

PUBLIC NOTICE

CITY OF ALAMEDA HEALTH CARE DISTRICT BOARD OF DIRECTORS REGULAR MEETING AGENDA

WEDNESDAY, JULY 9, 2014

6:30 P.M (CLOSED SESSION) | 7:00 P.M. (OPEN SESSION)

PLEASE NOTE CHANGE IN TIME FOR OPEN SESSION

Location: Alameda Hospital (Dal Cielo Conference Room)
2070 Clinton Avenue, Alameda, CA 94501
Office of the Clerk: (510) 814-4001

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 District Clerk. 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 (6:30 p.m. – 2 East Board Room)** J. Michael McCormick
- II. Roll Call** Kristen Thorson
- III. General Public Comment**
- IV. Adjourn into Executive Closed Session**
- V. Closed Session Agenda**
- A. Call to Order
 - B. Approval of Minutes
 - April 8, 2014 and June 4, 2014
 - C. Discussion of Pooled Insurance Claims [Gov't Code Sec. 54956.95](#)
 - D. Consultation with Legal Counsel Regarding Pending and Threatened Litigation [Gov't Code Sec. 54957.6](#)
 - E. Instructions to Bargaining Representatives Regarding Salaries, Fringe Benefits and Working Conditions [Gov't Code Sec. 54956.9\(a\)](#)
 - F. Adjourn into Open Session
- VI. Reconvene to Public Session (Expected to start at 7:00 p.m. – Dal Cielo Conference Room)**
- A. Announcements from Closed Session J. Michael McCormick
- VII. Interview and Appointment of New District Board Member**
- A. Interview Candidates
Candidates listed in alphabetical order. Names will be drawn for order of interviews.
 - 1) Chester R. Bartalini
 - 2) Susan Elaine Hauser, RN
 - 3) Kathryn Sáenz Duke
 - 4) Carmelo Roco, MDCandidates will be allowed to make an opening statement (up to three minutes), followed by a question period by the current Board of Directors. The candidates will also be allowed to make a closing statement (up to three minutes) at the conclusion of the questioning.

- B. Discussion
- C. Appointment **ACTION ITEM**
- D. Swearing-In | Oath of Office of Appointed District Board Member Kristen Thorson

VIII. Regular Agenda

- A. Consent Agenda **ACTION ITEMS**
 - ✓ 1) Approval of June 4, 2014 Minutes (Regular) [\[enclosure\]](#) (pages 4-9)
- B. Action Items
 - ✓ 1) Discussion and Approval of FY 2014-2015 District Operating Budget
[\[enclosure\]](#) (pages 10-11)
 - ✓ 2) Adoption of Resolution No. 2014-5L: Authorization To Implement FY 2014-2015 Budget
[\[enclosure\]](#) (pages 12-13)
 - ✓ 3) Approval to Engage TCA Partners for FY 2014
[\[enclosure\]](#) (pages 14-17)
 - ✓ 4) Approval to Bind Three (3) Year Tail Insurance for Employment Practices and Liability and Fiduciary Liability through Chubb
[\[enclosure\]](#) (pages 18)
 - 5) Consideration of Any Changes to Alameda Hospital Pension Plan(s) to effectuate the transition of the District Workforce to AHS
 - ✓ 6) Adoption of Resolution No. 2014-6L: Approval of Amended Bylaws of the City of Alameda Health Care Corporation
[\[enclosure\]](#) (pages 19-30)

VIII. Adjournment of the City of Alameda Health Care District Board Meeting

IX. Call to Order of the City of Alameda Health Care Corporation Board of Trustees

- A. Action Items
 - ✓ 1) Adoption of Resolution Approving the Winding up and Dissolution of CW&S Investment Company LLC
[\[enclosure\]](#) (pages 31-33)

X. Adjournment of the City of Alameda Health Care Corporation Board of Trustees Meeting

XI. Reconvene the City of Alameda Health Care District Board Meeting

- B. Continuation of Regular Agenda - Action Items
 - ✓ 7) Adoption of Resolution No. 2014-7L: Approval of Decision of City of Alameda Health Care Corporation Approving Winding Up and Dissolution of CW&S, LLC
[\[enclosure\]](#) (pages 34-45)
 - ✓ 8) Adoption of Resolution No. 2014-8L: Approval of Acceptance of Title Transfer from CW&S, LLC
[\[enclosure\]](#) (pages 46-47)

- D. District Board President's Report **INFORMATIONAL** J. Michael McCormick
- ✓ 1) Discussion of Revisions to District Bylaws
[enclosure] (pages 48-64)
- E. Community Relations and Outreach Committee Report **INFORMATIONAL** Tracy Jensen
- G. Alameda Health System and Alameda Hospital Update **INFORMATIONAL** Deborah E. Stebbins, CAO
- ✓ 2) Chief Administrative Officer Report - June 2014
INFORMATIONAL [enclosure] (pages 65-74)

XII. General Public Comments

XIII. Board Comments

XIV. Adjournment



CITY OF ALAMEDA HEALTH CARE DISTRICT

Minutes of the City of Alameda Health Care District Board of Directors
 Open Session
 Tuesday June 4, 2014 Regular Meeting

Board Members Present	Management Present	Legal Counsel Present	Guests
Lynn Bratchett, RN Robert Deutsch, MD J. Michael McCormick, President Tracy Jensen	Deborah E. Stebbins Kerry Easthope	Thomas Driscoll, Esq.	
		Medical Staff Present	Excused

Submitted by: Kristen Thorson, District Clerk and Heather Reyes, Administrative Secretary

Topic	Discussion	Action / Follow-Up
I. Call to Order	The meeting was called to order at 6:40 p.m.	
II. Roll Call	Kristen Thorson called roll noting a quorum of Directors was present	
III. Adjourn into Executive Closed Session	The meeting was adjourned into Executive Closed Session at 6:41 p.m.	
IV. Closed Session Agenda		
V. Reconvene to Public Session	The meeting was reconvened into public session at 7:38 p.m.	
	A. Announcements from Closed Session There was a follow up report from the Board Quality Committee.	
VI. <u>General Public Comments</u>	There were no public comments	
VII. <u>Regular Agenda</u>		

Topic	Discussion	Action / Follow-Up
A. <u>Consent Agenda</u>	<p>1) Acceptance of April 2014 Unaudited Financial Statements</p> <p>Director McCormick addressed Mr. Easthope about the rent expense to the South Shore Facility. Since 2002, the District has been paying and recording rental expense to CW&S, LLC, a related entity to the District. In turn CW&S, LLC recorded rental income and filed annual tax returns. During the course of the affiliation with AHS and due diligence, it was discovered that the South Shore property had been deeded to the District 12 years ago. Easthope added that CW&S made a loan to the District from the proceeds from the rent paid and we are reversing that loan as well, because the District owned the property. The financial statements show an adjustment to reverse the rent expense and loan. Next month Mr. Driscoll stated he will present resolutions to dissolve the CW&S, LLC and file final tax returns for 2014. Mr.</p> <p>Mr. Easthope discussed the issues and increased expense with the use of sitters at Waters Edges. There are currently a number of patients that require round the clock sitters because they are a high fall risk. They currently are working on training other staff members to assist with caring for these patients to reduce the use of sitters and expense for these patients.</p>	<p>Director McCormick pulled Item #1 from the Consent Agenda for discussion.</p> <p>Director Bratchett made a motion to accept item #1. Director Jensen seconded the motion carried.</p>
	<p>2) Approval of April 8, 2014 Minutes (Regular)</p>	<p>Director Jensen made a motion to approve Items #2 and #3 as presented. Director Deutsch seconded the motion. The motion carried.</p>
	<p>3) Approval of May 7, 2014 Minutes (Regular)</p>	
B. <u>Action Items</u>		
	<p>1) Approval of Resolution No. 2L: Levying the City of Alameda Health Care District Parcel Tax for the Fiscal Year 2014-2015</p> <p>Director Deutsch abstained from the vote and made the following comment.</p> <p>"I am voting to abstain on this issue because I, my patients and community members that I have talked to are concerned with regards to whether or not the residents of Alameda will continue to receive the high quality of care they have come to expect at Alameda Hospital. Especially now considering the fact that they will be continuing to pay a parcel tax above and beyond a sales tax that the rest of the county residents now pay to support the entire Alameda</p>	<p>Director Jensen made a motion to approve the Resolution No. 2L: levying the City of Alameda Health Care District Parcel Tax for Fiscal Year 2014-2015 as presented. Director Bratchett seconded the motion. The motion carried with one abstention (Deutsch).</p>

Topic	Discussion	Action / Follow-Up
	<p>Health System. I am supportive of the acquisition and affiliation, I believe that there are indeed opportunities to continue and even enhance the care for the Alameda Community. However, in order for these benefits to be realized we would need to see more effort by Alameda Health System to collaborate and cooperate with the Alameda Hospital community on many issues.”</p>	
	<p>2) Approval of Certification and Mutual Indemnification Agreement</p> <p>The annual Certification and Mutual indemnification Agreement was distributed to the Board. Mr. Driscoll reviewed the agreement with the Board.</p>	<p>Director Deutsch made a motion to approve the Certification and Mutual Indemnification Agreement as presented. Director Bratchett seconded the motion. The motion carried.</p>
	<p>3) Approval of Resolution 2014-4L: Banking and Signature Authority and Revision to Policy 2008-0b: Signature Authority</p> <p>Mr. Driscoll stated that as of July 1 the District will no longer have employees and the only individuals left to sign checks are the board members. This resolution approves two items, it states that all of the board members will be designated signers for bank accounts and states that it allows one signature for checks under \$10,000 and two signatures for checks above \$10,000.</p> <p>Two bank accounts will be opened, one for the district (general operating account) and for the Jaber Trust.</p>	<p>Director Jensen made a motion to approve the Resolution 2014-4L: Banking and Signature Authority and Revision to Policy 2008-0b: Signature Authority as presented. Director Bratchett seconded the motion. The motion carried.</p>
	<p>4) Approval of Revision to Resolution 2007-3E: Standard District Board Appointment Procedures</p> <p>Minor revisions were made to the Standard Appointment Procedure as outlined in the document.</p>	<p>Director Jensen made a motion to approve the revisions to Resolution 2007-3E: Standard District Board Appointment Procedures as presented. Director Bratchett seconded the motion. The motion carried.</p>
	<p>5) Approval of Resolution 2014-3L: Notice of General District Election</p> <p>Ms. Thorson informed the Board that the Resolution and Notice of General District Election was required for the upcoming November, 2014 Election in which there will be for seats up for election.</p>	<p>Director Jensen made a motion to approve the Resolution 2014-3L: Notice of General District Election as presented. Director Bratchett seconded the motion. The motion carried.</p>

Topic	Discussion	Action / Follow-Up
	<p>6) Authorization to Bind District Insurance Policies for Property, General Liability, Excess Liability and Directors and Officers/Fiduciary/Crime for 2014-2015</p> <p>District Clerk Thorson explained the policies and recommendations in detail, outlining the liability limits and coverage.</p>	<p>Director Deutsch made a motion to approve the Authorization to Bind District Insurance Policies for Property, General Liability, Excess Liability and Directors and Officers/Fiduciary/Crime for 2014-2015 as presented. Director Bratchett seconded the motion. The motion carried.</p>
	<p>7) Acceptance of District Board Meeting Calendar for July – December 2014</p> <p>The calendar of meeting was presented through December 2014.</p>	<p>Director Jensen made a motion to approve the District Board Meeting Calendar for July – December 2014 as presented. Director Bratchett seconded the motion. The motion carried.</p>
	<p>8) Consideration of Any Changes to Alameda Hospital Pension Plan(s) to effectuate the transition of the District Workforce to AHS</p> <p>No discussion.</p>	<p>No action taken.</p>
<p>C.</p>	<p><u>District Board President's Report</u></p> <p>1) District Board Appointment Timeline</p> <p>The draft timeline for appointment was reviewed by the Board. Director McCormick stated that there is 60 days to reappoint, which makes the deadline July 22. The Board is scheduled to make the appointment by July 9.</p> <p>District Clerk Thorson stated that Director Jensen attended Alameda Health System Board of Trustee meeting on the May 27, in which they approved her nominee to the their Board. A letter from Alameda Health System Board of Trustees President was distributed to the Board documenting the approval by the Board of Trustees.</p>	
<p>D.</p>	<p><u>Community Relations and Outreach Committee Report</u></p> <p>1) Discussion on Expectations / Role of Committee</p> <p>Director Jensen stated that she had meeting with Louise Nakada, Kristen Thorson and Tracy</p>	

Topic	Discussion	Action / Follow-Up
	<p>Zollinger. At that time Ms. Zollinger agreed to Co-Chair the committee, which we are very excited about as she is a very effective local community member that participates in other local groups that support the community, including the rotary, as well local educational school groups.</p> <p>Director Jensen also discussed the expectations of the committee members moving forward as being committed, proactive and attending meetings on a regular basis. She also suggested that possibly moving the time and location of some of the meetings may encourage more members to attend.</p>	
E.	<p><u>Alameda Health System and Alameda Hospital Update</u></p> <p>Ms. Stebbins stated that the communications with the employees over the last month have been extremely positive with the new affiliation in place. She has participated in 5 different Employee/Physician forums. Moving forward these forums will take place quarterly.</p> <p>Three orientations are scheduled to occur with the management team, in addition to the 16 (1.5hr) sessions for all employees.</p> <p>Ms. Stebbins noted the reception that was held the past Monday night for all the medical directors and staff from the Community Health Care Networks (CHCN) to strengthen the relationship with AHS as well as introduce Alameda Hospital to the physicians and staff of CHCN. It was very well attended and received.</p> <p>Offers letter have been given to the employees from Alameda Health System for their same position and salary. Once they sign their offer letters they will receive a benefits packet, which will become effective July 1.</p> <p>Ms. Stebbins as explained that the following function will be centralized during the transition, IT, Finance, Human Resources, Quality / Risk Management, Infection Control and Medical Records. There will be staff on site in these departments but the reporting structure will change.</p> <p>Ms. Stebbins noted that there have recently been some billing issues at the Hospital that has created an influx of calls from patients. Staff has been working to resolves questions and concerns. The problems arose from itemized statements that were sent patients that previously had not been sent, primarily for self-pay patents. Unfortunately, unbeknownst to us, Rash Curtis our collection agency, was simultaneously sending collection letters to the same people.</p> <p>While this has created a customer service issue it has also created increased payments on old accounts ranging from \$30,000 to \$100,000 per day. We are in the process of sending out written apologizes to those patients that received collection notices in error.</p> <p>Ms. Stebbins ended by stating that this would be the last meeting for Mr. Easthope and thanked him</p>	

Topic	Discussion	Action / Follow-Up
	for all of his work and dedication that he has provided to Alameda Hospital in his last 9 years of employment here.	
VIII. General Public Comments No public comments		
IX. Board Comments The Board acknowledged Mr. Easthope for all of his efforts and thanked him for his services here at Alameda Hospital Director Jensen thanked District Clerk Thorson for all of her support and hard work. Director Jensen acknowledged Jordan Battani for all of her dedication and support that she provided to Alameda Hospital as a Board Member, through this affiliation and during her years prior too. The meeting was adored in gratitude for all that Jordan Battani has done for Alameda Hospital.		
X. Adjournment Being no further business the meeting was adjourned at 8:58 p.m.		

