4,928,483	6,571,007
Other Assets	9,711	8,964
Total assets	<u>\$ 4,938,194</u>	<u>\$ 6,579,971</u>

#### Liabilities and Net Position

##### Current liabilities:

Current maturities of debt borrowings	\$ 31,271	\$ 31,271
Accounts payable and accrued expenses	16,000	15,615
Total current liabilities	<u>47,271</u>	<u>46,886</u>

Debt borrowings net of current maturities	<u>939,726</u>	<u>930,368</u>
Total liabilities	986,997	977,254

#### Net position:

Total net position (deficit)	<u>3,951,197</u>	<u>5,602,717</u>
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<b>Total liabilities and net position</b>	<u>\$ 4,938,194</u>	<u>\$ 6,579,971</u>
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## Statements of Revenues, Expenses and Changes in Net Position

### CITY OF ALAMEDA HEALTHCARE DISTRICT

	Actual YTD 6/30/2018	Actual YTD 10/31/2018	Budget YTD 10/31/2018	Variance	
<b>Revenues and other support</b>					
District Tax Revenues	\$ 5,920,695	\$ 1,874,667	\$ 1,951,917	77,250	4%
Rents	204,791	64,857	65,094	238	0%
Other revenues	6	-	591	591	
Total revenues	6,125,491	1,939,523	2,017,602	78,079	
<b>Expenses</b>					
Salaries, wage and benefits	-	54,760	56,667	1,907	3%
Professional fees	96,006	87,461	33,500	(53,961)	-161%
Supplies	2,646	4,190	2,333	(1,856)	-80%
Purchased services	6,471	2,150	1,500	(650)	-43%
Repairs and maintenance	19,076	3,053	5,667	2,614	46%
Rents	26,478	9,195	8,833	(362)	-4%
Utilities	10,459	3,766	3,547	(220)	-6%
Insurance	47,368	15,713	15,592	(121)	-1%
Depreciation and amortization	249,818	83,273	134,808	51,535	
Interest	47,945	18,066	15,892	(2,174)	-14%
Travel, meeting and conferences	1,500	-	3,667	3,667	100%
Other expenses	9,399	6,378	11,873	5,496	46%
Total expenses	517,167	288,004	293,878	5,875	
Operating gains	5,608,325	1,651,520	1,723,724	72,204	4%
Transfers	(5,508,076)	-	(1,659,363)		
Increase in net position	100,249	1,651,520	64,361		
Net position at <i>beginning of the year</i>	3,850,948	3,951,197	3,951,197		
Net position at the <i>end of the period</i>	\$ 3,951,197	\$ 5,602,717	\$ 4,015,558		

## Statements of Cash Flows

### CITY OF ALAMEDA HEALTHCARE DISTRICT

	Actual YTD 6/30/2018	Actual YTD 10/31/2018
Increase in net position	\$ 100,249	\$ 1,651,520
Add Non Cash items		
Depreciation	249,818	83,273
<b>Changes in operating assets and liabilities</b>		
Grant and other receivables	(2,265)	(1,574,620)
Prepaid expenses and deposits	333	1,324
Accounts payable and accrued expenses	14,036	(385)
Accrued payroll and related liabilities	-	-
Net Cash provided(used) by operating activities	362,171	161,111
<b>Cash flows from investing activities</b>		
Acquisition of Property Plant and Equipment	-	(747)
Changes in assets limited to use	196,742	(49,689)
Net Cash used in investing activities	196,742	(50,436)
<b>Cash flows from financing activities</b>		
Principal payments on debt borrowings	(32,331)	(9,358)
New borrowings	-	-
Net cash used by financing activities	(32,331)	(9,358)
<b>Net change in cash and cash equivalents</b>	526,581	101,317
Cash at the beginning of the year	481,704	1,008,285
Cash at the end of the period	\$ 1,008,285	\$ 1,109,603

## Balance Sheets

### CITY OF ALAMEDA HEALTHCARE DISTRICT

	District 6/30/2018	Jaber 6/30/2018	As of 6/30/2018	District 10/31/2018	Jaber 10/31/2018	As of 10/31/2018
<b>Assets</b>						
<u>Current assets:</u>						
Cash and cash equivalents	\$ 1,008,285	\$ -	\$ 1,008,285	\$ 1,109,603	\$ -	\$ 1,109,603
Grant and other receivables	298,045	0	298,045	1,872,665	0	1,872,665
Prepaid expenses and deposits	31,101	3,263	34,364	32,156	1,631	33,787
Total current assets	1,337,432	3,263	1,340,694	3,014,424	1,631	3,016,055
Due To Due From	9,374	(9,374)	0	9,374	(9,374)	0
Assets limited as to use	0	557,671	557,671	0	607,360	607,360
Capital Assets, net of accumulated depreciation	1,522,518	1,507,600	3,030,118	1,452,459	1,495,133	2,947,592
	2,869,324	2,059,160	4,928,483	4,476,257	2,094,751	6,571,007
Other Assets	9,711	0	9,711	8,964	0	8,964
Total assets	2,879,034	2,059,160	4,938,194	4,485,220	2,094,751	6,579,971
<b>Liabilities and Net Position</b>						
<u>Current liabilities:</u>						
Current maturities of debt borrowings	31,271	0	31,271	31,271	0	31,271
Accounts payable and accrued expenses	16,000	0	16,000	15,615	0	15,615
Total current liabilities	47,271	0	47,271	46,886	0	46,886
Debt borrowings net of current maturities	939,726	0	939,726	930,368	0	930,368
Total liabilities	986,997	0	986,997	977,254	0	977,254
<b>Net position:</b>						
Total net position (deficit)	1,892,036	2,059,160	3,951,197	3,507,966	2,094,751	5,602,717
<b>Total liabilities and net position</b>	<b>\$2,879,034</b>	<b>\$2,059,160</b>	<b>\$4,938,194</b>	<b>\$4,485,220</b>	<b>\$2,094,751</b>	<b>\$6,579,971</b>

