

PUBLIC NOTICE

CITY OF ALAMEDA HEALTH CARE DISTRICT BOARD OF DIRECTORS

MEETING AGENDA

Monday, August 1, 2016

OPEN SESSION: 5:30 P.M.

Location:

Alameda Hospital (Dal Cielo Conference Room) 2070 Clinton Avenue, Alameda, CA 94501	Via Teleconference 1507 Argyle Road, Berwyn PA 19312
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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 (5:30 p.m. – Alameda Hospital, Dal Cielo Conference Room)

Kathryn Sáenz Duke

II. Roll Call

III. General Public Comments

IV. Regular Agenda

A. Community Health, Safety and Wellness Focus Presentation

INFORMATIONAL

- Alameda Food Bank - Cindy Houts, Executive Director

B. Alameda Health System and Alameda Hospital Updates

- ✓ 1) Follow-up from District Board Meeting on June 28, 2016

Bonnie Panlasigui, CAO

ENCLOSURE (PAGES 3-5)

- ✓ 2) FYE June 30, 2016 Parcel Tax Expenditure Report

Bonnie Panlasigui, CAO

ENCLOSURE (PAGE 6)

- ✓ 3) Anthem Follow-up

David Cox, CFO

ENCLOSURE (PAGES 7-8)

C. District Updates & Operational Updates

INFORMATIONAL

- ✓ 1) Review of Approved Resolution: 2016-3

Kathryn Sáenz Duke

ENCLOSURE (PAGES 9-10)

- 2) District Liaison Reports

INFORMATIONAL

- a. Alameda Health System Liaison Report

Tracy Jensen

- ✓ Included in the PDF posted July 22, 2016
- ✓ Included in the PDF posted July 25, 2016
- ✓ Included in the PDF posted July 29, 2016

CLICK ON THE **ENCLOSURE** LINK TO GO DIRECTLY TO THE AGENDA ITEM MATERIALS IN PDF OR ADDENDUM

- ✓ b. Community Health Liaison Report **ENCLOSURE (PAGES 11)** Jim Meyers, DrPH
- c. Alameda Hospital Liaison Report Robert Deutsch, MD
- ✓ d. President’s Report **ENCLOSURE (PAGES 12-13)** Kathryn Sáenz Duke
- e. Other District Outreach Reports and Member Updates All

E. Consent Agenda Action Items

- ✓ 1) Acceptance of June 6, 2016 Meeting Minutes **ENCLOSURE (PAGES 14-19)**
- ✓ 2) Acceptance of June 28, 2016 Special Meeting Minutes **ENCLOSURE (PAGES 20-23)**
- ✓ 3) Acceptance of Financial Statements: May/June 2016 **ENCLOSURE (PAGES 24-30)**

F. Action Items Action Items

- ✓ 1) Recommendation for Parcel Tax Consultant Services with SCI Consulting Group
ENCLOSURE (PAGES 31-39)

G. October 3, 2016 Agenda Preview Kristen Thorson

INFORMATIONAL - SUBJECT TO CHANGE

- 1) Alameda Health System and Alameda Hospital Updates
 - FY Q4 (April-May-June) AHS Financial and Quality Reporting
 - Hospital CAO Report
- 2) Review and Approval of FYE Audit
- 3) Community Health, Safety and Wellness Focus Presentation
- 4) Review and Approval of Regular Meeting Calendar for CY 2017

V. General Public Comments

VI. Board Comment

VII. Adjournment

<p>Next Meeting October 3, 2016</p>	<p>5:30 PM Open Session Dal Cielo Conference Room Alameda Hospital</p>
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2070 Clinton Avenue
Alameda, CA 94501

TO: City of Alameda Health Care District Board

FROM: Bonnie Panlasigui, FACHE
Chief Administrative Officer

DATE: July 15, 2016

SUBJECT: Follow-up from District Board Meeting on 6/28/16

To keep you informed of the facts, as a follow-up from the special Alameda Health Care District Board meeting on June 28, 2016, there were several statements made that I would like to offer some clarification to and to help decrease unnecessary and damaging rumors that could result from the discussions. Although the public comments were overwhelmingly positive to support the future of Alameda Hospital, your support in spreading the accurate information will be helpful.