Attest:

 J. Michael McCormick
 President

 Tracy Jensen
 Secretary

City of Alameda Health Care District
Proposed Budget Fiscal Year July 1, 2014 - June 30, 2015
Presented by / date: July 9, 2014
Approved by / date: _____

	July - June Fiscal Year 2015
District Revenue Sources	
Jaber Property Gross Revenues	166,800
District Property Tax Revenues	5,780,000
Total Revenues	5,946,800
Administrative Expenses	
Salary, Wages and Benefits	49,500
Board Stipend	6,000
Education & Conferences	5,000
Dues & Subscriptions	5,000
Insurance - General, D&O, Property	138,000
Accounting	10,000
Annual Independent audit	17,500
General Counsel	60,000
Office Expenses	4,800
District Marketing, Promotions	2,500
Consultant Fees	25,400
Lease Expense (Equipment & Building)	27,700
Utilities, phones, Maintenance	4,800
Jaber Property	38,997
Depreciation Expense	-
Other misc Operating Expenses	3,600
Food/Meals	2,250
Election Year Expenses	120,000
Total Administrative Expenses	521,047
Capital Outlay	
Leasehold Improvements, Furnishings	15,000
Sum of Total Uses	536,047
Total Revenue Sources	5,946,800
Minus Total District Uses	536,047
Balance to Transfer to Alameda Health System	5,410,753

to be trued up by July 9, 2014

Administrative Expense Detail Support

	<u>FY 2014 - 15</u>	<u>Comments & Assumptions description</u>
Salary, Wages and Benefits	49,500	Assumes Kristen, with 50% time allocation for 6 months and 25% time allocation for 6 months
Board Stipend	6,000	TBD Assumes \$100/meeting/Board member and 12 meetings
Education & Conferences	5,000	Assumes \$1,000/board member per year for education and conference participation
Dues & Subscriptions	5,000	TBD if board wants to belong to ACHD and/or other subscriptions
Insurance - General, D&O, Property	138,000	per quotes for all insurance coverages to be retained by District
Accounting	10,000	for initial and ongoing set-up of new District financial software, chart of accounts, balance sheet
Annual Independent audit	17,500	Quote from TCA Partners for annual District Audit, beginning FY 2014 audit (NTE).
General Counsel	60,000	
Office Expenses	4,800	Supplies, printing, minor office equipment, copier lease, addtl storage, etc
District Marketing, Promotions	2,500	TBD by District Board
Consultant Fees	25,400	IT for property tax role preparation, Hewitt Jones Fitch (Tax Returns on Related entities), video
Lease Expense (Equipment & Building)	27,700	District Office Building, Xerox lease, other minor equipment leases
Utilities, Phones, Maintenance	4,800	allow \$400 per month
Jaber Property related expenses	38,997	All Expenses associated with management, maintenance, lease payment of Jaber properties (fi
Depreciation Expense	-	Depreciation and Amortization on District Building, Land and Leasehold Improvements (to be
Other Misc Operating Expenses	3,600	Other misc items TBD
Food/Meals	2,250	Board Dinners (9 meetings)
Election Year Expenses	120,000	Estimate at \$20,000 per candidate. There will be 4 candidates in FY15
Total Administrative Expenses	<u><u>521,047</u></u>	

RESOLUTION NO. 2014-5L

BOARD OF DIRECTORS, CITY OF ALAMEDA HEALTH CARE DISTRICT

STATE OF CALIFORNIA

* * *

AUTHORIZATION TO IMPLEMENT FY 2014-2015 BUDGET

WHEREAS, the City of Alameda Health Care District (the "District") has developed a budget for Fiscal Year (FY) 2014-2015 (Exhibit A); and

WHEREAS, the District Board is scheduled to approve the Budget at the July 9, 2014 District Board meeting; and

WHEREAS, funding for this budget will be through parcel tax funds and the Jaber property revenues and does not conflict with the terms of the Joint Powers Agreement between the District and Alameda Health System; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the District, that the District hereby authorizes that, until further action is taken specifying otherwise, the approval of the FY 2014-2015 Budget grants authority to the Board President to implement, and execute the spending required by, the budget in a manner consistent with the Bylaws and the Banking and Signing Authority policies of the District.

PASSED AND ADOPTED on July 9, 2014 by the following vote:

AYES: _____ NOES: _____ ABSTAIN: _____ ABSENT: _____

J. Michael McCormick
President

Tracy Jensen
Secretary

Exhibit A
City of Alameda Health Care District
Proposed FY 2014-2015 Budget

TCA Partners, LLP

A Certified Public Accountancy Limited Liability Partnership

1111 E. Herndon Avenue, Suite 211
Fresno, California 93720
Voice: (559) 431-7708 Fax:(559) 431-7685

June 9, 2014

Board of Directors
City of Alameda Health Care District
2070 Clinton Avenue
Alameda, California 94501

We are pleased to confirm our understanding of the services we are providing for the City of Alameda Health Care District (the "District") for the year ended June 30, 2014.

We will audit the statement of balance sheet of the District as of June 30, 2014, and the related statements of revenues, expenses and changes in net assets, and cash flows for the year then ended.

The objective of our audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the additional information referred to in the first paragraph when considered in relation to the financial statements taken as a whole.

We will conduct our audit in accordance with U.S. generally accepted auditing standards and will include tests of the accounting records of the District and other procedures we consider necessary to enable us to express an opinion that the financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. If our opinion is other than unqualified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit engagement, we will not issue a report as a result of this engagement.

As part of our audit, we will obtain an understanding of the District's internal control to plan the audit and to determine the nature, timing, and extent of auditing procedures necessary for the expressing of our opinion concerning the financial statements. Our audit is not designed to provide assurance on internal control or to identify reportable conditions. However, we will inform the Board of Directors of any matters involving internal control and its operation that we consider reportable conditions under standards established by the American Institute of Certified Public Accountants. The management of the District is responsible for establishing and maintaining effective internal control over financial reporting. In fulfilling this responsibility, estimates and judgments by the management are required to assess the expected benefits and related costs of internal control policies and procedures. The objectives of internal control are to provide management with reasonable, but not absolute, assurances that assets are safeguarded against loss from unauthorized use or

disposition, that transactions are executed in accordance with management's authorizations and recorded properly to permit the preparation of financial statements in accordance with U.S. generally accepted accounting principles.

Management's responsibility includes the establishment and maintenance of adequate records and effective internal controls over financial reporting and compliance, the selection and application of accounting principles, and the safeguarding of assets. Management is responsible for adjusting the financial statements to correct material misstatements and for confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

We understand that you will provide us with the basic information required for our audit and that you are responsible for the accuracy and completeness of that information. We will advise you about appropriate accounting principles and their application and will assist in the preparation of your financial statements and tax returns, but the responsibility for them remains with you. This responsibility includes maintaining adequate records and related internal control policies and procedures, selecting and applying accounting principles, accepting actuarial methods and assumptions used by the actuary, and safeguarding assets. Management is also responsible for identifying and ensuring the organization complies with applicable laws and regulations.

As part of our engagement, we may also propose standard, adjusting, or correcting journal entries to your financial statements. Management, however, has final responsibility for reviewing the proposed entries and understanding the nature and impact of the proposed entries to the financial statements. It is our understanding that management has designated qualified individuals with the necessary expertise to be responsible and accountable for overseeing the services performed as part of this engagement.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, may include tests of the physical existence of assets, and may include direct confirmation of receivables and certain other assets and liabilities by correspondence with selected funding sources, creditors, and financial institutions. We will request written representations from your attorneys (if applicable) as part of the engagement, and they may bill you for responding to the inquiry. At the conclusion of our audit, we will also request certain written representation from you about the financial statements and related matters.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. Also, we will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations that are attributable to the District or to acts by management or employees acting on behalf of the District. However, because of the concept of reasonable assurance and because we will not perform a detailed examination of all transactions, there is a risk that material errors, irregularities, or illegal acts, including fraud or defalcations, may exist and not be detected

by us. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. We will inform you, however, of any matters of that nature of which we become aware during our engagement.

Our responsibility as auditors' is limited to the period covered by our audit and does not extend to matters that might arise during any later periods for which we are not engaged as auditors.

We expect to begin our audit in late summer/early fall 2014 and to issue our report in September or October, 2014.

Our fees for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, typing, postage, copies, or telephone calls), except that we agree that our gross professional fee will not exceed \$15,000. All travel and out-of-pocket expenses, not to exceed an estimated \$2,500, will be billed separately. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered periodically as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

If any dispute arises among the parties hereto, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under Rules for Professional Accounting and Related Services Disputes before resorting to litigation. Costs of any mediation proceeding shall be shared equally by all parties.

Client and accountant both agree that any dispute over fees charged by the accountant to the client will be submitted for resolution by arbitration in accordance with the Rules of Professional Accounting and Related Services Disputes of the American Arbitration Association. Such arbitration shall be binding and final. In agreeing to arbitration, we both acknowledge that in the event of a dispute over fees charged by the accountant, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury and instead we are accepting the use of arbitration for resolution.

We appreciate the opportunity to be of service to the District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,

TCA Partners, LLP

APPROVED:

Name and Title

Date

CITY OF ALAMEDA HEALTH CARE DISTRICT

Date: July 1, 2014

For: July 9, 2014 District Board Meeting

To: City of Alameda Health Care District, Board of Directors

From: Kristen Thorson, District Clerk
Thomas Driscoll, Legal Counsel

SUBJECT: Approval to Bind Three (3) Year Tail Insurance for EPLI and Fiduciary through Chubb

Recommendation:

Authorize Board President, Michael McCormick, to execute the necessary paperwork to bind tail coverage for Employment Practices and Liability (EPLI) and Fiduciary Liability for a period of three (3) years with Chubb at a cost of \$52,795.

Background:

The Board authorized at the June 4, 2014 Board meeting binding Directors and Officers, and Crime coverage through Chubb at an approximate cost of \$46,000. A final quote was received for this coverage and the total premium for 2014-2015 came in at \$27,973.00.

The insurance brokers have also recommended that Fiduciary coverage be declined as this coverage mainly covers liability on pension plans. Since the District will not have the responsibility of the pension plans going forward, this coverage was declined. However, tail coverage has been recommended and was not included in the June 4, 2014 recommendation. The following table represents the premium options for extended reporting periods for tail coverage on EPLI and Fiduciary.

Extended Reporting Period Options	2014 - 2015 Premium (1yr ERP)	2015 - 2017 Premium (2 yr ERP)	2014 - 2017 Premium (3 yr ERP)
Employment Practices:	\$26,775	\$40,165	\$46,855
Fiduciary Liability:	3,394	5,090	5,940
Totals:	\$30,169	\$45,255	\$52,795

RESOLUTION NO. 2014-6L

BOARD OF DIRECTORS, CITY OF ALAMEDA HEALTH CARE DISTRICT

STATE OF CALIFORNIA

* * *

**Approval of Amended Bylaws of the
City of Alameda Health Care Corporation**

WHEREAS, the City of Alameda Health Care District (the "District") is the sole corporate member of the City of Alameda Health Care Corporation (the "Corporation"); and

WHEREAS, the District Board has reviewed the Corporation's Bylaws and, in accordance with its rights as corporate member, now desires to amend the Corporation's Bylaws as set forth on Exhibit A, attached hereto.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the District, that the District hereby amends the Corporation's Bylaws as set forth on Exhibit A, attached hereto.

PASSED AND ADOPTED on July 9, 2014 by the following vote:

AYES: _____ NOES: _____ ABSTAIN: _____ ABSENT: _____

J. Michael McCormick
President

Tracy Jensen
Secretary

Exhibit A
BYLAWS
OF
CITY OF ALAMEDA HEALTH CARE CORPORATION

Section 1. PRINCIPAL OFFICE. The principal office for the transaction of business of the City of Alameda Health Care Corporation (the “Corporation”) shall be 2070 Clinton Avenue, Alameda, California 94501. The Board of Trustees may change the location of the principal office within Alameda County. Any such change of location must be noted by the Secretary of the Corporation on these Bylaws opposite this Section, or this Section should be amended to state the new location.

Section 2. PURPOSES. This Corporation is formed exclusively for charitable purposes. In the context of this general purpose, the Corporation shall take whatever actions are necessary and related to the promotion of the health care of the residents of Alameda, California, including, but not limited to, promoting, procuring and extending financial aid toward the operation, maintenance and modernization of Alameda Hospital or any other health care facility located in Alameda, California.

Section 3. DEDICATION OF ASSETS. This Corporation’s assets are irrevocably dedicated to charitable purposes. No part of the net earnings, properties, or assets of the Corporation, on dissolution or otherwise, shall inure to the benefit of any private person or individual, or to any director or officer of the Corporation. On liquidation or dissolution, all properties and assets remaining after payment, or provision for payment, of all debts and liabilities of the Corporation shall be distributed by the Board to the City of Alameda Health Care District (the “District”) or as designated by the District to a nonprofit fund, foundation, or corporation that is organized and operated exclusively for charitable scientific or hospital purposes for the benefit of residents of the City of Alameda and that has established its exempt status under Internal Revenue Code section 501(c)(3) of the Internal Revenue Code of 1986, or corresponding provisions of any subsequent federal tax laws. In the event the District fails to select such a charitable corporation, then the remaining assets shall be deemed to be and shall be held in trust and shall be disposed of in such manner as may be directed by decree of the Superior Court of the State of California, County of Alameda, upon petition therefor by the Attorney General of the State of California or by a person concerned in the liquidation in a proceeding to which the Attorney General is a party.

Section 4. MEMBERSHIP. This Corporation shall have one voting member within the meaning of the California Nonprofit Corporation Law. The member shall be the City of Alameda Health Care District, a local health care district (the “Member”). The Board of Trustees shall not, for itself or for any subsidiary, without the approval of the Member:

1. Approve or amend the Bylaws and Articles of Incorporation of this Corporation or any subsidiary.

2. Approve the merger, dissolution, consolidation or reorganization of this Corporation or any subsidiary.

~~3.2.~~ Approve the formation of other corporations or entities by this Corporation or any subsidiary.

~~4.2.~~ Approve annual capital and operating budgets of this Corporation or any subsidiary.

~~5.2.~~ Approve debt incurred or guaranteed by this Corporation or any subsidiary which is outside of the ordinary course of business.

~~6.2.~~ Approve the disposition of the assets of this Corporation or any subsidiary at the time of its dissolution.

~~7.2.~~ Approve the long-range financial and strategic plans for this Corporation or any subsidiary which are inconsistent with the applicable criteria established, or with the financial and strategic plans adopted by the Member.

~~8.2.~~ Approve any other transaction for this Corporation or any subsidiary which has been established by resolution of the Member as requiring its approval.”

Section 5. BOARD OF TRUSTEES.

- (a) ~~*Board Composition.* The corporate powers, property and business of the Corporation shall be exercised, controlled and conducted by a Board of threefive (35) voting Trustees, ~~to be elected by the Member. Unless otherwise determined by the Member, t~~The ~~threefive~~ voting Trustees shall be the five persons serving from time to time as the elcted members of the Board of Directors of the Member as follows: ~~the individual serving from time to time as the Member’s Chief Executive Officer, Chief Financial Officer and immediate past Chief of the Hospital Medical Staff. In addition, the Board shall have one non-voting Trustee, which position shall be filled by one of the Member’s Board of Directors, to be selected by the Member.~~”~~
- (b) *“Powers.* Except for the reserved rights retained by the Member pursuant to Section 4, and the rights held by the Member by virtue of the California Nonprofit Corporation Law, the Board shall have charge, control, and management of the property, affairs and funds of the Corporation. The Board of Trustees shall do and perform any and all acts and functions not inconsistent with these Bylaws and as

required by all applicable laws and regulations pertaining to nonprofit corporations.”