## Statements of Revenues, Expenses and Changes in Net Position

### CITY OF ALAMEDA HEALTHCARE DISTRICT

	District	Jaber	Actual	District	Jaber	Actual
	6/30/2018	6/30/2018	YTD 6/30/2018	10/31/2018	10/31/2018	YTD 10/31/2018
<b>Revenues and other support</b>						
District Tax Revenues	5,920,695	0	5,920,695	1,874,667	0	1,874,667
Rents	0	204,791	204,791	0	64,857	64,857
Other revenues	6	0	6	0	0	0
Total revenues	5,920,701	204,791	6,125,491	1,874,667	64,857	1,939,523
<b>Expenses</b>						
Salaries, wage and benefits	0	0	0	54,760	0	54,760
Professional fees	86,369	9,638	96,006	84,464	2,997	87,461
Supplies	2,646	0	2,646	4,190	0	4,190
Purchased services	6,471	0	6,471	2,150	0	2,150
Repairs and maintenance	0	19,076	19,076	0	3,053	3,053
Rents	26,478	0	26,478	9,195	0	9,195
Utilities	620	9,840	10,459	552	3,214	3,766
Insurance	42,474	4,894	47,368	14,082	1,631	15,713
Depreciation and amortization	212,418	37,400	249,818	70,806	12,467	83,273
Interest	47,945	0	47,945	18,066	0	18,066
Travel, meeting and conferences	1,500	0	1,500	0	0	0
Other expenses	4,052	5,348	9,399	472	5,904	6,377
Total expenses	430,971	86,195	517,167	258,736	29,266	288,003
Operating gains	5,489,730	118,595	5,608,325	1,615,930	35,591	1,651,521
Transfers	(5,150,445)	(357,631)	(5,508,076)	0	0	0
Increase in net position	339,285	(239,036)	100,249	1,615,930	35,591	1,651,521
Net position at <i>beginning of the year</i>	1,552,752	2,298,196	3,850,948	1,892,037	2,059,160	3,951,197
Net position at the <i>end of the period</i>	1,892,037	2,059,160	3,951,197	3,507,967	2,094,751	5,602,718

## Statements of Cash Flows

### CITY OF ALAMEDA HEALTHCARE DISTRICT

	District 6/30/2018	Jaber 6/30/2018	Actual YTD 6/30/2018	District 10/31/2018	Jaber 10/31/2018	Actual YTD 10/31/2018
Increase in net position	339,285	(239,036)	100,249	1,615,930	35,591	1,651,521
Add Non Cash items						
Depreciation	212,418	37,400	249,818	70,806	12,467	83,273
<b>Changes in operating assets and liabilities</b>						
Grant and other receivables	(2,265)	0	(2,265)	(1,574,620)	0	(1,574,620)
Prepaid expenses and deposits	333	0	333	(1,055)	1,631	577
Due To Due From	(4,894)	4,894	0	0	0	0
Accounts payable and accrued expenses	14,037	0	14,036	(385)	0	(385)
Net Cash provided(used) by operating activities	558,913	(196,741)	362,171	110,677	49,689	160,365
<b>Cash flows from investing activities</b>						
Acquisition of Property Plant and Equipment	0	0	(0)	0	0	0
Changes in assets limited to use	0	196,742	196,742	0	(49,689)	(49,689)
Net Cash used in investing activities	0	196,742	196,742	0	(49,689)	(49,689)
<b>Cash flows from financing activities</b>						
Principal payments on debt borrowings	(32,331)	0	(32,331)	(9,358)	0	(9,358)
Net cash used by financing activities	(32,331)	0	(32,331)	(9,358)	0	(9,358)
<b>Net change in cash and cash equivalents</b>	526,582	0	526,581	101,319	0	101,318
Cash at the beginning of the year	481,704	(0)	481,704	1,008,285	0	1,008,285
Cash at the end of the period	1,008,285	0	1,008,285	1,109,603	0	1,109,604

**Audited Financial Statements**  
**CITY OF ALAMEDA**  
**HEALTH CARE DISTRICT**  
**June 30, 2018**

Audited Financial Statements

CITY OF ALAMEDA HEALTH CARE DISTRICT

June 30, 2018

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## Management's Discussion and Analysis

### CITY OF ALAMEDA HEALTH CARE DISTRICT

June 30, 2018

The District Clerk and Treasurer of the City of Alameda Health Care District (the District) has prepared this annual discussion and analysis in order to provide an overview of the District's performance for the fiscal year ended June 30, 2018 in accordance with the Governmental Accounting Standards Board Statement No. 34, *Basic Financials Statements; Management's Discussion and Analysis for State and Local Governments*. The intent of this document is to provide additional information on the District's historical financial performance as a whole in addition to providing a prospective look at revenue growth, operating expenses, and capital development plans. This discussion should be reviewed in conjunction with the audited financial statements for the fiscal year ended June 30, 2018 and accompanying notes to the financial statements to enhance one's understanding of the District's financial performance.

#### ***Financial Highlights***

For the year of operations ending June 30, 2018, the District received \$5,920,695 million in parcel taxes from the County of Alameda and \$204,791 in rental income. The prior year taxes were \$5,844,087 and rental income was \$183,188.

Total District expenses for 2018 were \$517,167: (\$249,818 in depreciation and amortization, \$47,945 in interest expense, \$96,006 in professional fees, \$47,368 in insurance and \$76,030 in various other types of expenses. Transfers to the Alameda Health System were \$5.5 million, leaving the District with an increase in net position for the year of \$100,249.

Total District expenses for 2017 were \$540,868: (\$260,269 in depreciation and amortization, \$48,954 in interest expense, \$98,692 in professional fees, \$57,699 in insurance and \$75,254 in various other types of expenses. Transfers to the Alameda Health System were \$5.3 million, leaving the District with an increase in net position for the year of \$228,124.

The District continues to operate as a health care district which allows for the continued collection of parcel taxes and certain rental income from which the District will pay operating expenses. Excess earnings are remitted to Alameda Health System (AHS) in order to support the operations of the Alameda Hospital by AHS.

#### ***Balance Sheet***

As of June 30, 2018, the District's current assets are comprised of \$1,008,245 in operating cash, \$298,045 in parcel taxes receivable and \$34,364 in prepaid assets. Other assets include cash and cash equivalents of \$557,671 which are restricted for specific purposes, \$3,030,118 of capital assets, net of accumulated depreciation and \$9,711 in debt issue costs. Current liabilities of the District include \$31,271 of current maturities of debt borrowings and \$16,000 of various accounts payable due to certain vendors. Long-term debt borrowings amounted to \$939,726



## Management's Discussion and Analysis

### CITY OF ALAMEDA HEALTH CARE DISTRICT

As of June 30, 2017, the District's current assets are comprised of \$481,704 in operating cash, \$295,780 in parcel taxes receivable and \$34,697 in prepaid expenses. Other assets include cash and cash equivalents of \$754,413 which are restricted for specific purposes, \$3,277,695 of capital assets, net of accumulated depreciation and \$11,952 in capitalized debt issue costs. Current liabilities of the District include \$29,805 of current maturities of debt borrowings and \$1,964 of various accounts payable due to certain vendors. Long-term debt borrowings amounted to \$973,524.