Statement: Staffing: “In the last year, 75 nurses have left Alameda Hospital voluntarily.”

Fact: In the last year, of our 200 nurses total, only 27 nurses have left Alameda Hospital voluntarily. The average percent per quarter of nursing turnover is 5%, which is far below the state and national average of nursing turnover at a hospital of 17%. We have hired a total of 33 nurses in the past year and have just interviewed a total of 40 nurses for 11 new grad nursing positions. There is a robust new grad training program being put into place with our tenured nurses helping as preceptors with a stipend.

Statement: Surgery Volume: “Surgeries are being canceled on a daily basis because we are out of network.”

Fact: From Jan-May 2015, there were a total of 26 Blue Cross PPO, 11 Blue Shield PPO and 5 Aetna PPO outpatient surgeries performed. From Jan-May 2016, there were a total of 11 Blue Cross PPO and 3 BS PPO outpatient surgeries, which resulted in only a difference of 28 total outpatient surgeries of patients with the insurance plans we are negotiating. Of the 42 surgeries performed Jan-May 2015, we collected \$11,600.28 from the insurance companies compared to a total of \$52,751.94 collected from the insurance companies for the 14 surgeries performed Jan-May 2016. *The majority of our surgeries are still from the Medicare population and those surgeries are continuing to be scheduled and performed.* Below is a chart that summarizes the total outpatient and inpatient surgical procedures by service line comparing year over year volume.

Service Line	Outpatient Surgeries			Inpatient Surgeries		
	Jan-May 2015	Jan-May 2016	Variance	Jan-May 2015	Jan-May 2016	Variance
GI	51	25	(26)	99	83	(16)
General Surgery	62	31	(31)	66	64	(2)
GYN	111	69	(42)	12	7	(5)
Ortho	64	49	(15)	59	59	0
Ophthalmology	373	332	(41)	N/A	N/A	
HGH Pain Management	145	133	(12)	N/A	N/A	
Total Surgeries	806	639	(167)	236	213	(23)
	<i>26% under PY in OP surgeries</i>			<i>10% under PY in IP surgeries</i>		

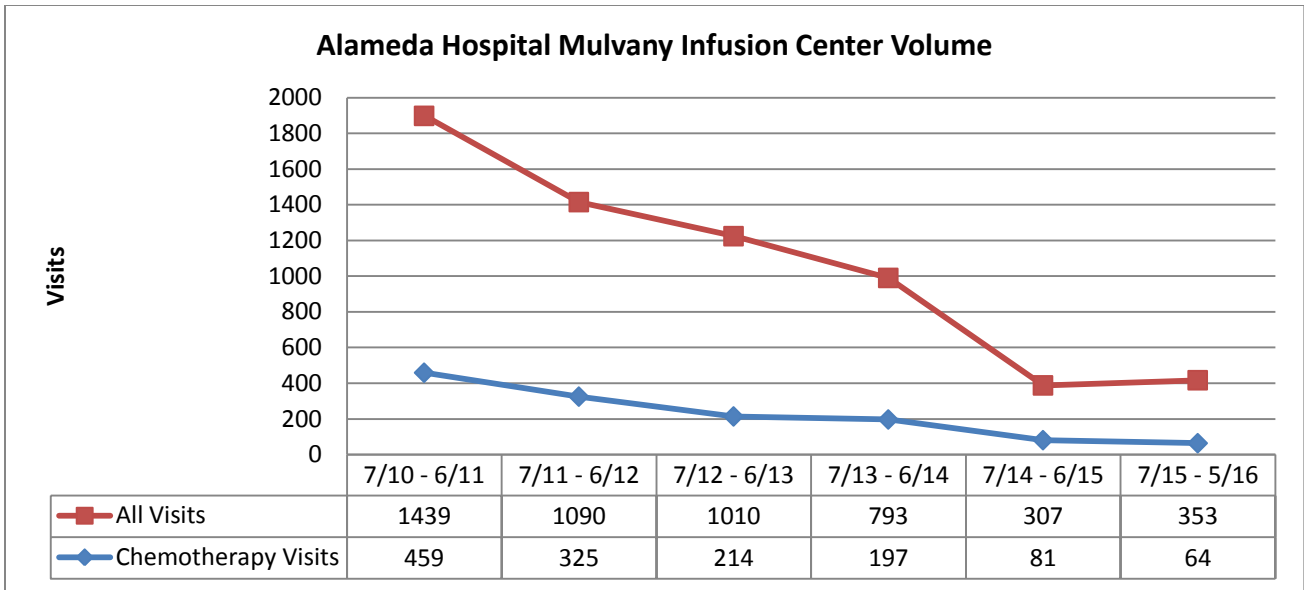
Statement: Cancer Services: “The Infusion Center is closed.”