~~(c) —“No members of the City of Alameda Health Care District Board of Directors shall serve concurrently as a voting Board member of this Corporation.”~~

Section 6. TERM.

~~(a) *Length.* Except in a situation where the Member appoints an individual who is on the management staff of Alameda Hospital to serve on the Board or as otherwise provided in this subparagraph or subparagraph (b) of this paragraph, eEach Trustee's term of office shall be co-terminus with his/her term as a director of the Member. three (3) years or until such Trustee's successor is appointed or elected. For any election in which a majority of Trustees are elected for an initial three (3) year term, the Board shall stagger the length of the initial term.”~~

~~(b) —*Vacancies.* Any person appointed to fill a vacancy caused by the death, resignation, or disqualification of a Trustee prior to the end of such Trustee's three (3) year term, shall serve for the remainder of that Trustee's unexpired term and such person thereafter, if reelected to office, shall be limited to three (3) consecutive regular terms of three (3) years each.~~

Section 7. DISCLOSURE OF INTEREST.

(a) *Material Conflicts.* Any material conflict of interest or possible conflict of interest on the part of any member of the Board of Trustees shall be disclosed to the other members of the Board and made a matter of record when the interest becomes a matter of Board action.

(b) *Disclosure and Absence.* Any member of the Board of Trustees having a material conflict of interest on any matter shall not vote on the matter, and shall not be counted in determining the quorum for the meeting, even where permitted by law. The minutes of the meeting shall reflect that a disclosure was made, the abstention from voting, and the quorum situation and that the requirements of the Corporations Code were met with respect to such transactions. A "material conflict of interest" shall include any situation where a member of the Board of Trustees has a material financial interest in a transaction.

A member of the Board of Trustees who has a material conflict of interest on a matter shall be excused from the Board meeting during the discussion of and vote on the matter after disclosing the conflict, stating a position, and responding to questions. The Chairman of the Board of Trustees may recall the Board member for any portion of the discussion and/or vote on the matter.

(c) *Opinions.* The foregoing requirements shall not be construed as preventing the member of the Board of Trustees from stating a position in the matter,

nor from answering pertinent questions of other Board members since that Trustee's knowledge may be of great assistance.

(d) *Findings.* Prior to authorizing or approving any matter in which a Trustee has a material conflict of interest, the Board shall investigate alternatives and make findings as to the benefits of that transaction over the alternatives and shall determine if the transaction is fair and reasonable at the time the Corporation entered the transaction and meets the requirements of the then existing non-profit corporation law.

(e) *Annual Review.* This policy shall be reviewed annually for the information and guidance of members of the Board of Trustees and any new member shall be advised of the policy upon entering on the duties of the office.

Section 10. COMPENSATION. Trustees shall not receive compensation for the performance of their duties. Each Trustee, however, shall be reimbursed for actual travel and incidental expenses incurred in the performance of official business as approved by the Board.

~~**Section 11. VACANCIES AND REMOVAL.** If the office of any Trustee becomes vacant for any reason, a majority of the remaining Trustees, though they may be less than a quorum, shall appoint a successor who shall hold office for the remainder of such unexpired term. If a vacancy on the Board involves a Physician Trustee, the Board of Trustees shall notify the Alameda Hospital Medical Executive Committee or its successor entity (hereinafter collectively the "Medical Executive Committee") of the vacancy and shall appoint the person designated by the Medical Executive Committee to fill the vacancy. Removal of Trustees, with or without cause, shall require a majority of votes in person or proxy pursuant to the then applicable provisions of California law.~~

Section 112. ADDRESS REGISTER. Each Trustee shall register with the Secretary the address where he desires all notices sent pursuant to the provisions of these Bylaws.

Section 123. MEETINGS OF THE BOARD.

(a) *Regular and Annual Meetings.* The Board shall hold regular meetings at Alameda Hospital, 2070 Clinton Avenue, Alameda, California 94501, from time to time as it deems necessary. Written notice of each regular meeting shall be given to each Trustee at least ~~seventy-twotwenty-four~~ (724) hours prior to the meeting."

(b) *Special Meetings.* Special meetings of the Board may be called at any time by the Chairman, or by any two (2) of the Trustees. Written notice of each special meeting shall be given to each Trustee at least ~~twenty-fourforty-eight~~ (248) hours prior to the date and hour set for the meeting in any manner acceptable under the then current California law. The notice shall state the date, hour and place of the meeting and the business to be transacted at the special meeting and no other business shall be

transacted at such meeting or any adjournment thereof, unless all Trustees are present at such meeting and agree additional business shall be transacted.

(c) *Meetings by Telephone.* Any meeting of the Board, regular or special, may be held by conference telephone or similar communication equipment pursuant to the requirements of the then existing California law, so long as all Trustees participating in the meeting can hear one another, and all such Trustees shall be deemed present in person at such meeting.

(d) *Waiver of Notice.* The transactions of any meeting of the Board, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (i) a quorum is present, and (ii) either before or after the meeting, each of the Trustees not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. All waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Notice of a meeting shall also be deemed given to any Trustee who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

(e) *Quorum.* At regular and special meetings of the Board a quorum shall be a majority of the Board members except as otherwise specifically provided by statute, the Articles of Incorporation, or these Bylaws. At any meeting, a majority of the Trustees present, though less than a quorum, may adjourn or adjourn to meet again at a stated time, hour and place.

(f) *Rules.* Robert's Rules of Order shall be the guide on all procedures and rules not provided for in these Bylaws.

~~(g) *Attendance at Regular Meetings.* Trustees who anticipate that they shall be unable to attend any regular meeting of the Board of Trustees shall notify the Chairman, or if the Chairman is not available, the Vice President, not later than 5:00 p.m. on the last business day prior to the date of such regular meeting. For purposes of this Section 14, the term "regular meeting" means the regular monthly meeting scheduled for the second Tuesday of each month as provided in Section 14(a) of these Bylaws or as otherwise agreed to by the Board. If the absence is for sufficient reason, such as but not limited to illness, travel away from the City of Alameda or business duties, the Chairman, or in the absence of the Chairman, the Vice President, shall direct that the absence be shown in the minutes of the meeting as "excused." At the discretion of the Chairman, or in the absence of the Chairman, the Vice President, determination that an absence is excused may be made retroactively within one month following the meeting which was missed. If a Trustee is absent without being excused for more than two regular meetings in any period of six consecutive months, the Board shall consider removal.~~

Section 14. COMMITTEES. From time to time the Board of Trustees or the Chairman may appoint a committee or committees for any specified purpose or purposes and such committee or committees shall serve in an advisory capacity only.

Section 15. OFFICERS.

(a) *Number.* The officers of the Members shall hold like offices on the Board of Trustees. ~~The officers shall be: shall elect from time to time as it deems appropriate a~~ Chairperson; ~~Chief Executive Officer, 1st & 2nd Vice Presidents,~~ Secretary and Treasurer ~~as officers of the Corporation. The Chairperson, Chief Executive Officer and Vice President shall be members of the Board of Trustees but the Secretary and Treasurer need not be a member(s) of the Board of Trustees. The officers shall hold office for one (1) year or until their successors are elected or appointed, unless sooner removed. Any number of offices may be held by the same person, provided, however, that the Chairman and/or Chief Executive Officer shall not simultaneously serve as the Secretary and/or Treasurer. An officer may be removed from office by a majority of the Board of Trustees at any time."~~

(b) *Subordinate Officers.* The Board may appoint such other officers as they may deem proper for the conduct of their business.

(c) *Chairman.* The Chairman of the Board shall be an officer of the Corporation, ~~and~~ Chairman of the Board and Chief Executive Officer of the Corporation. The Chairman shall preside at all meetings of the Board of Trustees. The Chairman shall be an ex-officio member of all committees of the Board. The Chairman shall sign all conveyances of real property on behalf of the Corporation and all papers, contracts and documents required by the Board that are proper and necessary to carry on the business of the Corporation. The Chairman shall have such other duties and powers as may be conferred by these Bylaws and the Board of Trustees. All the powers and duties imposed upon the Chairman may be exercised either within or without the State of California. If the Chairman and all the Vice Presidents are absent from a meeting of the Board, the Trustees may choose a Chairman pro tempore to preside at the meeting.

(d) *Vice Presidents.* Each of the Vice Presidents shall be an officer of the Corporation and a Vice President of the Board. The 1st Vice President shall act as Chairman in the absence of the Chairman and, when so acting, shall have the power and authority of the Chairman. ~~If there is more than one (1) The 2nd Vice President,~~ each shall be numbered and each shall act in the absence of the Chairman and the 1st all Vice President, ~~s preceding such Vice President in number.~~

The Vice Presidents shall perform all other duties required by the Chairman and the Board.

(e) *Chief Executive Officer.* The CEO shall be an officer of the Corporation. The ~~Board of Trustees shall select and appoint a~~ CEO who shall be its direct the Board's executive representative in the management of all of its activities, subject only to

policies and orders adopted and issued by the Board. ~~The person appointed shall have at least a baccalaureate degree and a minimum of three (3) years experience in a responsible Hospital or management administrative position, or have completed formal education in a graduate program in hospital administration approved by the accrediting committee on graduate education for hospital administration, or have, in the judgment of the Board of Trustees, abilities and experience at least equal to such qualifications. The CEO's compensation shall be established by the Board and the CEO shall serve at its pleasure.~~

(f) *Secretary.* The Secretary shall be Secretary of the Board of Trustees and Secretary of the Corporation. The Secretary shall attend all such meetings, and shall record all votes and minutes of their proceedings in a minute book. The Secretary shall give, or cause to be given, all notices required by law or by the order of the Chairman and all notices required for meetings of the Board. The Secretary shall sign all conveyances of real property and all contracts and documents requiring the signature of the Secretary. The Secretary or the designee of the Secretary shall have the custody of the corporate seal.

The Secretary shall perform all other duties required by the Chairman and Board.

(g) *Treasurer.* The Treasurer shall be an officer of the Corporation and Treasurer of the Board. The Treasurer shall cause to be kept and maintained accounts of the properties and business transactions of the Corporation, including, but not limited to, accounts of its assets, liabilities, receipts, disbursements, gains and losses. All monies and other valuables shall be deposited in the name of the corporation with such depositories designated by the Board. The funds of the Corporation shall be disbursed upon the checks or drafts of the Corporation signed as specified by the Board. When requested by the Chairman or the Board, the Treasurer shall cause to be rendered an account of the financial condition of the Corporation.

The Treasurer shall perform all other duties required by the Chairman and the Board.

Section 16. SEAL. The Board shall provide a suitable corporate seal for the Corporation.

Section 17. FISCAL YEAR. The fiscal year of the Corporation shall begin on the first (1st) day of January of each year and end on the thirty-first (31st) day of December of each year.

Section 18. NOTICES. Except as otherwise specifically provided in these Bylaws, whenever notice is required to be given to any Trustee, such notice shall be mailed, postage prepaid to such Trustee, as his address appears on the address register of the Corporation. Such notice shall be deemed to be given at the time when it is deposited in a Post Office or official letter box. Any Trustee or officer may waive any notice required to be given under these Bylaws.

Section 19. INDEMNIFICATION OF TRUSTEES, OFFICERS, EMPLOYEES AND OTHER AGENTS.

(a) *Definitions.* For the purpose of this Section:

(i) *"Agent"* means any person who is or was a Trustee, officer, employee, or other agent of this Corporation, or is or was serving at the request of this Corporation as a Trustee, director, officer, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, or was a Trustee, director, officer, employee, or agent of a foreign or domestic corporation that was a predecessor corporation of this Corporation or of another enterprise at the request of the predecessor corporation;

(ii) *"Proceeding"* means an threatened, pending, or completed action or proceeding, whether civil, criminal, administrative, or investigative; and

(iii) *"Expenses"* includes, without limitation, all attorneys' fees, costs and any other expenses incurred in the defense of any claims or proceedings against an agent by reason of such person's position or relationship as agent, and all attorneys' fees, costs and other expenses incurred in establishing a right to indemnification as set forth herein.

(b) *Indemnification, Other Than as to an Action Brought by or in the Right of a Corporation, Those Under Corporation Code Section 6523, or those Brought by the Attorney General.* This Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any proceeding (other than an action brought by or in the right of the Corporation to procure a judgment in its favor, an action brought under Corporations Code Section 5233, or an action brought by the Attorney General) by reason of the fact that such person is or was an agent of the Corporation against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding if such person acted in good faith and in a manner such person reasonably believed to be in the best interests of the Corporation and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful. The termination of any proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in the best interests of the Corporation or that the person had reasonable cause to believe that the person's conduct was unlawful.

(c) *Indemnifications for actions brought by the Corporation, the Attorney General, or under Corporations Code Section 5233.* This Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action brought by or in the right of the Corporation, or brought under Corporations Code Section 5233, or brought by the Attorney General, to procure

a judgment in its favor by reason of the fact that such person is or was an agent of the Corporation, against expenses actually and reasonably incurred by such person in connection with the defense or settlement of such action if such person acted in good faith, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. No indemnification shall be made under this subsection (c):

(i) In respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation in the performance of such person's duty to the Corporation, unless and only to the extent that the court in which such proceeding is or was pending shall determine upon application that, in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for the expenses which such court shall determine;

(ii) Of amounts paid in settling or otherwise disposing of a threatened or pending action, with or without court approval; or

(iii) Of expenses incurred in defending a threatened or pending action which is settled or otherwise disposed of without court approval unless it is settled with the approval of the Attorney General.

(d) *Successful Defense by Agent.* To the extent that an agent of this Corporation has been successful on the merits in the defense of any proceeding referred to in Subsections (b) or (c), or in the defense of any claim, issue, or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection with the claim.

(e) *Determination of Agent's Good Faith Conduct.* Except as provided in Subsection (d), the indemnification granted to an agent shall be made by this Corporation only if authorized in the specific case upon a determination that the indemnification is proper in the circumstances because the agent has met the applicable standard of conduct set forth in Subsections (b) or (c) above and conditioned on the following vote or action:

(i) The Board of Trustees by a majority vote of a quorum consisting of Trustees who are not parties to the proceeding; or

(ii) The court in which the proceeding is or was pending. Such determination may be made on application brought by this Corporation or the agent or the attorney or other person rendering a defense to the agent, whether or not the application by the agent, attorney, or other person is opposed by this Corporation.

(f) *Limitations.* No indemnification or advance shall be made under this Section, except as provided in Subsections (d) or (e)(ii), in any circumstance when it appears:

(i) That the indemnification or advance would be inconsistent with a provision of the articles, bylaws, a resolution of the Board, or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or

(ii) That the indemnification would be inconsistent with any condition expressly imposed by a court in approving a settlement; or

(iii) That the indemnification would be for a claim or action alleging professional malpractice.

(g) *Advance of Expenses.* Expenses incurred in defending any proceeding may be advanced by this Corporation before the final disposition of the proceeding on receipt of an undertaking by or on behalf of the agent to repay the amount of the advance unless it is determined ultimately that the agent is entitled to be indemnified as authorized in this Section.

(h) *Contractual Rights of Nondirectors and Nonofficers.* Nothing contained in this Section shall affect any right to indemnification to which persons other than Trustees and officers of this, or any subsidiary hereof, may be entitled by contract or otherwise.