#### *Statements of Revenues, Expenses and Changes in Net Position*

For the year ended June 30, 2018 and 2017, the District realized an increase in net position of \$100,249 and \$228,124, respectively. The 2018 year approximated budget and expectations.

The District annual budget for 2019 has been set at approximately \$6.1 million in revenue from parcel taxes and rental income. Operating expenses for 2019 are expected to be approximately \$820,000, which includes depreciation and amortization of \$218,000. Excess earnings will continue to be remitted to AHS to help support the operations of the Alameda Hospital, formerly operated by the District.

# JWT & Associates, LLP

A Certified Public Accountancy Limited Liability Partnership

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Voice: (559) 431-7708 Fax: (559) 431-7685 Email: [rjctcpa@aol.com](mailto:rjctcpa@aol.com)

## *Report of Independent Auditors*

The Board of Directors  
City of Alameda Health Care District  
Alameda, California

We have audited the accompanying financial statements of the City of Alameda Health Care District, (the District) which comprise the balance sheets as of June 30, 2018 and 2017, and the related statements of revenues, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of the District at June 30, 2018 and 2017, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

*Supplementary Information*

Management's discussion and analysis is not a required part of the financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

*JW7 & Associates, LLP*

Fresno, California  
October 20, 2018

Balance Sheets

CITY OF ALAMEDA HEALTH CARE DISTRICT

	June 30	
	<u>2018</u>	<u>2017</u>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 1,008,285	\$ 481,704
Other receivables	298,045	295,780
Prepaid expenses and deposits	<u>34,364</u>	<u>34,697</u>
Total current assets	1,340,694	812,181
Assets limited as to use	557,671	754,413
Capital assets, net of accumulated depreciation	<u>3,030,118</u>	<u>3,277,695</u>
	4,928,483	4,844,289
<b>Deferred outflows of resources</b>	<u>9,711</u>	<u>11,952</u>
	<u>\$ 4,938,194</u>	<u>\$ 4,856,241</u>
<b>Liabilities</b>		
Current liabilities:		
Current maturities of debt borrowings	\$ 31,271	\$ 29,805
Accounts payable and accrued expenses	<u>16,000</u>	<u>1,964</u>
Total current liabilities	47,271	31,769
Debt borrowings, net of current maturities	<u>939,726</u>	<u>973,524</u>
	986,997	1,005,293
<b>Deferred inflows of resources</b>		
<b>Net position</b>		
Invested in capital assets, net of related debt	3,030,118	3,277,695
Restricted, by contributors	557,671	754,413
Unrestricted (deficit)	<u>363,408</u>	<u>(181,160)</u>
Total net position	<u>3,951,197</u>	<u>3,850,948</u>
	<u>\$ 4,938,194</u>	<u>\$ 4,856,241</u>

See accompanying notes and auditor's report

Statements of Revenues, Expenses and Changes in Net Position

CITY OF ALAMEDA HEALTH CARE DISTRICT

	Year Ended June 30	
	<u>2018</u>	<u>2017</u>
<b>Operating revenues</b>		
Net patient service revenue		
Other operating revenue	\$ 204,791	\$ 183,188
Total operating revenues	204,791	183,188
<b>Operating expenses</b>		
Professional fees	96,006	98,692
Supplies	2,646	3,380
Purchased services	25,547	27,847
Building and equipment rent	26,478	25,634
Utilities and phone	10,459	10,038
Insurance	47,368	57,699
Depreciation and amortization	249,818	260,269
Other operating expenses	<u>10,900</u>	<u>8,355</u>
Total operating expenses	<u>469,222</u>	<u>491,914</u>
Operating loss	(264,431)	(308,726)
<b>Nonoperating revenues (expenses)</b>		
District tax revenues	5,920,695	5,844,087
Investment income	6	14
Interest expense	(47,945)	(48,954)
Transfers to AHS	<u>(5,508,076)</u>	<u>(5,258,297)</u>
Total nonoperating revenues (expenses)	<u>364,680</u>	<u>536,850</u>
Increase in net position	100,249	228,124
Net position at beginning of the year	<u>3,850,948</u>	<u>3,622,824</u>
Net position at end of the year	<u>\$ 3,951,197</u>	<u>\$ 3,850,948</u>

*See accompanying notes and auditor's report*

Statements of Cash Flows

CITY OF ALAMEDA HEALTH CARE DISTRICT

	Year Ended June 30	
	<u>2018</u>	<u>2017</u>
<b>Cash flows from operating activities:</b>		
Cash received from operations, other than patient services	\$ 202,526	\$ 181,329
Cash payments to suppliers and contractors	<u>(205,035)</u>	<u>(253,368)</u>
Net cash (used in) operating activities	(2,509)	(72,039)
<b>Cash flows from noncapital financing activities:</b>		
District tax revenues	5,920,695	5,844,087
Transfers to AHS	<u>(5,508,076)</u>	<u>(5,258,297)</u>
Net cash provided by noncapital financing activities	412,619	585,790
<b>Cash flows from capital financing activities:</b>		
Principal payments on debt borrowings	(32,332)	(28,527)
Interest payments on debt borrowings	<u>(47,945)</u>	<u>(48,954)</u>
Net cash (used in) capital financing activities	(80,277)	(77,481)
<b>Cash flows from investing activities:</b>		
Net change in assets limited as to use	196,742	(426,172)
Investment income	<u>6</u>	<u>14</u>
Net cash provided by (used in) investing activities	<u>196,748</u>	<u>(426,158)</u>
Net increase in cash and cash equivalents	526,581	10,112
Cash and cash equivalents at beginning of year	<u>481,704</u>	<u>471,592</u>
Cash and cash equivalents at end of year	<u>\$ 1,008,285</u>	<u>\$ 481,704</u>

*See accompanying notes and auditor's report*

Statements of Cash Flows (continued)

CITY OF ALAMEDA HEALTH CARE DISTRICT

	Year Ended June 30	
	<u>2018</u>	<u>2017</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>		
Operating (loss)	\$ (264,431)	\$ (308,726)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	249,818	260,269
Changes in operating assets and liabilities:		
Other receivables	(2,265)	(1,859)
Prepaid expenses and deposits	333	(14,987)
Accounts payable and accrued expenses	<u>14,036</u>	<u>(6,736)</u>
Net cash provided by operating activities	<u>\$ (2,509)</u>	<u>\$ (72,039)</u>

*See accompanying notes and auditor's report*

CITY OF ALAMEDA HEALTH CARE DISTRICT

June 30, 2018

**NOTE A - ORGANIZATION AND ACCOUNTING POLICIES**

**Reporting Entity:** The City of Alameda Health Care District, (d.b.a. Alameda District), heretofore referred to as (the District) is a public entity organized under Local District Law as set forth in the Health and Safety Code of the State of California. The District is a political subdivision of the State of California and is generally not subject to federal or state income taxes. The District is governed by a five-member Board of Directors, elected from within the boundaries of the health care district to specified terms of office. The District is located in Alameda, California.