Fact: The infusion center is located in the 2 South wing of Alameda Hospital and is still open and operational with two rooms and four infusion chairs. The nurses who staff the infusion center work in other areas of our hospital and float to the infusion center during the hours when patients are scheduled, which is typically for a 4 hour period three or four times a week. The types of infusion performed include some chemo, injections for MS patients, checking of PICC lines and blood transfusions.

From Jan-May 2016, there have been 167 total infusion center visits compared to 118 visits Jan-May 2015. In total, the volume is similar to the prior year. According to the graph below, the volume declined starting January 2013 due to Affinity HMO directing their patients to the Oakland non-hospital clinic setting. In the past year, the Oakland infusion center clinic has closed and those patients are being directed to the Sutter Comprehensive Cancer Center in Berkeley. Several patients from Alameda have stated they would return to Alameda for their chemotherapy treatment to stay close to home and to be in a more personable setting. We also have support from our referring physicians.

The key subject matter experts have met and discussed the next steps moving forward which includes building out a pharmacy compounding room to mix the chemotherapy drugs as our current pharmacy does not have the space or capability to be approved by the State of California Board of Pharmacy.

- The design team will be assessing the size of the room needed to meet regulatory standards based on predicted volume of approximately 25 visits a day. The architect design team will then provide a quote.
- The potential location for the pharmacy compounding room would be the old c-section OR suite in the 2S wing.
- Staffing will be developed with the business plan that will include a manager, pharmacist, biller, nurse practitioner and nurses to staff up to four hours a day seven days a week.
- The 340b drug pricing is being finalized with the pharmacy team at the system level and will be in place for all outpatient visits.
- Upon approval of staffing and the designated space with estimated cost to build out and return on investment, the 2S wing will be refreshed aesthetically and valet parking will be in place for all patients.



Statement: Community Primary Care: “The primary care clinic is closed.”

Primary care: The remaining visits in the primary care clinic were very few, approximately 10 patients a week with clinic held one day a week. We realize the need to expand the primary care clinic and are taking steps to recruit additional primary care physician providers through Alameda Health Partners to serve the Medi-cal population for patients that may not have access to other physicians in Alameda. The remaining patients will continue to be seen by a temporary physician we will provide at the 815 Atlantic Ave location until permanent plans are made. The lease at the old Bay Area Bone and Joint Center is still in place and could be the potential location of the primary care clinic.