(i) *Insurance.* The Corporation shall have the power to purchase and maintain insurance on behalf of any agent of the against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not this Corporation would have the power to indemnify the agent against that liability under the provisions of this Section. Notwithstanding the foregoing, if this Corporation owns all or a portion of the shares of the company issuing the insurance, the insurance company and/or policy shall meet the provisions of Corporations Code Section 317(i) or its successor section.

(j) *Indemnity to Fullest Extent Permissible by Law.* Notwithstanding the preceding sections, this Corporation shall indemnify its agents to the fullest extent permissible under the then existing provisions of the California Corporations Code.

Section 20. RECORDS.

(a) *Maintenance of Articles- and Bylaws.* The Corporation shall keep at its principal executive office, or if its principal executive office is not in the State of California, at its principal business office in this state, the original or a copy of the Articles and Bylaws as amended to date, which shall be open to inspection by the Trustees at all reasonable times during office hours.

(b) *Inspection Rights of Trustees.* Every Trustee shall have the absolute right at any reasonable time to inspect all books, records and documents of every kind and

the physical properties of the Corporation and each of its subsidiary corporations. This inspection by a Trustee may be made in person or by an agent or attorney, and the right of inspection includes the right to copy and make extracts of documents.

Section 21. CONSTRUCTION AND DEFINITIONS. Unless the context requires otherwise, the general provisions, rules of construction and definitions in the California Corporations Code shall govern the construction of these Bylaws. Without limiting the generality of the above, the masculine gender includes the feminine and neuter, the singular number includes the plural, the plural number includes the singular, and the term "person" includes both a corporation and a "natural person."

Section 22. AMENDMENT. These Bylaws and the Articles may be repealed or amended or new Bylaws and Articles may be adopted or any amendment made with a majority vote of the Trustees by ballot, including a mail ballot.

Section 23. REVIEW. The Board shall periodically review these Bylaws to insure that the Bylaws reflect current policies, practices, and legal requirements.

Section 24. REPEAL. Any and all Bylaws heretofore adopted by the Corporation be, and the same are hereby, revoked and repealed.

SECRETARY'S CERTIFICATE

I, _____, hereby certify that I am the duly serving Secretary of City of Alameda Health Care Corporation, a California nonprofit public benefit corporation, and that the foregoing Bylaws, comprising 11 pages, constitute the Bylaws of said corporation as they are in effect at the date of this certificate.

IN WITNESS WHEREOF, I have hereunto subscribed my name this ___ day of July, 2014.

_____, Secretary

**City of Alameda Health Care Corporation
RESOLUTION APPROVING THE WINDING UP AND DISSOLUTION
CW&S INVESTMENT COMPANY LLC**

WHEREAS, **CW&S Investment Company LLC**, a California limited liability company (the “Company”) was formed by the City of Alameda Health Care Corporation (the “Member”) effective October 28, 2002, through the filing of Articles of Organization with the Secretary of State of the State of California; and

WHEREAS, the Member is the only member of the Company; and

WHEREAS, the Member desires to dissolve and wind down the affairs of the Company; and

WHEREAS, the Member desires to set forth certain matters relating to the dissolution and winding down of the operations of the Company in accordance with the laws of the State of California.

This Resolution is adopted by the Member as of the 9th day of July, 2014 (“Adoption Date”).

NOW, THEREFORE, Be It Resolved, as follows:

1. Effective as of the Adoption Date, the Company is hereby dissolved by election of the Member pursuant to Section 6.1 (a) of the Operating Agreement.
2. From and after the Adoption Date, the Company may not carry on any business except that which is appropriate to wind up and liquidate its business and affairs, including (a) collecting its assets, (b) disposing of its properties, (c) discharging or making provision for discharge of its liabilities, (d) filing tax returns and other required documents) and (e) distributing assets in accordance with California law.
3. As reflected in **Exhibit A**, the Company’s cash on hand exceeds its outstanding liabilities. Accordingly, the Company shall promptly pay all liabilities reflected on Exhibit A, including any liabilities owed to the Member, as well as all liabilities and expenses of the Company incurred or discovered after the Adoption. Inasmuch as the liabilities reflected on Exhibit A include all known liquidated and contingent liabilities of the Company the Member anticipates that all liabilities of the Company will be promptly satisfied in full, and it shall not be necessary to make provision for payment of any other liabilities of the Company.

4. Following the payment of liabilities described in Section 3, all remaining cash and other assets of the Company (“Net Assets”), shall be assigned to the Member. The transfers to be made under this Section 4 shall constitute liquidating distributions in full satisfaction of all the Company’s obligations to the Member.
5. J. Michael McCormick is hereby appointed to serve as CEO/CFO of the Company, and Kristen Thorson is hereby appointed to serve as Secretary of the Company. After the Adoption Date, the officers of the Company shall, at such time as necessary, appropriate or desirable, cause to be obtained any certificates required from the California tax authorities and, upon obtaining such certificates, cause the Company to file with the Secretary of State of the State of California a certificate of dissolution (and/or cancellation) in accordance with California law.
6. The Company shall continue to indemnify its officers, directors, employees, agents and representatives in accordance with its articles of organization and Operating Agreement for the actions taken in connection with this Agreement and the winding-up of the affairs of the Company.

Duly Adopted and dated as of Jul7 9, 2014

City of Alameda Health Care Corporation

By: _____
Kristen Thorson, Secretary

EXHIBIT A

Balance Sheet at June 30, 2014

CW&S Investment Company, LLC
Balance Sheets
June 30, 2014

Assets	
Bank of Alameda Checking Account	\$ 10,453.86
Bank of Alameda Certificate of Deposit	<u>-</u>
Total Cash and Equivalents	10,453.86
Prepaid CA franchise tax	1,600.00
Federal Tax Receivable	500.00
Rent Receivable	-
Short Term Loan - Health Care District	-
Property Plant & Equipment	
Land	-
Building, net of accumulated depreciation	<u>-</u>
Net Fixed Assets	<u>-</u>
Total Assets	<u><u>\$ 12,553.86</u></u>
Liabilities and Owners Equity	
Liabilities	
Estimated Income Taxes Payable Franchise Tax Board CY 2011	-
Estimated Income Taxes Payable IRS CY 2011	-
Estimated Income Taxes Payable Franchise Tax Board CY 2012	-
Estimated Income Taxes Payable IRS CY 2012	-
Owners Equity	<u>12,553.86</u>
Total Liabilities and Owners Equity	<u><u>\$ 12,553.86</u></u>

Note: In January 2014, as part of the AHS affiliation due diligence, it was discovered that the South Shore SNF, thought to be owned by CWS and thus leased to the District, was in fact legally deeded to the District when the District was formed in 2002. Therefore, rents should not have been paid to CWS since this time and all rents payable will be reversed and loans receivable forgiven by Affiliation Close in April 2014.

Net Value of Land and Building recorded on the City of Alameda Districts Balance Sheet in June 2014, as April and May 2014 Financials have already been closed for the District.

RESOLUTION NO. 2014-7L

BOARD OF DIRECTORS, CITY OF ALAMEDA HEALTH CARE DISTRICT

STATE OF CALIFORNIA

* * *

**Approval of Decision of
City of Alameda Health Care Corporation Approving the
Winding up and Dissolution of CW&S, LLC**

WHEREAS, the City of Alameda Health Care District (the "District") is the sole corporate member of the City of Alameda Health Care Corporation (the "Corporation"); and

WHEREAS, the District Board in accordance with its reserved rights as corporate member, now has reviewed, and desires to approve, the Corporation's decision to wind up and dissolve CW&S, LLC.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the District, that the District hereby approves the Corporation's decision to wind up and dissolve CW&S, LLC.

PASSED AND ADOPTED on July 9, 2014 by the following vote:

AYES: _____ NOES: _____ ABSTAIN: _____ ABSENT: _____

J. Michael McCormick
President

Tracy Jensen
Secretary

Exhibit A
BYLAWS
OF
CITY OF ALAMEDA HEALTH CARE CORPORATION

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Section 2. PURPOSES. This Corporation is formed exclusively for charitable purposes. In the context of this general purpose, the Corporation shall take whatever actions are necessary and related to the promotion of the health care of the residents of Alameda, California, including, but not limited to, promoting, procuring and extending financial aid toward the operation, maintenance and modernization of Alameda Hospital or any other health care facility located in Alameda, California.

Section 3. DEDICATION OF ASSETS. This Corporation’s assets are irrevocably dedicated to charitable purposes. No part of the net earnings, properties, or assets of the Corporation, on dissolution or otherwise, shall inure to the benefit of any private person or individual, or to any director or officer of the Corporation. On liquidation or dissolution, all properties and assets remaining after payment, or provision for payment, of all debts and liabilities of the Corporation shall be distributed by the Board to the City of Alameda Health Care District (the “District”) or as designated by the District to a nonprofit fund, foundation, or corporation that is organized and operated exclusively for charitable scientific or hospital purposes for the benefit of residents of the City of Alameda and that has established its exempt status under Internal Revenue Code section 501(c)(3) of the Internal Revenue Code of 1986, or corresponding provisions of any subsequent federal tax laws. In the event the District fails to select such a charitable corporation, then the remaining assets shall be deemed to be and shall be held in trust and shall be disposed of in such manner as may be directed by decree of the Superior Court of the State of California, County of Alameda, upon petition therefor by the Attorney General of the State of California or by a person concerned in the liquidation in a proceeding to which the Attorney General is a party.

Section 4. MEMBERSHIP. This Corporation shall have one voting member within the meaning of the California Nonprofit Corporation Law. The member shall be the City of Alameda Health Care District, a local health care district (the “Member”). The Board of Trustees shall not, for itself or for any subsidiary, without the approval of the Member:

1. Approve or amend the Bylaws and Articles of Incorporation of this Corporation or any subsidiary.

2. Approve the merger, dissolution, consolidation or reorganization of this Corporation or any subsidiary.

~~3.2.~~ Approve the formation of other corporations or entities by this Corporation or any subsidiary.

~~4.2.~~ Approve annual capital and operating budgets of this Corporation or any subsidiary.

~~5.2.~~ Approve debt incurred or guaranteed by this Corporation or any subsidiary which is outside of the ordinary course of business.

~~6.2.~~ Approve the disposition of the assets of this Corporation or any subsidiary at the time of its dissolution.

~~7.2.~~ Approve the long-range financial and strategic plans for this Corporation or any subsidiary which are inconsistent with the applicable criteria established, or with the financial and strategic plans adopted by the Member.

~~8.2.~~ Approve any other transaction for this Corporation or any subsidiary which has been established by resolution of the Member as requiring its approval.”

Section 5. BOARD OF TRUSTEES.

- (a) ~~*Board Composition.* The corporate powers, property and business of the Corporation shall be exercised, controlled and conducted by a Board of threfive (35) voting Trustees, ~~to be elected by the Member. Unless otherwise determined by the Member, t~~The threfive voting Trustees shall be the five persons serving from time to time as the elcted members of the Board of Directors of the Member as follows: the individual serving from time to time as the Member’s Chief Executive Officer, Chief Financial Officer and immediate past Chief of the Hospital Medical Staff. In addition, the Board shall have one non-voting Trustee, which position shall be filled by one of the Member’s Board of Directors, to be selected by the Member.”~~
- (b) *“Powers.* Except for the reserved rights retained by the Member pursuant to Section 4, and the rights held by the Member by virtue of the California Nonprofit Corporation Law, the Board shall have charge, control, and management of the property, affairs and funds of the Corporation. The Board of Trustees shall do and perform any and all acts and functions not inconsistent with these Bylaws and as

required by all applicable laws and regulations pertaining to nonprofit corporations.”

~~(c) —“No members of the City of Alameda Health Care District Board of Directors shall serve concurrently as a voting Board member of this Corporation.”~~

Section 6. TERM.

~~(a) *Length.* Except in a situation where the Member appoints an individual who is on the management staff of Alameda Hospital to serve on the Board or as otherwise provided in this subparagraph or subparagraph (b) of this paragraph, eEach Trustee's term of office shall be co-terminus with his/her term as a director of the Member. three (3) years or until such Trustee's successor is appointed or elected. For any election in which a majority of Trustees are elected for an initial three (3) year term, the Board shall stagger the length of the initial term.”~~

~~(b) —*Vacancies.* Any person appointed to fill a vacancy caused by the death, resignation, or disqualification of a Trustee prior to the end of such Trustee's three (3) year term, shall serve for the remainder of that Trustee's unexpired term and such person thereafter, if reelected to office, shall be limited to three (3) consecutive regular terms of three (3) years each.~~

Section 7. DISCLOSURE OF INTEREST.

(a) *Material Conflicts.* Any material conflict of interest or possible conflict of interest on the part of any member of the Board of Trustees shall be disclosed to the other members of the Board and made a matter of record when the interest becomes a matter of Board action.

(b) *Disclosure and Absence.* Any member of the Board of Trustees having a material conflict of interest on any matter shall not vote on the matter, and shall not be counted in determining the quorum for the meeting, even where permitted by law. The minutes of the meeting shall reflect that a disclosure was made, the abstention from voting, and the quorum situation and that the requirements of the Corporations Code were met with respect to such transactions. A "material conflict of interest" shall include any situation where a member of the Board of Trustees has a material financial interest in a transaction.

A member of the Board of Trustees who has a material conflict of interest on a matter shall be excused from the Board meeting during the discussion of and vote on the matter after disclosing the conflict, stating a position, and responding to questions. The Chairman of the Board of Trustees may recall the Board member for any portion of the discussion and/or vote on the matter.

(c) *Opinions.* The foregoing requirements shall not be construed as preventing the member of the Board of Trustees from stating a position in the matter,

nor from answering pertinent questions of other Board members since that Trustee's knowledge may be of great assistance.

(d) *Findings.* Prior to authorizing or approving any matter in which a Trustee has a material conflict of interest, the Board shall investigate alternatives and make findings as to the benefits of that transaction over the alternatives and shall determine if the transaction is fair and reasonable at the time the Corporation entered the transaction and meets the requirements of the then existing non-profit corporation law.

(e) *Annual Review.* This policy shall be reviewed annually for the information and guidance of members of the Board of Trustees and any new member shall be advised of the policy upon entering on the duties of the office.

Section 10. COMPENSATION. Trustees shall not receive compensation for the performance of their duties. Each Trustee, however, shall be reimbursed for actual travel and incidental expenses incurred in the performance of official business as approved by the Board.

~~**Section 11. VACANCIES AND REMOVAL.** If the office of any Trustee becomes vacant for any reason, a majority of the remaining Trustees, though they may be less than a quorum, shall appoint a successor who shall hold office for the remainder of such unexpired term. If a vacancy on the Board involves a Physician Trustee, the Board of Trustees shall notify the Alameda Hospital Medical Executive Committee or its successor entity (hereinafter collectively the "Medical Executive Committee") of the vacancy and shall appoint the person designated by the Medical Executive Committee to fill the vacancy. Removal of Trustees, with or without cause, shall require a majority of votes in person or proxy pursuant to the then applicable provisions of California law.~~

Section 112. ADDRESS REGISTER. Each Trustee shall register with the Secretary the address where he desires all notices sent pursuant to the provisions of these Bylaws.

Section 123. MEETINGS OF THE BOARD.

(a) *Regular and Annual Meetings.* The Board shall hold regular meetings at Alameda Hospital, 2070 Clinton Avenue, Alameda, California 94501, from time to time as it deems necessary. Written notice of each regular meeting shall be given to each Trustee at least ~~seventy-twotwenty-four~~ (724) hours prior to the meeting."