Through April 30, 2014, the District operated Alameda Hospital (the Hospital), which comprised a 100-bed acute care facility, a 35-bed sub acute unit within the Hospital, a 26-bed skilled nursing facility adjacent to the Hospital campus and another 120-bed skilled nursing facility near the Hospital campus which the District took over operations of in August, 2012. Effective May 1, 2014, operations of the Hospital were turned over to the Alameda Health System (AHS), a public hospital authority created by the Alameda County Board of Supervisors, through a joint powers agreement (the affiliation agreement). Through this affiliation with AHS, the District continues to provide health care services primarily to individuals who reside in the local geographic area.

**Basis of Preparation:** The accounting policies and financial statements of the District generally conform with the recommendations of the audit and accounting guide, *Health Care Organizations*, published by the American Institute of Certified Public Accountants. The financial statements are presented in accordance with the pronouncements of the Governmental Accounting Standards Board (GASB). For purposes of presentation, transactions deemed by management to be ongoing, major or central to the provision of health care services are reported as operational revenues and expenses.

The District uses enterprise fund accounting. Revenues and expenses are recognized on the accrual basis using the economic resources measurement focus. Based on GASB Statement Number 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, as amended, the District has elected to apply the provisions of all relevant pronouncements of the Financial Accounting Standards Board (FASB) that do not conflict with or contradict GASB pronouncements.

**Management's Discussion and Analysis:** The management's discussion and analysis is a narrative introduction and analytical overview of the District's financial activities for the year being presented. This analysis is similar to the analysis provided in the annual reports of organizations in the private sector. As stated in the opinion letter, the management's discussion and analysis is not a required part of the financial statements but is supplementary information and therefore not subject to audit procedures or the expression of an opinion on it by auditors.



CITY OF ALAMEDA HEALTH CARE DISTRICT

**NOTE A - ORGANIZATION AND ACCOUNTING POLICIES (continued)**

**Use of Estimates:** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents:** The District considers cash and cash equivalents to include certain investments in highly liquid debt instruments, when present, with an original maturity of a short-term nature or subject to withdrawal upon request. Exceptions are for those investments which are intended to be continuously invested. Investments in debt securities are reported at market value. Interest, dividends and both unrealized and realized gains and losses on investments are included as investment income in nonoperating revenues when earned.

**Assets Limited as to Use:** Assets limited as to use include contributor restricted funds, amounts designated by the Board of Directors for replacement or purchases of capital assets, and other specific purposes, and amounts held by trustees under specified agreements. Assets limited as to use consist primarily of deposits on hand with local banking and investment institutions, and bond trustees.

**Risk Management:** The District is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and medical malpractice. Commercial insurance coverage is purchased for claims arising from such matters.

**Capital Assets:** Capital assets consist of property and equipment and are reported on the basis of cost, or in the case of donated items, on the basis of fair market value at the date of donation. Routine maintenance and repairs are charged to expense as incurred. Expenditures which increase values, change capacities, or extend useful lives are capitalized. Depreciation of property and equipment and amortization of property under capital leases are computed by the straight-line method for both financial reporting and cost reimbursement purposes over the estimated useful lives of the assets, which range from 10 to 40 years for buildings and improvements, and 3 to 10 years for major moveable equipment. The District periodically reviews its capital assets for value impairment. As of June 30, 2018 and 2017, the District has determined that no capital assets are impaired.

**Net Position:** Net position is presented in three categories. The first category is net position “invested in capital assets, net of related debt”. This category of net position consists of capital assets (both restricted and unrestricted), net of accumulated depreciation and reduced by the outstanding principal balances of any debt borrowings that were attributable to the acquisition, construction, or improvement of those capital assets.

The second category is “restricted” net position. This category consists of externally designated constraints placed on those net position by creditors (such as through debt covenants), grantors, contributors, law or regulations of other governments or government agencies, or law or constitutional provisions or enabling legislation.

CITY OF ALAMEDA HEALTH CARE DISTRICT

**NOTE A - ORGANIZATION AND ACCOUNTING POLICIES (continued)**

The third category is “unrestricted” net position. This category consists of net position that does not meet the definition or criteria of the previous two categories.

***District Tax Revenues:*** The District receives most of its financial support from parcel taxes. These funds are used to support operations and meet required debt service agreements. They are classified as non-operating revenue as the revenue is not directly linked to patient care. Parcel taxes are levied by the County on the District’s behalf during the year, and are intended to help finance the District’s activities during the same year. The County has established certain dates to levy, lien, mail bills, and receive payments from property owners during the year. Parcel taxes are considered delinquent on the day following each payment due date.

***Operating Revenues and Expenses:*** The District’s statement of revenues, expenses and changes in net position distinguishes between operating and nonoperating revenues and expenses. Operating revenues result from exchange transactions associated with providing health care services, which is the District’s principal activity. Operating expenses are all expenses incurred to provide health care services, other than financing costs. Nonoperating revenues and expenses are those transactions not considered directly linked to providing health care services.

**NOTE B - CASH AND CASH EQUIVALENTS**

As of June 30, 2018 and 2017, the District had deposits invested in various financial institutions in the form of cash and cash equivalents in the amounts of \$1,565,956 and \$1,236,117 respectively. All of these funds were held in deposits, which are collateralized in accordance with the California Government Code (CGC), except for \$250,000 per account that is federally insured.

The CGC and the District’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial risk for deposits. Custodial risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District would not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party.

Under the provisions of the CGC, California banks and savings and loan associations are required to secure the District’s deposits by pledging government securities as collateral. The market value of pledged securities must equal at least 110% of the District’s deposits. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the District’s total deposits. The pledged securities are held by the pledging financial institution’s trust department in the name of the District.