	Department	Project/Item Description	Quantity	FY 2016 Estimated	Actual Spent	Estimated vs Actual	
1	MedSurg/Tele	Communication Boards	70	\$ 30,000	\$ 10,622.28	\$ 19,378	
2	M.S./Tele/ICU	Inpatient Bed Replacement	5	\$ 437,585	\$ 556,515.49	\$ (118,930)	
3	M.S./Tele	Mattresses	100	\$ 61,180	\$ 68,886.40	\$ (7,706)	
4	Clinics	Consolidate BABJ/Gen Surg Offices to WCC	N/A	\$ 407,806	\$ 265,526.00	\$ 142,280	
5	ER/Surg/Rad	Stretchers/Gurneys	10	\$ 54,000	\$ 72,795.31	\$ (18,795)	
6	ER	Stretcher/Guerneys w/ built in scale	2	\$ 14,000	\$ 99,142.03	\$ (85,142)	
7	M.S./Tele/ICU	ALARIS IV PUMPS	32	113,000	\$ 708,025.00	\$ (595,025)	
8	Rehab	Recumbant Bike/Stationary Bicycles	2	\$ 13,000	\$ 7,801.28	\$ 5,199	
9	Rehab	Estim machine (electric stimulation for pain)	1	\$ 8,000	\$ 8,515.54	\$ (516)	
10	All LTC	Long Term Care Bed Replacement	100	\$ 112,400	\$ 114,707.07	\$ (2,307)	
11	W.E.	Bladder Scanner	1	\$ 9,500	\$ 11,167.91	\$ (1,668)	
12	Perioperative	Ortho Arthroscopy equipment (for Dr Distefano)	1	\$ 200,000	\$ 100,536.71	\$ 99,463	
13	Perioperative	Eye YAG Lazer	1	\$ 55,000	\$ 53,900.00	\$ 1,100	
14	Perioperative	Dr. White yellowfin stirrups and martin arm	1	\$ 15,000	\$ 15,066.00	\$ (66)	
15	Perioperative	Ortho Hana Table	1	\$ 102,048	\$ 83,313.79	\$ 18,734	
16	Perioperative	Ortho Large/Small Drill	1	\$ 100,000	\$ 330,711.57	\$ (230,712)	
17	Perioperative	GYN Myosure and Fluid Management	1	\$ 36,823	\$ 25,085.00	\$ 11,738	
18	Perioperative	Stretchers (eye x3, regular x3)	6	\$ 30,000	\$ 35,004.96	\$ (5,005)	
19	Perioperative	Replacement of Harmonic Scalpel Generator	1	\$ 7,660	\$ 7,660.00	\$ -	
20	All Areas	Adult Crash Carts	10	\$ 15,433	\$ 15,433.44	\$ (0)	
21	Lab	Cryostat	1	\$ 28,201	\$ 28,242.79	\$ (42)	
22	Facilities	Boiler Retrofit	N/A	\$ 200,000	\$ 91,866.00	\$ 108,134	
23	Facilities	Chiller/Heat Pumps Compressors	N/A	\$ 90,000	\$ 71,175.00	\$ 18,825	
24	Facilities	Replace Steam Boiler Isolation Valve	N/A	\$ 30,000	\$ 25,017.00	\$ 4,983	
25	Facilities	Patient Floor Replacement and Painting	N/A	\$ 880,000	\$ 1,083,141.00	\$ (203,141)	
26	Facilities	Kitchen Retrofit (architect fees)	N/A	\$ 160,000	\$ 136,387.00	\$ 23,613	
27	Facilities	SB90 Kitchen Relocation (OSHPD Fees)	N/A	\$ 259,456	\$ 48,843.98	\$ 210,612	
28	Facilities	Lobby Furniture	N/A		\$ 61,844.23	\$ (61,844)	
29	Perioperative	Urology OR Equipment	N/A		\$ 204,475.68	\$ (204,476)	
30	Perioperative	Glidescope for Intubation	1		\$ 21,939.78	\$ (21,940)	
31	Facilities	Ice Machine Replacements	6		\$ 23,892.95	\$ (23,893)	
32	Facilities	Water Heater	1		\$ 8,871.89	\$ (8,872)	
33	Facilities	Alameda Hospital FACP Replacement	N/A		\$ 99,555.00	\$ (99,555)	
34	Facilities	South Shore Fire Alarm Replacement	N/A		\$ 21,658.00	\$ (21,658)	
35	Facilities	Replace Sewer Line at Waters Edge	N/A		\$ 63,207.75	\$ (63,208)	
36	Facilities	AHD Materials Management Optimization	N/A		\$ 126,886.50	\$ (126,887)	Remaining to spend:
Total acutal spend + emergency funds = \$4,645,576.10 vs \$5,000,000 parcel tax bud				\$ 3,470,092.20	\$ 4,707,420.33	\$ (1,237,328)	\$ 292,579.67



MEMORANDUM

1411 East 31 st Street
Oakland, CA 94602

TO: Alameda Health District Board

FROM: David Cox, Chief Financial Officer

DATE: July 19, 2016

SUBJECT: Anthem Follow-up

Our efforts to accelerate negotiations with Anthem are continuing, including correspondence between AHS CEO Delvecchio Finley and Anthem Regional President Mark Reynolds. They continue to ask for our patience as they deal with issues of understaffing. We have independent confirmation of their challenge from other providers in our area that are also in negotiations, including Affinity, Stanford, El Camino, and SFGH. We have done our best to underscore the importance of this matter for AHS and for the Anthem members living/working on the island. We also informed them that the community would like to hear from them directly.