(b) *Special Meetings.* Special meetings of the Board may be called at any time by the Chairman, or by any two (2) of the Trustees. Written notice of each special meeting shall be given to each Trustee at least ~~twenty-fourforty-eight~~ (248) hours prior to the date and hour set for the meeting in any manner acceptable under the then current California law. The notice shall state the date, hour and place of the meeting and the business to be transacted at the special meeting and no other business shall be

transacted at such meeting or any adjournment thereof, unless all Trustees are present at such meeting and agree additional business shall be transacted.

(c) *Meetings by Telephone.* Any meeting of the Board, regular or special, may be held by conference telephone or similar communication equipment pursuant to the requirements of the then existing California law, so long as all Trustees participating in the meeting can hear one another, and all such Trustees shall be deemed present in person at such meeting.

(d) *Waiver of Notice.* The transactions of any meeting of the Board, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (i) a quorum is present, and (ii) either before or after the meeting, each of the Trustees not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. All waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Notice of a meeting shall also be deemed given to any Trustee who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

(e) *Quorum.* At regular and special meetings of the Board a quorum shall be a majority of the Board members except as otherwise specifically provided by statute, the Articles of Incorporation, or these Bylaws. At any meeting, a majority of the Trustees present, though less than a quorum, may adjourn or adjourn to meet again at a stated time, hour and place.

(f) *Rules.* Robert's Rules of Order shall be the guide on all procedures and rules not provided for in these Bylaws.

~~(g) *Attendance at Regular Meetings.* Trustees who anticipate that they shall be unable to attend any regular meeting of the Board of Trustees shall notify the Chairman, or if the Chairman is not available, the Vice President, not later than 5:00 p.m. on the last business day prior to the date of such regular meeting. For purposes of this Section 14, the term "regular meeting" means the regular monthly meeting scheduled for the second Tuesday of each month as provided in Section 14(a) of these Bylaws or as otherwise agreed to by the Board. If the absence is for sufficient reason, such as but not limited to illness, travel away from the City of Alameda or business duties, the Chairman, or in the absence of the Chairman, the Vice President, shall direct that the absence be shown in the minutes of the meeting as "excused." At the discretion of the Chairman, or in the absence of the Chairman, the Vice President, determination that an absence is excused may be made retroactively within one month following the meeting which was missed. If a Trustee is absent without being excused for more than two regular meetings in any period of six consecutive months, the Board shall consider removal.~~

Section 14. COMMITTEES. From time to time the Board of Trustees or the Chairman may appoint a committee or committees for any specified purpose or purposes and such committee or committees shall serve in an advisory capacity only.

Section 15. OFFICERS.

(a) *Number.* The officers of the Members shall hold like offices on the Board of Trustees. ~~The officers shall be: shall elect from time to time as it deems appropriate a~~ Chairperson; ~~Chief Executive Officer, 1st & 2nd Vice Presidents,~~ Secretary and Treasurer ~~as officers of the Corporation. The Chairperson, Chief Executive Officer and Vice President shall be members of the Board of Trustees but the Secretary and Treasurer need not be a member(s) of the Board of Trustees. The officers shall hold office for one (1) year or until their successors are elected or appointed, unless sooner removed. Any number of offices may be held by the same person, provided, however, that the Chairman and/or Chief Executive Officer shall not simultaneously serve as the Secretary and/or Treasurer. An officer may be removed from office by a majority of the Board of Trustees at any time."~~

(b) *Subordinate Officers.* The Board may appoint such other officers as they may deem proper for the conduct of their business.

(c) *Chairman.* The Chairman of the Board shall be an officer of the Corporation, ~~and~~ Chairman of the Board and Chief Executive Officer of the Corporation. The Chairman shall preside at all meetings of the Board of Trustees. The Chairman shall be an ex-officio member of all committees of the Board. The Chairman shall sign all conveyances of real property on behalf of the Corporation and all papers, contracts and documents required by the Board that are proper and necessary to carry on the business of the Corporation. The Chairman shall have such other duties and powers as may be conferred by these Bylaws and the Board of Trustees. All the powers and duties imposed upon the Chairman may be exercised either within or without the State of California. If the Chairman and all the Vice Presidents are absent from a meeting of the Board, the Trustees may choose a Chairman pro tempore to preside at the meeting.

(d) *Vice Presidents.* Each of the Vice Presidents shall be an officer of the Corporation and a Vice President of the Board. The 1st Vice President shall act as Chairman in the absence of the Chairman and, when so acting, shall have the power and authority of the Chairman. ~~If there is more than one (1) The 2nd Vice President,~~ each shall be numbered and each shall act in the absence of the Chairman and the 1st all Vice President, ~~s preceding such Vice President in number.~~

The Vice Presidents shall perform all other duties required by the Chairman and the Board.

(e) *Chief Executive Officer.* The CEO shall be an officer of the Corporation. The ~~Board of Trustees shall select and appoint a~~ CEO who shall be its direct the Board's executive representative in the management of all of its activities, subject only to

policies and orders adopted and issued by the Board. ~~The person appointed shall have at least a baccalaureate degree and a minimum of three (3) years experience in a responsible Hospital or management administrative position, or have completed formal education in a graduate program in hospital administration approved by the accrediting committee on graduate education for hospital administration, or have, in the judgment of the Board of Trustees, abilities and experience at least equal to such qualifications. The CEO's compensation shall be established by the Board and the CEO shall serve at its pleasure.~~

(f) *Secretary.* The Secretary shall be Secretary of the Board of Trustees and Secretary of the Corporation. The Secretary shall attend all such meetings, and shall record all votes and minutes of their proceedings in a minute book. The Secretary shall give, or cause to be given, all notices required by law or by the order of the Chairman and all notices required for meetings of the Board. The Secretary shall sign all conveyances of real property and all contracts and documents requiring the signature of the Secretary. The Secretary or the designee of the Secretary shall have the custody of the corporate seal.

The Secretary shall perform all other duties required by the Chairman and Board.

(g) *Treasurer.* The Treasurer shall be an officer of the Corporation and Treasurer of the Board. The Treasurer shall cause to be kept and maintained accounts of the properties and business transactions of the Corporation, including, but not limited to, accounts of its assets, liabilities, receipts, disbursements, gains and losses. All monies and other valuables shall be deposited in the name of the corporation with such depositories designated by the Board. The funds of the Corporation shall be disbursed upon the checks or drafts of the Corporation signed as specified by the Board. When requested by the Chairman or the Board, the Treasurer shall cause to be rendered an account of the financial condition of the Corporation.

The Treasurer shall perform all other duties required by the Chairman and the Board.

Section 16. SEAL. The Board shall provide a suitable corporate seal for the Corporation.

Section 17. FISCAL YEAR. The fiscal year of the Corporation shall begin on the first (1st) day of January of each year and end on the thirty-first (31st) day of December of each year.

Section 18. NOTICES. Except as otherwise specifically provided in these Bylaws, whenever notice is required to be given to any Trustee, such notice shall be mailed, postage prepaid to such Trustee, as his address appears on the address register of the Corporation. Such notice shall be deemed to be given at the time when it is deposited in a Post Office or official letter box. Any Trustee or officer may waive any notice required to be given under these Bylaws.

Section 19. INDEMNIFICATION OF TRUSTEES, OFFICERS, EMPLOYEES AND OTHER AGENTS.

(a) *Definitions.* For the purpose of this Section:

(i) *"Agent"* means any person who is or was a Trustee, officer, employee, or other agent of this Corporation, or is or was serving at the request of this Corporation as a Trustee, director, officer, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, or was a Trustee, director, officer, employee, or agent of a foreign or domestic corporation that was a predecessor corporation of this Corporation or of another enterprise at the request of the predecessor corporation;

(ii) *"Proceeding"* means an threatened, pending, or completed action or proceeding, whether civil, criminal, administrative, or investigative; and

(iii) *"Expenses"* includes, without limitation, all attorneys' fees, costs and any other expenses incurred in the defense of any claims or proceedings against an agent by reason of such person's position or relationship as agent, and all attorneys' fees, costs and other expenses incurred in establishing a right to indemnification as set forth herein.

(b) *Indemnification, Other Than as to an Action Brought by or in the Right of a Corporation, Those Under Corporation Code Section 6523, or those Brought by the Attorney General.* This Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any proceeding (other than an action brought by or in the right of the Corporation to procure a judgment in its favor, an action brought under Corporations Code Section 5233, or an action brought by the Attorney General) by reason of the fact that such person is or was an agent of the Corporation against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding if such person acted in good faith and in a manner such person reasonably believed to be in the best interests of the Corporation and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful. The termination of any proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in the best interests of the Corporation or that the person had reasonable cause to believe that the person's conduct was unlawful.

(c) *Indemnifications for actions brought by the Corporation, the Attorney General, or under Corporations Code Section 5233.* This Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action brought by or in the right of the Corporation, or brought under Corporations Code Section 5233, or brought by the Attorney General, to procure

a judgment in its favor by reason of the fact that such person is or was an agent of the Corporation, against expenses actually and reasonably incurred by such person in connection with the defense or settlement of such action if such person acted in good faith, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. No indemnification shall be made under this subsection (c):

(i) In respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation in the performance of such person's duty to the Corporation, unless and only to the extent that the court in which such proceeding is or was pending shall determine upon application that, in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for the expenses which such court shall determine;

(ii) Of amounts paid in settling or otherwise disposing of a threatened or pending action, with or without court approval; or

(iii) Of expenses incurred in defending a threatened or pending action which is settled or otherwise disposed of without court approval unless it is settled with the approval of the Attorney General.

(d) *Successful Defense by Agent.* To the extent that an agent of this Corporation has been successful on the merits in the defense of any proceeding referred to in Subsections (b) or (c), or in the defense of any claim, issue, or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection with the claim.

(e) *Determination of Agent's Good Faith Conduct.* Except as provided in Subsection (d), the indemnification granted to an agent shall be made by this Corporation only if authorized in the specific case upon a determination that the indemnification is proper in the circumstances because the agent has met the applicable standard of conduct set forth in Subsections (b) or (c) above and conditioned on the following vote or action:

(i) The Board of Trustees by a majority vote of a quorum consisting of Trustees who are not parties to the proceeding; or

(ii) The court in which the proceeding is or was pending. Such determination may be made on application brought by this Corporation or the agent or the attorney or other person rendering a defense to the agent, whether or not the application by the agent, attorney, or other person is opposed by this Corporation.

(f) *Limitations.* No indemnification or advance shall be made under this Section, except as provided in Subsections (d) or (e)(ii), in any circumstance when it appears:

(i) That the indemnification or advance would be inconsistent with a provision of the articles, bylaws, a resolution of the Board, or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or

(ii) That the indemnification would be inconsistent with any condition expressly imposed by a court in approving a settlement; or

(iii) That the indemnification would be for a claim or action alleging professional malpractice.

(g) *Advance of Expenses.* Expenses incurred in defending any proceeding may be advanced by this Corporation before the final disposition of the proceeding on receipt of an undertaking by or on behalf of the agent to repay the amount of the advance unless it is determined ultimately that the agent is entitled to be indemnified as authorized in this Section.

(h) *Contractual Rights of Nondirectors and Nonofficers.* Nothing contained in this Section shall affect any right to indemnification to which persons other than Trustees and officers of this, or any subsidiary hereof, may be entitled by contract or otherwise.

(i) *Insurance.* The Corporation shall have the power to purchase and maintain insurance on behalf of any agent of the against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not this Corporation would have the power to indemnify the agent against that liability under the provisions of this Section. Notwithstanding the foregoing, if this Corporation owns all or a portion of the shares of the company issuing the insurance, the insurance company and/or policy shall meet the provisions of Corporations Code Section 317(i) or its successor section.

(j) *Indemnity to Fullest Extent Permissible by Law.* Notwithstanding the preceding sections, this Corporation shall indemnify its agents to the fullest extent permissible under the then existing provisions of the California Corporations Code.

Section 20. RECORDS.

(a) *Maintenance of Articles- and Bylaws.* The Corporation shall keep at its principal executive office, or if its principal executive office is not in the State of California, at its principal business office in this state, the original or a copy of the Articles and Bylaws as amended to date, which shall be open to inspection by the Trustees at all reasonable times during office hours.

(b) *Inspection Rights of Trustees.* Every Trustee shall have the absolute right at any reasonable time to inspect all books, records and documents of every kind and

the physical properties of the Corporation and each of its subsidiary corporations. This inspection by a Trustee may be made in person or by an agent or attorney, and the right of inspection includes the right to copy and make extracts of documents.

Section 21. CONSTRUCTION AND DEFINITIONS. Unless the context requires otherwise, the general provisions, rules of construction and definitions in the California Corporations Code shall govern the construction of these Bylaws. Without limiting the generality of the above, the masculine gender includes the feminine and neuter, the singular number includes the plural, the plural number includes the singular, and the term "person" includes both a corporation and a "natural person."

Section 22. AMENDMENT. These Bylaws and the Articles may be repealed or amended or new Bylaws and Articles may be adopted or any amendment made with a majority vote of the Trustees by ballot, including a mail ballot.

Section 23. REVIEW. The Board shall periodically review these Bylaws to insure that the Bylaws reflect current policies, practices, and legal requirements.

Section 24. REPEAL. Any and all Bylaws heretofore adopted by the Corporation be, and the same are hereby, revoked and repealed.

SECRETARY'S CERTIFICATE

I, _____, hereby certify that I am the duly serving Secretary of City of Alameda Health Care Corporation, a California nonprofit public benefit corporation, and that the foregoing Bylaws, comprising 11 pages, constitute the Bylaws of said corporation as they are in effect at the date of this certificate.

IN WITNESS WHEREOF, I have hereunto subscribed my name this ___ day of July, 2014.

_____, Secretary

CITY OF ALAMEDA HEALTH CARE DISTRICT

RESOLUTION NO. 2014-8L

BOARD OF DIRECTORS, CITY OF ALAMEDA HEALTH CARE DISTRICT

STATE OF CALIFORNIA

* * *

Approval of Acceptance of Title Transfer from CW&S, LLC

WHEREAS, C W & S Investment Company LLC, a California limited liability company (“Grantor”), as successor-in-interest by merger with W & S Investment Corporation, a California corporation, to the City of Alameda Health Care District, a California health care district organized under the California Local Health District Law (“Grantee”), previously transferred to the District the Real Property located at 625 Willow Street, Alameda, CA 94501 (commonly known as “South Shore Convalescent Hospital”);

WHEREAS, in order to conform the status of legal title on the County’s records, the County has requested that this Board formally accept said transfer of title and authorize the President of the Board to execute a form of Confirmation of Acceptance, in the form attached hereto.

NOW THEREFORE, BE IT REOLVED, that this Board formally accept transfer of title to South Shore Convalescent Hospital and authorize the President of the Board to execute the form of Confirmation of Acceptance, in the form attached hereto as Exhibit A.

PASSED AND ADOPTED on July 9, 2014 by the following vote:

AYES: _____ NOES: _____ ABSTAIN: _____ ABSENT: _____

J. Michael McCormick
President

Tracy Jensen
Secretary

Exhibit A

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the grant deed dated as of April 24, 2014 for Alameda County Assessor's Parcel Number 074-1235-063 granted by C W & S Investment Company LLC, a California limited liability company ("Grantor"), as successor-in-interest by merger with W & S Investment Corporation, a California corporation, to the City of Alameda Health Care District, a California health care district organized under the California Local Health District Law ("Grantee"), is hereby accepted by the undersigned on behalf of the Grantee's Board of Directors ("Board") pursuant to authority conferred by the Board on July 9, 2014, and the Grantee consents to recordation thereof by its duly authorized officer.