CITY OF ALAMEDA HEALTH CARE DISTRICT

**NOTE C - CONCENTRATION OF CREDIT RISK**

*District Tax Revenues* : The District receives approximately 97% of their revenues from the County of Alameda under the parcel taxing program. These funds are used to support operations and meet required debt service agreements. Parcel taxes are levied by the County on the District's behalf during the year. Parcel taxes are secured by properties within the District, management believes that there is no credit risk associated with these parcel taxes.

*Financial Instruments*: Financial instruments, potentially subjecting the District to concentrations of credit risk, consist primarily of bank deposits in excess of the Federal Deposit Insurance Corporation (FDIC) limits of \$250,000. Although deposits exceed the limit in certain bank accounts, management believes that the risk of loss is minimal due to the high financial quality of the bank with which the District does business. Management further believes that there is no risk of material loss due to concentration of credit risk with regards to investments as the District has no investments in equity funds, closed-end funds, exchange-traded products, or other perceived "at risk" alternatives as of June 30, 2018 and 2017.

**NOTE D - OTHER RECEIVABLES**

Other receivables as were comprised of the following Alameda County parcel taxes in the amounts of \$298,045 and \$295,780 as of June 30, 2018 and 2017, respectively.

**NOTE E - ASSETS LIMITED AS TO USE**

Assets limited as to use are related to the Jaber agreement as described in Note F and were comprised of cash and cash equivalents in the amounts of \$557,671 and \$754,413 as of June 30, 2018 and 2017, respectively.

**NOTE F - RELATED PARTY TRANSACTIONS**

The Alameda Hospital Foundation (the Foundation), has been established as a nonprofit public benefit corporation under the Internal Revenue Code Section 501 c (3) to solicit contributions on behalf of the District. Substantially all funds raised except for funds required for operation of the Foundation, are distributed to the District or held for the benefit of the District. The Foundation's funds, which represent the Foundation's unrestricted resources, are distributed to the District in amounts and in period determined by the Foundation's Board of Trustees, who may also restrict the use of funds for District property and equipment replacement or expansion, reimbursement of expenses, or other specific purposes. Effective May 1, 2014, any further donations by the Foundation will be made directly to AHS according to the affiliation agreement. The Foundation is not considered a component unit of the District as the Foundation, in the absence of donor restrictions, has complete and discretionary control over the amounts, the timing, and the use of its donations to the District and management does not consider the assets material.

Notes to Financial Statements (continued)

CITY OF ALAMEDA HEALTH CARE DISTRICT

**NOTE G - CAPITAL ASSETS**

The District received two parcels of improved rental-real estate by court order dated December 3, 2003, pursuant to the terms of the Alice M. Jaber 1992 Trust. As successor to the former non-profit Alameda Hospital, the District has agreed to abide by the terms of the Trust Agreement. The Trust Agreement and the will of Alice M. Jaber require the District to account for the property as part of the Abraham Jaber and Mary A. Jaber Memorial Fund. Among other things, the District is prohibited from selling all or any portion of the parcels received until after the death of certain named family members and, if the property is sold, it may not be sold to any descendant, spouse or relative to the third degree of any such descendant of a named family member. The net carrying value of this property is \$1,002,700 and \$1,040,100 at June 30, 2018 and 2017, respectively. Capital assets as of June 30, 2018 and 2017 were comprised of the following:

	Balance at <u>June 30, 2017</u>	Adjustments & Additions	Retirements	Balance at <u>June 30, 2018</u>
Land and land improvements	\$ 1,376,954			\$ 1,376,954
Buildings and improvements	25,519,556			25,519,556
Equipment	3,739,728			3,739,728
Construction-in-progress	<u>30,636,238</u>	<u>                    </u>	<u>                    </u>	<u>30,636,238</u>
Totals at historical cost	30,636,238			30,636,238
Less accumulated depreciation	<u>(27,358,543)</u>	<u>(247,577)</u>		<u>(27,606,120)</u>
Capital assets, net	<u>\$ 3,277,695</u>	<u>\$ (247,577)</u>	<u>\$</u>	<u>\$ 3,030,118</u>

	Balance at <u>June 30, 2016</u>	Adjustments & Additions	Retirements	Balance at <u>June 30, 2017</u>
Land and land improvements	\$ 1,376,954			\$ 1,376,954
Buildings and improvements	25,519,556			25,519,556
Equipment	3,739,728			3,739,728
Construction-in-progress	<u>30,636,238</u>	<u>                    </u>	<u>                    </u>	<u>30,636,238</u>
Totals at historical cost	30,636,238			30,636,238
Less accumulated depreciation	<u>(27,100,515)</u>	<u>(258,028)</u>		<u>(27,358,543)</u>
Capital assets, net	<u>\$ 3,535,723</u>	<u>\$ (258,028)</u>	<u>\$</u>	<u>\$ 3,277,695</u>

Notes to Financial Statements (continued)

CITY OF ALAMEDA HEALTH CARE DISTRICT

**NOTE H - DEBT BORROWINGS**

As of June 30, 2018 and 2017, debt borrowings were as follows:

	<u>2018</u>	<u>2017</u>
Note payable to a bank; principal and interest at 4.75% due in monthly installments of \$6,457 through October 15, 2022; collateralized by District property:	\$ 970,998	\$ 1,003,329
Other debt borrowings	<u>970,998</u>	<u>1,003,329</u>
Less current maturities of debt borrowings	<u>(31,271)</u>	<u>(29,805)</u>
	<u>\$ 939,727</u>	<u>\$ 973,524</u>

Future principal maturities for debt borrowings for the next succeeding years are: \$31,271 in 2019; \$32,688 in 2020; \$34,421 in 2021; \$36,115 in 2022 and \$836,503 in 2023.

**NOTE I - COMMITMENTS AND CONTINGENCIES**

**Construction-in-Progress:** As of June 30, 2018 and 2017, the District has no commitments under any construction-in-progress projects for various remodeling, major repair, certain expansion projects on the District's premises.

**Operating Leases:** The District leases various equipment and facilities under operating leases expiring at various dates. Total building and equipment rent expense for the years ended June 30, 2018 and 2017, were \$26,478 and \$25,634, respectively. Future minimum lease payments for the succeeding years under operating leases as of June 30, 2017 and 2016 are not considered material as AHS has assumed responsibility for the significant leases associated with patient care effective May 1, 2014 according to the affiliation agreement. Other District lease or rent agreements that have initial or remaining lease terms in excess of one year are not considered material.

**Litigation:** The District may from time-to-time be involved in litigation and regulatory investigations which arise in the normal course of doing business. After consultation with legal counsel, management estimates that matters existing as of June 30, 2018 will be resolved without material adverse effect on the District's future financial position, results from operations or cash flows.