We have retrained staff on our own Discount Policy and we have procedures in place to assist patients who want to use Alameda Hospital. Other providers report that they have successfully implemented their own PPO Discount Policies with very good results; patients are continuing to be seen and these providers are doing much better financially.

We continue to monitor patient activity within Alameda Hospital and it is quite strong, particularly given that it is the summer months, a time when there is usually a seasonal dip in activity. We remain contracted with Affinity, although they are now in their own contract negotiations with Anthem and it is reported that those patients are being reassigned to other medical groups.

Because of the concern these lengthy negotiations have raised in the community, we reached out to the offices of Assemblyman Rob Bonta and Alameda County Supervisor Wilma Chan for assistance in encouraging Anthem to expedite negotiations.

An op-ed was placed in the Alameda Sun and appeared in print on June 29, and online over the following weekend. On July 5, a new AHS health plan [app](#) was added to all hospital websites, and included the sample advocacy and patient letters as helpful, downloadable tools on the Alameda Hospital health plan page.

To broaden the understanding of the negotiations and impact on access to Alameda Hospital, Bonnie Panlasigui is meeting with community organizations. She is currently scheduled to present an update to the Alameda Hospital Foundation on Thursday, August 4, 5:30 p.m. at their next regular Board meeting. Other organizations who have expressed interest in scheduling a presentation include Alameda Association of Realtors, Alameda Chamber of Commerce, Harbor Bay Intercultural Committee, and the League of Women Voters.

CITY OF ALAMEDA HEALTH CARE DISTRICT

RESOLUTION NO. 2016-3

BOARD OF DIRECTORS, CITY OF ALAMEDA HEALTH CARE DISTRICT

STATE OF CALIFORNIA

* * *

Whereas, many citizens of Alameda are long-term supporters of the hospital by virtue of their utilization of hospital services, volunteering their time and making charitable donations,

Whereas, all residents of Alameda support the operation of Alameda Hospital through an annual parcel tax and a countywide sales tax,

Whereas, many residents of Alameda, who have depended upon the hospital and its services are now unable to access healthcare in their community due to insurance contracting issues,

Whereas, many citizens of Alameda are now expressing anger and frustration that they cannot use, or believe they cannot use, Alameda Hospital services, because of insurance contracting issues,

Whereas, almost all Alameda physicians are now expressing anger and frustration that they must refer many patients off-island for necessary medical services because of insurance contracting issues,

Whereas, the future of Alameda Hospital is in jeopardy if an increasing number of Alameda residents cannot access medical services here because of insurance contracting issues,

Whereas, the City of Alameda Health Care District Board deplors this current state of affairs, wherein, some Alameda residents cannot use Alameda Hospital services because Alameda Health System has allowed insurance contracts to terminate with major insurance plans,

Whereas, the mission statement of the City of Alameda Healthcare District includes oversight of the operation of Alameda Hospital,

Whereas, the mission statement of Alameda Health System is “Caring, Healing, Teaching, Serving *All*,”

NOW, THEREFORE, BE IT RESOLVED :

The City of Alameda Health Care District requests the Chief Executive Officer of Alameda Health System to direct his administration to promptly re-establish insurance contracts with all commercial insurers that provide coverage to Alameda residents.

AYES: 4

NOES: 0

ABSTENTION: 1

ABSENT: 0

Kathryn Sáenz Duke
President

ATTEST:

Michael Williams
Secretary

CITY OF ALAMEDA HEALTH CARE DISTRICT

DATE: July 15, 2016
TO: City of Alameda Health Care District, Board of Directors
FROM: Jim Meyers, DrPH
SUBJECT: Community Liaison Update

1. Start of community stakeholder groups on hold until ED and Clerk are on board to assist. Multiple contacts were made during the past weeks with community members to continue to build a list of potential members of the community stake holder group(s).
2. I attended the Social Services Human Relations Board special meeting to discuss their 2016 Community Needs Assessment Survey.
3. There is a meeting planned for September with Jim Franz to discuss mutual missions and opportunities for shared use of the Community Needs Assessment.
4. Board meeting community presentations: the board president is working closely with community groups to bring short presentation opportunities to our board meetings. The purpose is to build higher awareness of health and well-being issues faced in Alameda and to better understand how the community responds to those issues.