Dated as of July 9, 2014.

City of Alameda Health Care Distract, a
California health care district

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Address: 625 Willow Street,
Alameda, CA 94501

CITY OF ALAMEDA HEALTH CARE DISTRICT

Date: July 1, 2014
For: July 9, 2014 District Board Meeting
To: City of Alameda Health Care District, Board of Directors
From: Thomas Driscoll, Legal Counsel
SUBJECT: Discussion of Revisions to District Bylaws

The attached document is the proposed revisions to the City of Alameda Health Care District Bylaws for discussion at the July 9, 2014 District Board meeting.

CITY OF ALAMEDA
HEALTH CARE DISTRICT
BYLAWS

Adopted November, 2003

Amended July, 2004

Proposed Amendments July 2014

**CITY OF ALAMEDA HEALTH CARE DISTRICT
BYLAWS**

ARTICLE I

NAME & ADDRESS, AUTHORITY, PURPOSE & SCOPE

Section 1. Name & Address

A. The name of this District shall be the “City of Alameda Health Care District.”

B. The principal office for the transaction of business of the District is 2070 Clinton Avenue, Alameda, Alameda County, California.

C. These Bylaws shall be known as the “District Bylaws.”

D. The City of Alameda Health Care District may be referred to as “the District” in these Bylaws.

Section 2. Authority

A. On April 9, 2002, registered voters in the City of Alameda, by greater than two-thirds vote, created the City of Alameda Health Care District. The measure was authorized for vote by both Title 5, Division 3 of the Government Code, hereinafter described as the Cortese-Knox-Hertzberg Local Government Reorganization Act, and by the Alameda County Local Agency Formation Commission in accordance with the provisions of Division 23 of the Health and Safety Code, hereinafter described as the Local Health Care District Law.

B. The District was organized on July 1, 2002 and has operated under the authority of the Local Health Care District Law since that date.

C. These Bylaws are adopted in conformance with and subject to the provisions of the Local Health Care District Law. In the event of a conflict between these Bylaws and the Local Health Care District Law, the latter shall prevail.

Section 3. Purpose & Scope

A. The purpose of this District is to maintain and operate, or support the maintenance and operation of, a hospital within the boundary of the City of Alameda Health Care District to serve the residents of the City of Alameda and the City’s visitors, to establish, operate or maintain any necessary medical services ancillary to the effective functioning of the Hospital, and to do any and all other acts and things

necessary to carry out the provisions of these Bylaws and the Local Health Care District Law.

B. Title to Property. The title to all property of the District shall be vested in the District, and the signature of the President authorized at any meeting of the Board of Directors shall constitute the proper authority for the acquisition or sale of property, or for the investment or other disposal of funds which are subject to the control of the District.

ARTICLE II

BOARD OF DIRECTORS

Section 1. Eligibility, Number of Directors

The Board of Directors shall have five (5) members each of whom shall reside in the District and shall be registered to vote in the District.

Section 2. Election

A. An election shall be held on the first Tuesday after the first Monday in November in each even-numbered year except during the first year of the District's organization.

B. The election of the Board of Directors shall be conducted as provided in the Local Health Care District Law, the Uniform District Election Law and the Elections Code, as applicable.

Section 3. Powers

A. The Board of Directors shall have all of the powers given to it by the Local Health Care District Law.

B. These Bylaws shall prevail in the event of conflict with any Constitution, Bylaws, Rules or Regulations of any District controlled facility or organization.

C. The Board of Directors shall have control of and be responsible for the management of all operations and affairs of this District and its facilities according to the best interests of the public health. It shall make and enforce all rules and regulations necessary for the administration, governance, protection and maintenance of hospitals and other facilities under its jurisdiction.

D. The members of the Board of Directors shall not exercise the authority of the District unless they are acting in their official capacity as members of the Board of Directors during Board of Director meetings, or meetings of authorized committees of the Board of Directors.

E. The Board of Directors shall ensure that, whenever the District is the licensed operator of healthcare facilities, the physicians and surgeons, including osteopathic physicians, and podiatrists, and dentists, and other persons granted privileges at District facilities (the “Medical Staff”) are organized into one integrated self-governing Medical Staff under the Medical Staff Bylaws approved by the Board of Directors.

F. The Board of Directors may employ any officers or employees, including legal counsel, the Board of Directors deems necessary to properly carry on the business of the District. The Board of Directors shall determine membership on the Medical Staff, as well as approve the Bylaws for the self-governance of an organized Medical Staff, as provided in Article VI of these District Bylaws The Board of Directors will approve Medical Staff Bylaws, Rules and Regulations, Policies and Procedures, and other guidelines, which address the obligations and duties of the Medical Staff, regarding the provision, evaluation, and review of professional care within the Hospital, and within other health care facilities operated by the District.

Section 4. Compensation

Notwithstanding their ability to pay themselves for attendance at Board meetings, as provided in Section 32106 of the California Health and Safety Code, the members of the Board of Directors shall, unless the Board resolves to do otherwise, serve without compensation; but in any event each Director shall be allowed to seek reimbursement for actual and necessary traveling and incidental expenses incurred in the performance of official business of the District as approved by the Board of Directors.

Section 5. Employment Restriction

No member of the Board of Directors can be hired in the capacity of an employee, an independent contractor, or otherwise, for one year after the Board member has ceased to be a member of the Board of Directors. This prohibition shall not apply to any member who, at the inception of his/her term of office, was an employee or independent contractor of the District and terminated such employment or independent contractor status upon the commencement of his/her term. In accordance with Section 53227 of the California Government Code, no member of the District Board of Directors may be an employee of the District during the Director’s term of office.

Section 6. Vacancies

Any vacancy upon the Board of Directors may be filled by appointment by the remaining members of the Board of Directors, for such term and under such conditions as may be specified by law, in accordance with Government Code Section 1780.

Section 7. Meetings

A. The regular meetings of the Board of Directors of the District shall be held at such time and place as are established by the Board of Directors.

B. Special meetings of the Board of Directors may be called at any time by the President or by a majority of the Board of Directors and shall be noticed in accordance with Article II.8.C below. The Board of Directors may not consider any business not stated in the agenda for the special meeting.

C. All of the sessions of the Board of Directors, whether regular or special, shall be conducted in accordance with the Local Health Care District Law and Title 5, Division 2, Chapter 9 of the California Government Code hereinafter referred to as the "Brown Act."

D. A quorum for conducting all matters before the Board of Directors shall be three (3) Directors.

E. No vote by the Board of Directors, whether preliminary or final, may be taken by secret ballot. ~~whether preliminary or final.~~

Section 8. Notice

A. The Secretary, or the Secretary's designee, shall post an agenda containing a brief, general description of each item of business to be transacted or discussed at a meeting of the Board of Directors in a visible location that is freely accessible to the public, at least 72 hours in advance of any regular meeting of the Board of Directors. The agenda will also include the time and place of the meeting.

B. To the extent that the District maintains a public website, the Secretary, or the Secretary's designee, shall endeavor to electronically post an agenda on said website prior to the date of the meeting.

C. In the event that the Board of Directors calls a special meeting, the Secretary shall post the agenda, except that the agenda shall be posted at least 24 hours in advance. In addition, the Secretary shall deliver written notice to each member of the Board, and to each local newspaper of general circulation, at least 24 hours in advance of the time of the meeting as specified in the notice.

D. The President of the Board, in consultation with the CEO of the District, shall determine the agenda, provided that any two Board members may specify that an item be on the agenda.

E. The requirements of this section shall not apply where the Board of Directors declares an emergency situation or other exception in accordance with California Government Code Sections 54954.2 or 54956.5.

ARTICLE III

OFFICERS

Section 1. Officers

A. The officers of this District shall be President, First Vice-President, Second Vice-President, Secretary, Treasurer, and such other officers as the Board of Directors shall determine are necessary and appropriate.

B. The offices of President, First Vice-President, Second Vice-President and Secretary shall be filled by election from the membership of the Board of Directors. The office of Treasurer may or may not be filled by a member of the Board of Directors.

C. Each officer shall be elected upon receiving a majority vote with each member of the Board of Directors having one vote. In the event that there is no majority for a single office, the candidate with the fewest votes shall be eliminated from candidacy and a runoff election with the remaining candidates shall take place. In the event that more than two candidates have an equal number of votes, the office shall be selected by random lot.

D. Officers shall be elected at such regular Board meeting as is specified by the Board.

E. Officers shall hold their office for terms of one (1) year or until such time as a successor is elected. An officer may be removed from office by a majority of the Board of Directors at any time. Officers may serve consecutive terms.

Section 2. President

A. The President shall perform the following duties:

1. Preside over the meetings of the Board of Directors;

2. Sign and execute ([jointly with the Secretary where appropriate](#)), in the name of the District, all contracts and conveyances and all other instruments in writing that have been authorized by the Board of Directors;

3. [Subject to any duly-adopted Policy of the Board regarding the signing of checks](#), ~~E~~exercise the power to co-sign, with the Secretary checks drawn on the funds of the District whenever:

a. There is no person authorized by resolution of the Board of Directors to sign checks on behalf of the District regarding a particular matter; or

b. It is appropriate or necessary for the President and Secretary to sign a check drawn on District funds.

4. Have, subject to the advice and control of the Board of Directors, general responsibility for the affairs of the District, and generally discharge all other duties that shall be required of the President by the Bylaws of the District.

B. If at any time, the President is unable to act as President, the Vice Presidents, in the order hereinafter set forth, shall take the President's place and perform the President's duties; and if the Vice Presidents are also unable to act, the Board may appoint someone else to do so, in whom shall be vested, temporarily, all the functions and duties of the office of the President.

Section 3. Vice-Presidents

A. In the absence of the President or given the inability of the President to serve, the First Vice-President, or in the First Vice-President's absence, the Second Vice-President, shall perform the duties of the President.

B. Perform such reasonable duties as may be required by the members of the Board of Directors or by the President.

Section 4. Secretary

The Secretary shall have the following duties:

A. To act as Secretary of the District and the Board of Directors.

B. To be responsible for the proper keeping of the records of all actions, proceedings, and minutes of meetings of the Board of Directors.

C. To be responsible for the proper recording, and maintaining in a special book or file for such purpose, all ordinances and resolutions of the Board of Directors (other than amendments to these Bylaws) pertaining to policy or administrative matters of the District and its facilities.

D. To serve, or cause to be served, all notices required either by law or these Bylaws, and in the event of the Secretary's absence, inability, refusal or neglect to do so, such notices may be served by any person so directed by the President or Board of Directors.

E. To have custody of the seal of this District and the obligation to use it under the direction of the Board of Directors.

F. To perform such other duties as pertain to the Secretary's office and as are prescribed by the Board of Directors.

Section 5. Treasurer

A. The Board of Directors shall establish its own treasury and shall appoint a Treasurer charged with the safekeeping and disbursement of the funds in the treasury.

B. The Board of Directors shall fix the amount of bond to be given by the Treasurer and shall provide for the payment of the premium therefor.

C. The Treasurer, who may or may not be a member of the Board of Directors, shall be selected by the Board of Directors based upon his or her competence, skill, and expertise.

D. The Treasurer shall be responsible for the general oversight of the financial affairs of the District, including, but not limited to receiving and depositing all funds accruing to the District, coordinating and overseeing the proper levy and collection of the District's annual parcel tax, performance of all duties incident to the office of Treasurer and such other duties as may be delegated or assigned to him or her by the Board of Directors, provided, however, that the Chief Financial Officer of the District shall implement, and carry out the day to day aspects of the District's financial affairs.

E. The Treasurer shall maintain active and regular contact with the administrative staff for the purpose of obtaining that information necessary to carry out his or her duties.

ARTICLE IV

CHIEF EXECUTIVE OFFICER

Section 1. Selection

A. The Board of Directors may shall select and employ an hospital administrator who shall hereinafter and hereafter be known as the "Chief Executive Officer" or "CEO."

B. Any contract entered into by and between the District and the Chief Executive Officer shall not provide for more than 18 months of severance pay upon termination, regardless of cause.

C. The Board of Directors shall select, employ and give the necessary authority to, a competent Chief Executive Officer who shall be responsible for overseeing and directing the day-to-day management and operation of the District. In performing this task, the CEO shall be held responsible for the administration of the District in all its activities and departments, subject only to such policies as may be adopted and such orders as may be issued by the Board of Directors or by any of its committees to which it has delegated power for such action.

Section 2. Authority and Duties

The authority and duties of the Chief Executive Officer, or if none, the President, shall be:

- A. To act as the duly authorized representative of the Board of Directors in all matters in which the Board has not formally designated some other person.
- B. To develop a plan for organizing the personnel and other operational staff of the District and to establish procedures for the internal operation of the District, each of which will be submitted to the Board of Directors for approval,
- C. To prepare an annual budget showing the expected receipts and expenditures, as required by the Board of Directors.
- D. To select, employ, control and discharge all employees as are necessary for carrying on the normal functions of the District and its's hospitals, if any. Notwithstanding the above, all employees of the District ultimately serve at the pleasure of the Board of Directors.
- E. To oversee all physical property of the District and to ensure that it is kept in good repair and operating condition.
- F. To supervise all business affairs, such as records of financial transactions, the collection of accounts, and the purchase and issuance of supplies.
- G. To ensure that all funds are collected and expended to the best possible advantage.
- H. To exercise such professional ability and judgment so as to promote the highest level of health care and cooperation among all District staff providing professional services to benefit both the public and the District.
- I. To submit reports reviewing the professional services and financial activities of the District periodically to the Board of Directors or its authorized committees.
- J. To prepare and submit any special reports requested by the Board of Directors or its authorized committees in accordance with their instructions.
- K. To attend all meetings of the Board of Directors.
- L. To attend the meetings of any committee the Board of Directors determines requires the CEO's regular attendance.
- M. To perform any other duties that may be necessary in the best interest of the District.
- N. To serve ex officio as a member of the Medical Executive Committee and the Joint Conference Committee, or comparable committees, or to name a delegate to serve in his or her stead.

O. To grant temporary privileges and impose and/or modify summary restrictions or suspensions in accordance with the procedures set forth in the Medical Staff Bylaws, and to carry out any other responsibilities described in the Medical Staff Bylaws as appropriate for the CEO.

ARTICLE V

COMMITTEES

Section 1. Committees Generally

A. The Board of Directors may, by resolution, establish one or more committees and delegate to such committees any aspect of the authority of the Board of Directors. Membership and chairmanship of such committees shall be appointed by the Board. The Board of Directors shall have the power to prescribe the manner in which proceedings of any committee shall be conducted. In the absence of any such prescription, such committee shall have the power to prescribe the manner in which its proceedings shall be conducted.

B. A majority of the members of a committee shall constitute a quorum of such committee and the act of a majority of members present at which a quorum is present shall be the act of the committee.

C. Unless the Board of Directors or the committee shall otherwise provide, the regular and special meetings and other actions of any Committee shall be governed by the same requirements set forth in Article II, Sections 7 and 8 applicable to meetings and actions of the Board of Directors.

D. Each committee shall keep regular minutes of its proceedings and shall report the same to the Board of Directors as required by the Board of Directors.