**Risk Management Insurance Programs:** AHS has assumed responsibility for all employee-related insurance programs effective May 1, 2014. The District has purchased tail coverage on other specific types of insurance where appropriate in conjunction with the affiliation agreement in order to prevent any lapse in coverage.

CITY OF ALAMEDA HEALTH CARE DISTRICT

**NOTE J - AFFILIATION AGREEMENT**

District management had ongoing financial challenges operating a small general acute care District with 24-hour emergency services in this very competitive health care environment. The current and future changes brought about by healthcare reform at both the State and Federal levels, as well as other regulatory requirements and reimbursement reductions greatly compounded the challenges facing the District. Furthermore, the District was in need of capital resources to assist with required seismic retrofits, electronic health record implementation and other deferred facility and equipment replacements. Due to this situation, the District Board of Directors executed an affiliation agreement with a local health care system during the year ended June 30, 2014.

Effective May 1, 2014, operations of the Hospital were turned over to the Alameda Health System (AHS), a public hospital authority created by the Alameda County Board of Supervisors through a joint powers agreement. The agreement called for the transfer of specific assets and liabilities of the District to AHS which were related to the operations of the Alameda Hospital. The District maintained ownership of the Alameda Hospital land and real property (buildings and fixed equipment). The transfer included, without limitation, all cash and other deposits, accounts receivable, personal property (including all supplies, equipment and other fixed assets), intangible property, contractual rights, licenses, intellectual property and claims and causes of action, together with all the rights and privileges in any way belonging thereto, free and clear of all encumbrances. Through this affiliation, the District will continue to support the providing of health care services to those individuals, primarily, who reside in the local geographic area.

Transfers made to AHS related to this affiliation agreement for the year ended June 30, 2018 and 2017 amounted to \$5,508,076 and \$5,258,297, respectively.

**NOTE K - SUBSEQUENT EVENTS**

Management evaluated the effect of subsequent events on the financial statements through October 20, 2018, the date the financial statements are issued, and determined that there are no material subsequent events that have not been disclosed.

**ALAMEDA HEALTH SYSTEM  
PARCEL TAX DISTRIBUTION RECONCILIATION  
Proposed Fiscal 2019 Budget**

1	<b>Alameda Health District - Fiscal 2018 Budget Recommendation</b>	<b>Fiscal 2015 Budget</b>	<b>Fiscal 2016 Budget</b>	<b>Fiscal 2017 Budget</b>	<b>Fiscal 2018 Budget</b>	<b>Fiscal 2019 Proposal</b>
2	<b>Estimated parcel tax receipts</b>	\$ 5,784,199	\$ 6,003,078	\$ 5,957,818	\$ 5,855,751	\$ 5,895,297
3	District budget allocation	(613,527)	(397,630)	(611,998)	(456,395)	(1,135,384)
4	Allocation to Alameda Health System	<u>\$ 5,170,672</u>	<u>\$ 5,605,448</u>	<u>\$ 5,345,820</u>	<u>\$ 5,399,356</u>	<u>\$ 4,759,913</u>
5						
6	<b>AHS Anticipated Uses of Funds</b>					
7	Repayment of AHS Line of credit plus accrued	1,598,438				
8	Repayment of AH Foundation Loan	405,000				
9	Accounts Payable Reduction	1,936,196				
10	Facilities and IT Projects	231,038	2,870,000	1,000,000	1,122,527	
11	Capital Equipment	1,000,000	2,000,000	1,000,000	2,593,038	
12	Alameda Hospital retrofit including kitchen			1,845,820	1,683,791	
13	Long Term Capital Reserve		735,448	1,000,000		
14	Program Development			500,000		
15	Operating Support					4,759,913
16	<b>Total Anticipated Uses</b>	<u>\$ 5,170,672</u>	<u>\$ 5,605,448</u>	<u>\$ 5,345,820</u>	<u>\$ 5,399,356</u>	<u>\$ 4,759,913</u>
17		-	-	-	-	-
18						
19	<b>AHS Actual</b>	<b>Fiscal 2015 Actual</b>	<b>Fiscal 2016 Actual</b>	<b>Fiscal 2017 Actual</b>	<b>Fiscal 2018 Actual</b>	
20	<b>Actual parcel tax receipts</b>	\$ 3,966,462	\$ 5,741,472	\$ 5,493,993	\$ 5,097,079	
21	District budget allocation	(403,705)	(257,250)	(235,696)	(208,671)	
22	Allocation to Alameda Health System	<u>\$ 3,562,757</u>	<u>\$ 5,484,222</u>	<u>\$ 5,258,297</u>	<u>\$ 4,888,408</u>	
23						
24	<b>AHS Actual Uses of Funds</b>					
25	Repayment of AHS Line of credit plus accrued	1,598,438				
26	Repayment of AH Foundation Loan	405,000				
27	Accounts Payable Reduction	8,739,346	1,030,737	40,654		
28	Facilities and IT Projects	231,038	2,914,631	893,200	4,892,761	
29	Capital Equipment	1,000,000	2,015,970	2,544,798	3,988,580	
30	Alameda Hospital retrofit including kitchen				2,815,642	
31	Long Term Capital Reserve					
32	Program Development				304,869	
33	Operating Support	21,007,610	22,679,292	24,267,234	25,838,155	
34	<b>Total Uses of Parcel Tax</b>	<u>\$ 21,007,610</u>	<u>\$ 22,679,292</u>	<u>\$ 24,267,234</u>	<u>\$ 25,838,155</u>	
35	<b>Actual Surplus/(Deficit)</b>	<u>\$ (17,444,853)</u>	<u>\$ (17,195,070)</u>	<u>\$ (19,008,937)</u>	<u>\$ (20,949,747)</u>	

Note line 28-32: The actual expenses reported for FY16, FY17 for this report have been reconciled with projects overlapping in multiple fiscal years and the actual completion of projects or purchase of equipment. FY18 follows the same methodology of reporting to stay consistent with the prior fiscal years.