CITY OF ALAMEDA HEALTH CARE DISTRICT

MEETING DATE: August 1, 2016

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

FROM: Kathryn Sáenz Duke, President

SUBJECT: LWVA forum, Staff support update, Executive Director Search

1. LWVA Forum. Email from the person chairing the LWVA and its health care committee a community forum on:
 - “state of the hospital” & of Alameda Health System
 - continuing insurance concerns,
 - medical needs of the community in a catastrophic situation,
 - annual update of “State of Health” as required by law.
2. Staff support for District. Unlike other elected officials in our District, our District Board has had no direct staff support for the past two years. Instead, we have received part-time support from a talented, hardworking AHS staff person who has served simultaneously as Executive Assistant to Alameda Hospital’s Chief Administrative Officer and as Clerk to our District. Throughout the past two years of post-affiliation activities and adjustments, our board has been considering how best to become an effective “community-based” health care district that owns but no longer operates its hospital.

As part of this ongoing process of creating our District’s future, Mr. Finley, Ms. Jensen, and I recently chatted about the possibility of AHS providing professional staff support to our District by direct funding from AHS, which we would use to select, hire and supervise staff who report directly to us. This could replace (a) our current situation of limited in-kind support from AHS, or (b) our approved-but-not-yet-implemented plan to pay for our staff support with District funds.*

As it happens, our conversation took place just as Mr. Finley was finalizing an AHS Strategic Plan for FY 2017-21, which outlines restructuring of staffing and operations throughout AHS. As we considered this plan’s implications for our District’s staffing situation, it emerged that the first option (direct funding from AHS) might be a possibility for later, but for the immediate future our District could explore a third option for improving our staffing situation. This option would build on the new possibilities and changes expected to flow from the Plan; it could bring us more intentional, active working relationships with several different AHS staff. These staff might help our District by (a) continuing to provide “clerk” assistance; (b) assisting us in more proactive communications by helping us create print and electronic media communications, and by developing and maintaining a District website; (c) supporting in-person convening, outreach, assessment and follow up with diverse

* JPA language states that Alameda Health System will "make available [to our District] on a regular and mutually agreeable basis meeting rooms and support personnel (including, without limitation, an individual to serve as "Clerk of the District") required for the conduct of District business." Sec. 4.1 (g).

CITY OF ALAMEDA HEALTH CARE DISTRICT

groups and populations in our community; and (d) otherwise supporting our board in executing our mission to:

- Oversee the maintenance and operation of a District-owned hospital and other District-owned health care facilities;
 - Collect, disburse, review and educate the community on the use of parcel taxes collected under the authority of the District;
 - To be a leader for the health and well-being of the residents of and visitors to the District;
 - And, to do any and all other acts and things necessary to carry out the provisions of the Bylaws and the Local Health Care District Law
3. ED Search. In a related vein, I am reporting that summer scheduling challenges have prevented our Executive Director search committee from meeting since our last board meeting. When we do meet we will discuss the specifics of organizing a community survey (by email) and a “Town Hall” meeting (in person), with assistance from HFS, Ms. Thorson, and I hope other AHS staff.