ARTICLE VI

MEDICAL STAFF

[\(If the District is the licensed operator of
one or more Health Care Facilities\)](#)

Section 1. Organization and Bylaws

A. The Medical Staff shall organize itself and adopt bylaws (the "Medical Staff Bylaws") consistent with the District Bylaws, for the purpose of discharging its obligation under applicable laws and regulations, and for the purpose of governing itself with respect to the professional services provided in the facilities of the District. The Medical Staff Bylaws shall provide for appropriate officers and clinical organization.

B. The Medical Staff Bylaws shall describe the credentialing process by which eligibility for Medical Staff membership and privileges shall be determined, including criteria for the grant of membership and privileges that are consistent with the District Bylaws.

C. The Medical Staff Bylaws shall provide that the Medical Staff, or a committee or committees thereof, shall assess the credentials and qualifications of all applicants for initial Medical Staff membership, for reappointment to the Medical Staff, and for privileges, and shall submit to the Board of Directors recommendations thereon, and shall provide for reappointment no less frequently than biennially.

D. The Medical Staff shall also adopt Rules and Regulations, consistent with the Medical Staff Bylaws, providing for the conduct of the organizational activities of the Medical Staff.

E. The Medical Staff Bylaws, and the Medical Staff Rules and Regulations, shall be subject to approval of the Board of Directors, and any proposed amendment thereto shall be effective only upon approval by the Board of Directors, which approval shall not be unreasonably withheld.

Section 2. Conflicts With Medical Staff Bylaws

The Joint Commission on Accreditation of Healthcare Organizations prohibits inconsistencies between the District Bylaws and the Medical Staff Bylaws. Inconsistencies, if any, between the District and the Medical Staff Bylaws will be resolved in accordance with applicable procedures in the Medical Staff Bylaws.

Section 3. Nature of Medical Staff Membership

Medical Staff membership is a privilege, and not a right, that shall be granted only to professionally qualified practitioners who clearly and continuously meet the standards and requirements set forth herein and in the Bylaws of the Medical Staff.

Section 4. Qualifications for Membership

A. Only physicians and surgeons, dentists, and podiatrists who:

1. Demonstrate and document their licensure, education, training, experience, current professional competence, character, ethics, and physical and mental health status so as to establish to the satisfaction of the Medical Staff and the Board of Directors that they are qualified, and that any patients treated by them within the facilities of the District will be provided quality medical care meeting the standards of the Medical Staff and the District; and

2. Demonstrate that they adhere to the ethics of their respective professions and that they are able to practice collegially and cooperatively with others so as to contribute to the quality of medical care, and so as not to adversely affect Hospital and District operations; and

3. Confirm that they have secured that level of professional liability coverage as may be required by the District; and

4. Establish that they are willing to participate in and effectively discharge those professional responsibilities set forth in these Bylaws and in the Medical Staff Bylaws, shall be deemed to possess basic qualifications for membership on the Medical Staff.

B. No practitioner shall be entitled to membership on the Medical Staff, or shall be granted any clinical privilege, solely by virtue of the fact that he or she is duly licensed to practice in this State or in any other state, or that he or she is a member of any professional organization, or that he or she was granted in the past, or enjoys in the present, such membership at another hospital.

C. The decision to grant Medical Staff membership and privileges represents a recognition of the individual qualifications of the concerned practitioner, and does not in any way limit the power of the Board of Directors, in accord with the discretion conferred by the Local Health Care District Law or otherwise, to enter into any agreement with one or more qualified practitioners granting specific or exclusive responsibility for the provision of certain health care services to patients.

Section 5. Appointment to Medical Staff

All appointments and reappointments to the Medical Staff shall be made by the Board of Directors, in keeping with any pertinent standards promulgated by the Joint Commission on Accreditation of Healthcare Organizations. Final responsibility for appointment and for the grant of formal privileges, or the denial or termination thereof, shall rest with the Board of Directors.

A. No applicant shall be denied Medical Staff membership and/or clinical privileges on the basis of sex, race, color, ethnic or national origin, religious affiliation, or sexual preference. No duly licensed physician or surgeon shall be excluded from Medical Staff membership based solely upon licensure by the Osteopathic Medical Board of California.

B. Any completed, written application for appointment to the Medical Staff shall be considered by the Medical Staff in accord with the procedures described in the Medical Staff Bylaws, and any related Rules and Regulations or policies, and, upon completion of consideration by the Medical Staff, the Medical Staff shall make a report and recommendation regarding such application to the Board of Directors. This recommendation will also include a recommendation regarding the specific clinical privileges requested by the practitioner.

C. Subject to the provisions in the Medical Staff Bylaws and the District Bylaws regarding judicial review committee hearings and appellate reviews, upon receipt of the report and recommendation of the Medical Staff, the Board of Directors shall take action upon the application and shall cause notice of its actions to be

provided to the applicant and to the Medical Staff within time frames that are consistent with the Medical Staff Bylaws. Whenever the Board of Directors does not concur in a favorable Medical Staff recommendation regarding the grant of Medical Staff membership or clinical privileges, the matter will be referred to the Joint Conference Committee, or comparable committee, for review before final action is taken by the Board of Directors.

Section 6. Medical Staff Meetings and Medical Records

A. The Bylaws of the Medical Staff shall provide for Medical Staff meetings that are held in accordance with the standards of the Joint Commission on Accreditation of Healthcare Organizations.

B. Accurate, legible, and complete medical records shall be prepared and maintained for all patients, and shall be a basis for review and analysis of the care provided within the facilities of the District.

C. For these purposes, medical records include, but are not limited to, identification data, personal and family history, history of present illness, physical examination, special examinations, professional or working diagnoses, treatment, gross and microscopic pathological findings, progress notes, final diagnosis, condition on discharge, and other matters as the Medical Staff shall determine.

Section 7. Corrective Action

A. If the Medical Executive Committee fails to investigate or take corrective action in accordance with Article VIII of the Medical Staff Bylaws, and the failure is contrary to the weight of the evidence, the Board of Directors may direct the Medical Executive Committee to initiate investigation or corrective action, but only after consultation with the Medical Executive Committee. If the Medical Executive Committee fails to take action in response to that Board of Directors direction, the Board of Directors may initiate action, but this corrective action (1) must comply with these Bylaws and with Articles VIII and IX of the Medical Staff Bylaws and (2) may only be taken after written notice of such action is provided to the Medical Executive Committee. The Board of Directors shall inform the Medical Executive Committee in writing of its action.

Section 8. Precautionary Action

A. If the President of the Medical Staff, members of the Medical Executive Committee and the Chairman of the Service Committee (or designee) in which the member holds privileges are not available to impose a precautionary restriction or suspension of a member's membership or clinical privileges, the Board of Directors (or designee) may immediately restrict or suspend a member's privileges if a failure to do so is likely to result in an imminent danger to the health of any patient, prospective patient, or other person, provided that the Board of Directors (or designee) made reasonable attempts to contact the President of the Medical Staff, members of the

Medical Executive Committee and the Chairman of the Service Committee (or designee) before the restriction or suspension.

B. Such restriction or suspension is subject to ratification by the Medical Executive Committee. If the Medical Executive Committee does not ratify the restriction or suspension within two (2) working days, excluding weekends and holidays, the precautionary restriction or suspension shall terminate automatically.

Section 9. Action on Peer Review Matters

A. In all peer review matters, the Board of Directors shall give great weight to the recommendations of the Medical Staff's committees, shall act exclusively in the interest of maintaining and enhancing patient care, and in no event, shall act in an arbitrary or capricious manner.

Section 10. Medical Staff Hearings

A. When the Board of Directors conducts a judicial review committee hearing under the Medical Staff Bylaws, the term "Medical Executive Committee" in Article IX of the Medical Staff Bylaws shall be deemed to refer to the Board of Directors in all cases when the Board of Directors or its authorized officers, directors or committees took the action or rendered the decision that resulted in a hearing being requested.

Section 11. Appellate Review

A. The Board of Directors shall provide for appellate review of any qualifying decision of a Medical Staff hearing committee according to the procedures set forth, in detail below. This appellate review may be conducted by either the Board of Directors or a committee or other designate thereof, and shall be conducted consistent with the requirements of California Business and Professions Code Section 809.4, or successor provisions.

B. The appellate review process shall include the following:

1. Time For Request for Appellate Review: Within thirty (30) days after receipt of the decision of the Medical Staff hearing committee, either the concerned practitioner, or the Medical Executive Committee or the Board of Directors, if applicable, may request an appellate review. A written request for that review shall be delivered to the President of the Medical Staff, the Chief Executive Officer, and to the other party in the hearing. If a request for appellate review is not presented within that period, the parties shall be deemed to have waived any rights to appellate review. The decision of the Board of Directors following a waiver shall constitute the final action of the District.

2. Grounds For Appellate Review: A written request for appellate review shall include a specification of the grounds for review as well as a concise statement of the arguments in support of the appeal. The permissible grounds for appeal from the Medical Staff hearing shall be: (1) substantial failure to comply with procedures required by Bylaws; (2) the decision was arbitrary and capricious; (3) the

evidence introduced at the Medical Staff hearing committee did not support the committee's findings; (4) the Medical Staff hearing committee's findings did not support the committee's decision; (5) the decision was inconsistent with applicable law.

3. Time, Place, and Notice: If an appellate review is to be conducted, the Board of Directors shall, within thirty (30) days after receipt of a qualifying request for appellate review, schedule the date and cause notice to be given to each party. The date for completion of the appellate review shall ordinarily not be more than sixty (60) days from the date of such receipt of that request, provided, however, that when a request for appellate review concerns a practitioner who is under a suspension or other corrective action which has already taken effect, the appellate review shall be held as soon as the arrangements may reasonably be made. The time for appellate review may be extended by the Board of Directors, or its Chair, or any designated appellate review committee or hearing officer, for good cause.

4. Appellate Review Body: The Board of Directors may sit as the appellate review body, or it may appoint an appellate review committee composed of members of the Board of Directors, or it may designate an individual to serve as an appellate officer. Knowledge of the matter involved shall not preclude a member from serving as member of the appellate review body or the appellate officer, so long as that member or person did not take part in a prior hearing on the same matter. The appellate review body may also select an attorney at law to assist it in the proceeding, but that attorney shall not be entitled to vote with respect to the appeal.

5. Appeal Procedure: The proceeding by the appellate review body shall be in the nature of an appellate review based upon the record of the hearing generated at the Medical Staff hearing, provided that the appellate review body may accept additional oral or written evidence, subject to a foundational showing that such evidence could not have been made available to the Medical Staff hearing committee in the exercise of reasonable diligence, and subject to the same rights of cross-examination or confrontation provided at the Medical Staff hearing; or the appellate review body may remand the matter to the Medical Staff hearing committee for the taking of further evidence and for decision. The concerned practitioner and the Medical Executive Committee shall have the right to present a written statement in support of its position on appeal. During the appeal, each party or representative shall have the right to appear personally before the Board of Directors or the appellate review body, for the purpose of presenting oral argument, and responding to questions in accordance with procedures to be established by the Board of Directors or appellate review body. Each party shall have the right to be represented by legal counsel. The Board of Directors or the appellate review body shall determine the procedures to be observed during that meeting and may limit, or otherwise determine, the role of legal counsel. The appellate review body may then conduct, at a time convenient to itself, deliberations outside the presence of the appellant and respondent and their representatives. The appellate review body, if other than the Board of Directors, shall present to the Board of Directors its written recommendations as to whether the Board of Directors should affirm, modify, or reverse the Medical Staff hearing committee decision, or remand the matter to the Medical Staff hearing committee for further review and consideration.

6. Decision:

a. Except as otherwise provided herein, within thirty (30) days after the conclusion of any appellate meeting, the Board of Directors shall render a decision in writing, including a statement of the basis for the decision, and shall transmit copies thereof to each side involved in the appeal within time frames that are consistent with the Medical Staff Bylaws. The Board of Directors' decision shall be final.

b. The Board of Directors may affirm, modify, or reverse the decision of the Medical Staff hearing committee or remand the matter to that committee for reconsideration. If the matter is remanded to the Medical Staff hearing committee for further review and recommendation, that committee shall be requested to promptly conduct its review and issue any appropriate decision and report.

c. Right To One Hearing: No member or applicant shall be entitled to more than one evidentiary hearing and one appellate review on any matter that shall have been the subject of adverse action or recommendation.

**ARTICLE VII
RULES OF CONDUCT**

Roberts Rules of Order, Revised Edition, shall control all parliamentary issues not addressed in these Bylaws or in applicable law of the State of California.

**ARTICLE VIII
REVIEW AND AMENDMENT OF BYLAWS**

Section 1. The Board of Directors shall review these Bylaws in their entirety at least every two (2) years to ensure that they comply with all provisions of the Local Health Care District Law, and continue to meet the needs and serve the purposes of the District.

Section 2. These Bylaws may be amended by affirmative vote of a majority of the members of the Board of Directors during any regular or special meeting of the Board of Directors, provided a full statement of such proposed amendment shall have been sent to each Board member not less than seven (7) days prior to the meeting.

Section 3. Affirmative action may be taken to amend these Bylaws by unanimous vote of the entire Board membership at any regular or special meeting of the Board of Directors which is properly noticed under the Brown Act, in which event the provision for seven (7) days' notice shall not apply.

ADOPTION OF BYLAWS

Originally passed and adopted at a meeting of the Board of Directors of the City of Alameda Health Care District, duly held September 23, 2002, amended on October 14, 2002, and November 10, 2003, and July , 2004.

Date: June 27, 2014

For: July 9, 2014 District Board meeting

To: City of Alameda Health Care District, Board of Directors

From: Deborah E. Stebbins, FACHE
Interim Chief Administrative Officer

RE: June, 2014 Update on Alameda Hospital

A. Transition of Alameda Hospital Employees

All employees of Alameda Hospital received offer letters of employment from AHS as well as termination letters from the District in preparation for a change of employment effective June 30, 2014. Upon signing their offer letters, employees received enrollment information for AHS benefits. Benefits will begin without interruption in coverage effective July 1, 2014, excluding any benefits that require new vesting.

The disposition of the pension plans has been made by AHS and information has been mailed to all employees about their options. A summary is listed below.

The 457(b) plan will be frozen effective July 1, 2014, and will for a brief period after that date -- be maintained by Alameda Health System as a frozen plan. All contributions to the plan will be discontinued effective July 1, 2014, and no new loans will be made under the plan on or after that date. Benefits previously earned and received shall remain in the plan for all plan participants. After the freeze date, AHS intends to terminate the plan. The termination will most likely occur in late 2014. Between the freeze date and the termination date, account balances will continue to be held under the plan in accordance with your investment directions, and any payments on outstanding loans under the plan will continue as before. When the plan is terminated (or as soon as possible after the termination date), every participant in the plan will be provided with four options for his or her account balance under the plan:

1. Direct **tax-free** rollover to the Alameda Health System 403(b) and 457(b) plans. Rollovers to the AHS 403(b) and 457(b) plans may optionally include tax-free transfer of existing loan balances from the City of Alameda 457(b) Plan. (This option is available only if you are an AHS employee when the rollover occurs.)
2. Direct **tax-free** rollover to an Individual Retirement Account (IRA) of your choice.
3. Receive distribution of all or part of your account balance, including outstanding loans on record. (Taxes will apply.)
4. Any combination of the options referenced above.

Eligible employees may participate in the AHS 457(b) plan prospectively effective July 1 2014.

The 403(b) plan is currently frozen and will be maintained prospectively by Alameda Health System in its current status. No change for participants in this plan. Eligible staff may participate in the AHS 403(b) plan prospectively effective July 1, 2014.