Prepared By: Alameda Health System

ALAMEDA HOSPITAL  
Capital Projects by Category

Fiscal Year	FY2016
	<b>Encumbered (PO Issued)</b>
<b>Facilities and IT Projects</b>	<b>\$2,914,631</b>
Alaris Pump Replacement	\$1,512,897
Construction to consolidate BABJ & general surgeon offices	\$265,526
Park Bridge formerly known as Waters Edge Signage	\$62,706
Patient Floors Replacement & Painting	\$989,295
Replace Sanitary Sewer Line at Waters Edge	\$63,208
South Shore Fire Alarm Replacement	\$20,999
<b>Capital Equipment</b>	<b>\$2,015,970</b>
10 EA Crash Carts	\$26,297
AHD Bladder Scanner	\$11,168
AHD Communication boards	\$35,631
AHD Yellowfin stirrups and martin arm	\$14,169
Bed Mattresses	\$68,886
Big Wheel Stretchers and Bed	\$769,854
Bladder Scanner	\$14,525
Eye YAG Laser	\$53,900
Glidescope for Intubation	\$21,940
GYN Myosure and Fluid Management	\$25,085
Light Therapy Equipment	\$8,516
Ortho Arthroscopy Equipment	\$96,873
Ortho Hana Table	\$83,314
Ortho Large/Small Drill	\$116,352
Replace Two Video Towers	\$297,132
Replacement of Harmonic Scalpel Generator	\$7,660
Stillie Vascular Table	\$71,890
Stryker Smartpump	\$9,064
Urology OR Equipment	\$283,714
<b>Grand Total</b>	<b>\$4,930,601</b>



ALAMEDA HOSPITAL  
Capital Projects by Category

Fiscal Year	FY2017
	<b>Encumbered (PO Issued)</b>
<b>Facilities and IT Projects</b>	<b>\$893,200</b>
Alameda Hospital Boiler #1 -Retrofit HVAC Heating	\$82,450
Alameda Hospital Renovation	\$143,191
Alameda Replace Restroom Floor	\$8,037
Cafeteria Heat Pump Replacement	\$24,884
Cooling Tower Upgrades	\$93,120
Emergency Response Equipment	\$30,165
ER Medication refrigerators	\$6,495
HIM Flooring replacement	\$29,138
Horizontal Blinds - Patient Care Rooms	\$17,862
Park Bridge Med Room	\$101,450
Park Bridge Water Edge Fire Door Replacement	\$28,555
Replace heating and cooling coil inside the surgery air handler units	\$5,828
Replace rotten sanitary line	\$26,397
Roof Replacement - All Locations	\$244,924
Upgrade OR Medical Gas Panel	\$50,704
<b>Capital Equipment</b>	<b>\$2,544,798</b>
AHD Lobby Furniture	\$61,089
AHD Materials Management Optimization	\$155,102
AHD/SLH Freezers	\$23,421
Alameda Hospital Surgery Duct Upgrade	\$88,047
DEFIBRILLATOR (3 CT)	\$48,714
Digital Mobile Motorized C-Arm (1)	\$194,097
Echo Machine - GE Vivid E94 4 D leadership Console Package and Softwa	\$232,174
ED Gurney Replacements	\$99,142
Hematology Analyzer CD Ruby (2_	\$134,363
Immunoassay Abbott Analyzers (2)	\$383,246
Long Term Care Patient Beds	\$114,707
Phototherapy Systems (5)	\$16,453
Replace two pumps and isolation valve	\$57,906
Replacement of CD Burner	\$14,230
Replacing Compressors on Chiller 2	\$178,871
STERIS ELECTROSURGICAL UNIT	\$137,013
STERIS SURGICAL TABLE	\$92,972
Storm Drain Replacement	\$5,651
Stryker ICU Bed Exchange & Purchase of Additional beds	\$440,358
Surgery AHU Coil Replacement	\$42,448
Upright ergometer exercise units	\$24,796
<b>Grand Total</b>	<b>\$3,437,998</b>

ALAMEDA HOSPITAL  
Capital Projects by Category

Fiscal Year	FY2018
	<b>Encumbered (PO Issued)</b>
<b>Facilities and IT Projects</b>	<b>\$4,892,761</b>
AHD - HVAC Boiler #3 Retrofit with Low NOX Emission	\$309,505
AHD EKG Cart Replacement	\$27,701
AHD FACP Life Safety Replacement	\$375,164
Alameda ATS Replacement	\$138,430
Alameda Fire Sprinklers Replacement	\$955,900
Alameda Hospital Boiler Retrofit	\$91,866
Replace Alameda Roof on South Bldg.	\$1,574,986
Roller Shades - AH Patient Care Rooms	\$30,597
South Shore Convalescent Kitchen Renovation	\$413,982
Steam Boiler and Domestic Hot Water Boiler #4	\$974,630
<b>Capital Equipment</b>	<b>\$3,988,580</b>
AHD Telemetry GE Medical Systems	\$823,606
AHD Telemetry GE Medical Systems (CCU-8ct)	\$267,487
Alameda Hospital Telemetry	\$201,629
CARESCAPE MONITOR B650 UPGRADE & DATA MODULES	\$12,020
Eye Microscope and Centuriums	\$315,093
GE Revolution EVO CT Scanner	\$1,369,075
Neptune Surgical Mgmt System - Hazardous Fluid & Smoke Evac Sys.	\$26,100
Nurse Call Replacement System	\$489,813
Replace the heating and cooling coil inside the Surgery Air Handler Units	\$58,669
Sonosite	\$217,495
Sterad 100NX Sterilizer	\$201,389
Swamp cooler for the Water Edge Kitchen	\$6,204
<b>Alameda Hospital retrofit including kitchen</b>	<b>\$2,815,642</b>
Kitchen Remodel - Alameda (SB90)	\$2,815,642
<b>Program Development</b>	<b>\$304,869</b>
Alameda Primary Care Clinic -AHP	\$304,869
<b>Grand Total</b>	<b>\$12,001,852</b>

Note: Encumbered (PO Issued) = Project approved, Purchase Order Issued, project initiated. This does not reflect when actual expenses were incurred.

**CONFLICT OF INTEREST CODE #20184-\_\_**

**CITY OF ALAMEDA HEALTH CARE DISTRICT**

1. Standard Code of FPPC

The Political Reform Act (Government Code section 81000, *et seq.*) requires state and local government agencies to adopt and promulgate conflict of interest codes. The City of Alameda Health Care District (“District”) is therefore required to adopt such a code.

The Fair Political Practices Commission (“FPPC”) has adopted a regulation (2 California Code of Regulations section 18730) which contains the terms of a standard conflict of interest code, which may be incorporated by reference in an agency’s code, and which may be amended by the FPPC to conform to amendments in the Political Reform Act following public notice and hearing.

2. Adoption of Standard Code of FPPC

Therefore, the terms of 2 California Code of Regulations section 18730 and any amendments or revisions adopted by the FPPC are hereby incorporated by reference. This regulation and the attached Appendix designating officials and employees and establishing disclosure categories shall constitute the Conflict of Interest Code of the District. This code shall take effect when approved by the Alameda County Board of Supervisors.

3. Filing of Statements of Economic Interests

Designated employees and public officials who manage public investments shall file statements of economic interests with the Secretary to the Board of Directors of the District. With respect to members of the Board of Directors, one original shall be filed with Secretary to the Board of Directors of the District, who shall make and retain a copy and forward the original to Alameda County, the code reviewing body for the District. The agency shall make all statements available for public inspection and reproduction, pursuant to Government Code Section 81008.

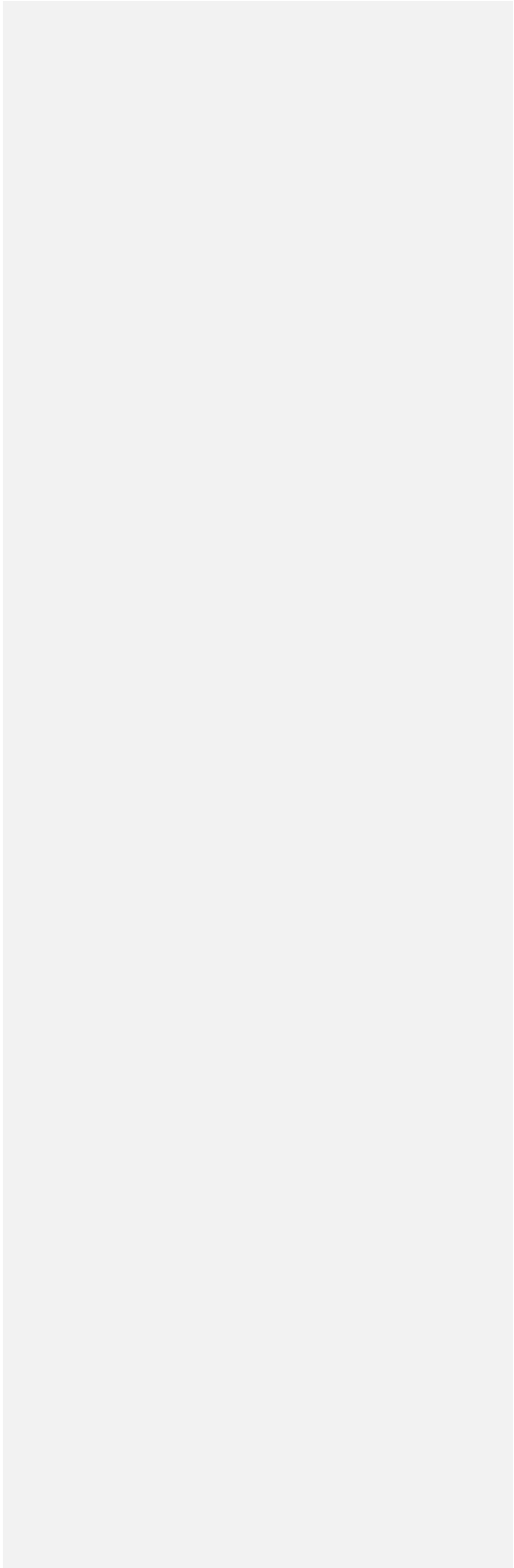
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APPROVED AND ADOPTED by the City of Alameda Health Care District on the 22<sup>6</sup><sup>th</sup> day of           , October, 2018<sup>4</sup>.

\_\_\_\_\_  
~~Vice~~-President, Board of Directors  
City of Alameda Health Care District

ATTEST:  
\_\_\_\_\_  
\_\_\_\_\_

Secretary, Board of Directors



**APPENDIX TO  
CONFLICT OF INTEREST CODE  
OF THE  
CITY OF ALAMEDA HEALTH CARE DISTRICT**

**Preamble**

Any person designated in Section I of this Appendix who is unsure of any right or obligation arising under this Code may request a formal opinion or letter of advice from the FPPC or an opinion from the District's General Counsel. (Gov. Code § 83114; 2 CCR § 18730(b)(11).) A person who acts in good faith in reliance on an opinion issued to him or her by the FPPC shall not be subject to criminal or civil penalties for so acting, provided that all material facts are stated in the opinion request. (Gov. Code § 83114(a).)

Opinions rendered by General Counsel do not provide any statutory defense to an alleged violation of conflict of interest statutes or regulations. The prosecuting agency may, but is not required to, consider a requesting party's reliance on General Counsel's opinion as evidence of good faith. In addition, the District may consider whether such reliance should constitute a mitigating factor to any disciplinary action that the District may bring against the requesting party under Government Code section 91003.5.

**I.**

**Designated Employees**

<u>Designated Employees</u>	<u>Categories Disclosed</u>
Members of the District Board of Directors	All
<u>Executive Director</u>	<u>All</u>
District Clerk	All
General Counsel	All
Consultants <sup>1</sup>	---

**II. Persons Who Manage Public Investments**

<sup>1</sup> With respect to consultants, the CEOBoard President may determine in writing that a particular consultant, although a "designated employee," is hired to perform a range of duties that are limited in scope and thus is not required to comply with all the written disclosure requirements described in these categories. Such determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The CEOBoard President's determination is a public record and shall be retained for public inspection by the District in the same manner as this Conflict of Interest Code. Nothing herein excuses any such consultant from any other provision of this Conflict of Interest Code.

The Treasurer of City of Alameda Health Care District has been annually delegated responsibility for making public investments on behalf of the District, and reviewing and annually presenting the investment policy of the District to the Board of Directors for informational purposes. The Treasurer is therefore obligated to file a statement of economic interests under Government Code section 87200, rather than the conflict of interest code.

### III. Disclosure Categories

Designated employees shall report all reportable investments, business positions and income, including gifts, loan and travel payments, as specified above, in:

1. Accounting or auditing services
2. Banks and savings and loans
3. Computer hardware or software, or computer services or consultants
4. Communications equipment or services
5. Educational and medical services and materials
6. Entities or persons who have filed claims against the District or have claims pending against the District
7. Insurance brokers and agencies
8. Insurance adjusting, claims auditing or administration, or underwriting services
9. Medical equipment, facilities, and supplies
10. Office equipment or supplies
11. Personnel and employment companies and services
12. Printing or reproduction services, publications, and distribution
13. Securities, investment or financial services companies
14. Title insurance and escrow
15. Interests in Real Property

DISTRICT BOARD/POLICIES AND CODES/2018408-0y\_\_CONFLICT OF INTEREST CODE.