The Echo plan is currently frozen and will be maintained prospectively by "Echo" Pension Plan Alameda Health System in its current status. No change for participants in this plan.

The 401(a) plan will be frozen effective July 1, 2014, and shall be maintained prospectively by Alameda Health System as a frozen plan. Benefits previously earned and received shall remain in the plan for all plan participants, and employer contributions will be discontinued effective July 1, 2014. Eligible employees shall participate in the Alameda Health System Pension Plan prospectively from that date. Details and enrollment information on the Alameda Health System Pension plan shall be provided at time of hire.

Transitional agreements with the bargaining units have been reached with the exception of one unit.

B. Leadership Development and Cultural Integration Activities.

With the support of the Organizational Leadership and Effectiveness (OLE) section of AHS Human Resources, the Alameda Hospital executives who will continue with the facility on a permanent or temporary basis participated in a three day retreat with AHS executive leadership to learn more about the respective cultures and styles of the organizations. Based on the experience AHS had had in on-boarding San Leandro Hospital, where there was far less continuity of the facility based leadership when Sutter transferred the facility, AHS felt this investment in time learning not only about the two organizations but also getting to know each other as leaders would be very valuable in ensuring the success of the affiliation over coming months.

At the end of the three days, work groups began mapping out work plans for four issues identified collectively by the group as priorities:

- Clarifying the Decision Making Processes at AHS and AH
- Process to Manage the Upcoming Leadership Transition at Alameda Hospital
- Defining Necessary On-going Communication Process with Employees, Physicians and Community
- Next steps to continue discussion of other priorities identified during retreat

In addition to the cultural integration retreat, all directors and managers at Alameda Hospital have participated in two 3-hour orientation sessions to AHS systems and policies. One additional orientation session has yet to be scheduled.

Finally, all former Alameda Hospital employees will be required to participate in one of 16 brief orientation sessions to AHS, its mission, vision, values and strategic direction that I will conduct in conjunction with a number of other AHS staff.

C. Update on AHS Surgical Volume and Inpatient Referrals

	Surgical Volume	Inpatient Referrals from AHS
April	46	0
May	44	0
June (to 6/26)	44	0
Total	134	0

D. Community Outreach

Alameda Hospital will sponsor its usual cable car trolley entry in the 4th of July Parade. The City of Alameda July 4th parade is the longest such parade west of the Mississippi. Everyone who is not in the parade is watching the parade.

E. FY2015 True North Metrics – Alameda Hospital

The attached documents refer the True North Metrics for Alameda Hospital. The “True North” symbolic term represents where the System needs to be a World Class Health System by FY 2017. Each facility is responsible for identifying metrics to meet with System wide measures and strategic goals.

F. Financial and Quality Reporting from AHS to District Update

Management and staff continue to work on a draft format to present to the District Board in regards to Financial and Quality Reporting.

Financial: The May Financials (System and Facility level) are anticipated to be ready this week and will be made available to the District Board at the July 9, 2014 meeting. They were not available at the time of the board packet distribution. Jody Copeland Director of Finance at AHS, will be at the Board meeting to present the financial statements.

Quality: The Quality team continues to work on the format and content to present to the District Board. Updates will be forthcoming.

ALAMEDA HEALTH SYSTEM

CONNECTING THE DOTS – Fiscal Year 2014- 2017



Pillar (Strategic Goal): Access/Growth (Access)

True North: Be a market leader in access to quality, affordable care

Weight	System Measure	Driver	Metric	Data Source	FY14YTD Baseline	FY15 Target	FY16 Target	FY17 Target

Achievement Levels (For metric chosen, please complete Target column with numerical results associated with each rating score)

Target	Rating	Rating Description	Watch Metric(s)
	1	Fails to Meet Expectations	
	2	Performance Partially Meets Expectations	
	3	Meets Expectations (*Rating of 3 should match FY15 Target)	Support Needed? Which Divisions?
	4	Expectations were Met and Often Exceeded	
	5	Exceeds Expectations	

Pillar (Strategic Goal): Fiscal Stewardship (Sustainability)

True North: Be an organization with an investment grade credit rating

Weight	System Measure	Driver	Metric	Data Source	FY14YTD Baseline	FY15 Target	FY16 Target	FY17 Target
20%	Operating margin	Increased inpt and surgery volume	SYSTEM: Overall Operating margin(Debi Stebbins)	Finance -Ann Metzger, controller	(3.6)% loss	2.0%	2.5%	3.0%

ADD NAMES (WHO THIS GOAL WILL BE DIRECTLY CASCADED TO:

Achievement Levels (For metric chosen, please complete Target column with numerical results associated with each rating score)

Target	Rating	Rating Description	Watch Metric(s)
<1.6(BELOW BUDGET)	1	Fails to Meet Expectations	Expense to budget
1.6%(AT BUDGET)	2	Performance Partially Meets Expectations	
2.0%	3	Meets Expectations (*Rating of 3 should match FY15 Target)	Support Needed? Which Divisions?
2.5%	4	Expectations were Met and Often Exceeded	Finance
3.00%	5	Exceeds Expectations	

Pillar (Strategic Goal): Quality and Safety Enhancement (Integration)

True North: Achieve zero preventable harm and produce the best achievable outcomes for patients

Weight	System Measure	Driver	Metric	Data Source	FY14YTD Baseline	FY15 Target	FY16 Target	FY17 Target
20%	Incidence of Preventable Harms	Incidence of HAPUs, falls	SYSTEM: # of HAPUs and falls / 1000 patient days(Debi Stebbins)	Current: Falls 0.74 / HAPU 1.05 (Carol to combine HAPU and Falls consistent with other facilities reporting)	0.57	0.56	0.50	0.47

ADD NAMES (WHO THIS GOAL WILL BE DIRECTLY CASCADED TO):

Achievement Levels (For metric chosen, please complete Target column with numerical results associated with each rating score)

Target	Rating	Rating Description
0.70	1	Fails to Meet Expectations
0.60	2	Performance Partially Meets Expectations
0.57	3	Meets Expectations (*Rating of 3 should match FY15 Target)
0.50	4	Expectations were Met and Often Exceeded
0.47	5	Exceeds Expectations

Watch Metric(s)
Documentation of skin assessment and interventions
Support Needed? Which Divisions?

Pillar (Strategic Goal): Service Enhancement (Experience)

True North: Be the best place to stay well, heal, and receive care

Weight	System Measure	Driver	Metric	Data Source	FY14YTD Baseline	FY15 Target	FY16 Target	FY17 Target
25%	Rate the Hospital 9 or 10	Pain mgmt, nursing & MD communication	SYSTEM: Rate the hospital 9 or 10 (Debi Stebbins)	NRC Picker	57.5%	75.0%	77.0%	80.0%

ADD NAMES (WHO THIS GOAL WILL BE DIRECTLY CASCADED TO):

Achievement Levels (For metric chosen, please complete Target column with numerical results associated with each rating score)

Target	Rating	Rating Description
60%	1	Fails to Meet Expectations
70%	2	Performance Partially Meets Expectations
75%	3	Meets Expectations (*Rating of 3 should match FY15 Target)
77%	4	Expectations were Met and Often Exceeded
80%	5	Exceeds Expectations

Watch Metric(s)
Support Needed? Which Divisions?

Pillar (Strategic Goal): Community Engagement & Enhancement (Network)

True North: Provide highest-rated Community Health Program

Weight	System Measure	Driver	Metric	Data Source	FY14YTD Baseline	FY15 Target	FY16 Target	FY17 Target
20%	Overall market share	Throughput	DIVISION: % utilization of total OR time(Debi Stebbins)	Current = 24% (total used / avail minutes (8k/5 rooms)) OR Stats	24%	32%	40%	48%

ADD NAMES (WHO THIS GOAL WILL BE DIRECTLY CASCADED TO):

Achievement Levels (For metric chosen, please complete Target column with numerical results associated with each rating score)

Target	Rating	Rating Description
24%	1	Fails to Meet Expectations
28%	2	Performance Partially Meets Expectations
32%	3	Meets Expectations (*Rating of 3 should match FY15 Target)
35%	4	Expectations were Met and Often Exceeded
37%	5	Exceeds Expectations

Watch Metric(s)
Support Needed? Which Divisions?
Ambulatory & Physician leadership, Patient Business Services

Pillar (Strategic Goal): Workforce Development (Workforce)

True North: The best place to learn and work

Weight	System Measure	Driver	Metric	Data Source	FY14YTD Baseline	FY15 Target	FY16 Target	FY17 Target
15%	Employee engagement	Level of commitment	SYSTEM: Overall commitment score(Debi Stebbins)	Human Resources - baseline survey Fall 2014	TBD	4.0	4.2	4.4

ADD NAMES (WHO THIS GOAL WILL BE DIRECTLY CASCADED TO):

Achievement Levels (For metric chosen, please complete Target column with numerical results associated with each rating score)

Target	Rating	Rating Description
3.6	1	Fails to Meet Expectations
3.8	2	Performance Partially Meets Expectations
4	3	Meets Expectations (*Rating of 3 should match FY15 Target)
4.2	4	Expectations were Met and Often Exceeded
4.4	5	Exceeds Expectations

Watch Metric(s)
Support Needed? Which Divisions?

Pillar (Strategic Goal): Access/Growth (Access)

True North: Be a market leader in access to quality, affordable care

Weight	System Measure	Driver	Metric	Data Source	FY14YTD Baseline	FY15 Target	FY16 Target	FY17 Target
15%	Clinical efficiency	Reduce length of stay for skilled residents	DIVISIONAL: Reduced LOS for skilled res.(Debi Stebbins)	LTC rehab	30 days	27 days	25 days	23 days

ADD NAMES (WHO THIS GOAL WILL BE DIRECTLY CASCADED TO):

Achievement Levels (For metric chosen, please complete Target column with numerical results associated with each rating score)

Target	Rating	Rating Description	Watch Metric(s)
29 days	1	Fails to Meet Expectations	
28 days	2	Performance Partially Meets Expectations	
27 days	3	Meets Expectations (*Rating of 3 should match FY15 Target)	
26 days	4	Expectations were Met and Often Exceeded	
25 days	5	Exceeds Expectations	
			Support Needed? Which Divisions?

Pillar (Strategic Goal): Fiscal Stewardship (Sustainability)

True North: Be an organization with an investment grade credit rating

Weight	System Measure	Driver	Metric	Data Source	FY14YTD Baseline	FY15 Target	FY16 Target	FY17 Target
20%	Operating margin	Increased skill mix (payor mix) & cost containment	System: Overall Operating Margin (Debi Stebbins)	Finance Dept	(3.6)% loss	2.0%	2.5%	3.0%

ADD NAMES (WHO THIS GOAL WILL BE DIRECTLY CASCADED TO):

Achievement Levels (For metric chosen, please complete Target column with numerical results associated with each rating score)

Target	Rating	Rating Description	Watch Metric(s)
<1.6 (BELOW BUDGET)	1	Fails to Meet Expectations	Expense to budget
1.6% (AT BUDGET)	2	Performance Partially Meets Expectations	Patients by payor mix
2.0%	3	Meets Expectations (*Rating of 3 should match FY15 Target)	
2.5%	4	Expectations were Met and Often Exceeded	
3.0%	5	Exceeds Expectations	
			Support Needed? Which Divisions?
			Finance needs

Pillar (Strategic Goal): Quality and Safety Enhancement (Integration)

True North: Achieve zero preventable harm and produce the best achievable outcomes for patients

Weight	System Measure	Driver	Metric	Data Source	FY14YTD Baseline	FY15 Target	FY16 Target	FY17 Target
15%	Incidence of Preventable Harms	Incidence of HAPUs, falls	SYSTEM: # of HAPUs and falls / 1000 patient days(Debi Stebbins)	Performance Improvement Monitor/Risk Tracking	1.75	1.50	1.25	1.10

ADD NAMES (WHO THIS GOAL WILL BE DIRECTLY CASCADED TO):

Achievement Levels (For metric chosen, please complete Target column with numerical results associated with each rating score)

Target	Rating	Rating Description	Watch Metric(s)
1.8	1	Fails to Meet Expectations	Documentation of skin assessment and interventions, Weight loss
1.7	2	Performance Partially Meets Expectations	
1.5	3	Meets Expectations (*Rating of 3 should match FY15 Target)	
1.25	4	Expectations were Met and Often Exceeded	
1.1	5	Exceeds Expectations	
			Support Needed? Which Divisions?

Pillar (Strategic Goal): Service Enhancement (Experience)

True North: Be the best place to stay well, heal, and receive care

Weight	System Measure	Driver	Metric	Data Source	FY14YTD Baseline	FY15 Target	FY16 Target	FY17 Target
25%	Overall Rating- My Innerview	Recommend to others & Choices/Preferences	SYSTEM: Overall Score on Inpatient Rehabilitation Pt Surveying (Debi Stebbins)	My Innerview- first survey to be conducted Fall 2014	Not Available	70.0%	72.0%	75.0%

ADD NAMES (WHO THIS GOAL WILL BE DIRECTLY CASCADED TO):

Achievement Levels (For metric chosen, please complete Target column with numerical results associated with each rating score)

Target	Rating	Rating Description	Watch Metric(s)
65%	1	Fails to Meet Expectations	
67%	2	Performance Partially Meets Expectations	
70%	3	Meets Expectations (*Rating of 3 should match FY15 Target)	
72%	4	Expectations were Met and Often Exceeded	
75%	5	Exceeds Expectations	
			Support Needed? Which Divisions?

Pillar (Strategic Goal): Community Engagement & Enhancement (Network)

True North: Provide highest-rated Community Health Program

Weight	System Measure	Driver	Metric	Data Source	FY14YTD Baseline	FY15 Target	FY16 Target	FY17 Target
10%	CMS pulls from MDS documentation & survey outcomes	Quality Outcomes Reported to CMS	CMS Star Rating (Debi Stebbins)	CMS Nursing Home Compare	3	4	4	5

ADD NAMES (WHO THIS GOAL WILL BE DIRECTLY CASCADED TO):

Achievement Levels (For metric chosen, please complete Target column with numerical results associated with each rating score)

Target	Rating	Rating Description	Watch Metric(s)
2	1	Fails to Meet Expectations	
3	2	Performance Partially Meets Expectations	
4	3	Meets Expectations (*Rating of 3 should match FY15 Target)	
5	4	Expectations were Met and Often Exceeded	
5	5	Exceeds Expectations	

Support Needed? Which Divisions?
Ambulatory & Physician leadership, Patient Business Services

Pillar (Strategic Goal): Workforce Development (Workforce)

True North: The best place to learn and work

Weight	System Measure	Driver	Metric	Data Source	FY14YTD Baseline	FY15 Target	FY16 Target	FY17 Target
10%	Employee engagement	Level of commitment	Overall engagement Score (Debi Stebbins)	Press Ganey - to be administered Fall 2014	TBD	4.0	4.2	4.4

ADD NAMES (WHO THIS GOAL WILL BE DIRECTLY CASCADED TO):

Achievement Levels (For metric chosen, please complete Target column with numerical results associated with each rating score)

Target	Rating	Rating Description	Watch Metric(s)
3	1	Fails to Meet Expectations	
3.5	2	Performance Partially Meets Expectations	
4	3	Meets Expectations (*Rating of 3 should match FY15 Target)	
4.2	4	Expectations were Met and Often Exceeded	
4.4	5	Exceeds Expectations	

Support Needed? Which Divisions?