CITY OF ALAMEDA HEALTH CARE
DISTRICT

Minutes of the City of Alameda Health Care District Board of Directors
Open Session
Monday, June 6, 2016 Regular Meeting

Board Members Present		Legal Counsel Present	Excused / Absent
Robert Deutsch, MD Tracy Jensen Jim Meyers, DrPH	Kathryn Sáenz Duke Michael Williams	Thomas Driscoll, Esq.	
Submitted by: Kristen Thorson, District Clerk			

Topic	Discussion	Action / Follow-Up
I. Call to Order	The meeting was called to order at 5:38 p.m.	
II. Roll Call	Kristen Thorson called roll, noting a quorum of Directors was present.	
III. General Public Comments	None.	
IV. Regular Agenda		
A. Alameda Health System and Alameda Hospital Updates		
	<p>1) FY Q3 Financial AHS Reporting (Jan-Feb-March & YTD)</p> <p>David Cox, Alameda Health System CFO, provided a financial presentation in addition to the update on the commercial insurance contract status that was provided in the board materials. Copies of the presentation are available from the Clerk and will be posted on the website.</p> <p>Director Deutsch expressed his concern over the continued delay in getting contracts with all commercial insurances and said that the impact is major for patients and residents of Alameda. He proposed adopting a resolution that urged AHS to settle contracts will all commercial insurers. He read the proposed resolution to the Board.</p> <p>Director Williams stated that he was not comfortable voting on the resolution as the resolution had not been made available to the public in advance of the meeting.</p> <p>Discussion on motion: Director Meyers noted that this subject was a big topic of conversation</p>	<p>Director Deutsch made a motion to adopt the resolution urging AHS to settle contracts with all commercial insurers and Director Meyers seconded. Discussion followed as noted to the left.</p> <p>Director Deutsch called the question.</p> <p>The motion did not pass with a vote of 1-4.</p>

Topic	Discussion	Action / Follow-Up
	<p>at the recent City of Alameda / District Liaison Committee and agreed with Director Williams on taking action without notice to the public. Director Jensen appreciated the resolution presented but wanted to hear more from AHS and the community and suggested a special meeting to discuss. Director Saenz Duke stated that she was not prepared to support the resolution at this time and commented that there were other ways to address the issue. Director Deutsch expressed his disappointment with the sense of the Board. Director Deutsch stated he would endorse a special meeting to discuss in more depth with community and AHS leadership including the CEO and CFO. Mr. Cox noted that public sentiment expressed directly to the payors would make an impact.</p> <p>2) FY Q3 Quality AHS Reporting (Jan-Feb-March & YTD)</p> <p>A revised quality score card was distributed to the Board. Eileen Pummer, Director of Quality reviewed the quality scorecard. Director Meyers noted 30-day readmission and the positive impact of the Community Paramedicine (CP) program in the City of Alameda. He requested additional information and updates at a future meeting. Ms. Panlasigui mentioned the CP program had received the Hospital Council Innovation Challenge Award and will be presenting at the annual Summit in Napa Valley in September.</p> <p>3) Alameda Hospital CAO Report</p> <p>Ms. Panlasigui reviewed her written report as distributed at the meeting and noted the following; a new COO has been selected for AHS, a new nurse grad program is being implemented at Alameda Hospital, union negotiations with California Nurses Association are progressing with hopes to get to wages increases soon, plans to share the AHS strategic plan and details of the strategic business units (SBU's) will be shared with the District Board at a future meeting.</p>	
B.	<p>Community Health, Safety and Wellness Focus Presentation</p> <p>Director Sáenz Duke noted that this would be a standing agenda items with presentations from local entities and organizations. There was no presentation at the meeting.</p>	No action taken.
C.	<p>District Updates & Operational Updates</p>	
	<p>1) Executive Director (ED) Search Update</p> <p>Director Sáenz Duke, Director Williams reviewed progress on the ED search. They introduced Don Whiteside from HFS consultants who gave an overview and findings of the interviews with the Board, community and leadership from the hospital. He noted three leadership models that could be explored for the Executive Director; 1) Full Time Employed, 2) contracted individual to start-up/re-build District, and 3) hire ED through management company. Next steps included conducting a Town Hall meeting gto get input form the</p>	No action taken.

Topic	Discussion	Action / Follow-Up
	<p>community on hiring an ED for the District, email survey to community stakeholders to get input and articles or guest editorials about the District and vision as a community based health care district. He said it was clear from his discussions there was a difference in the perceived and actual responsibilities of the District and Board. Mr. Whiteside stated that the District needed to clarify scope and trajectory in order to identify the appropriate leadership model that will be most effective for the District.</p> <p>There was discussion from the Board on the possible roles and responsibility of the ED and timing of a public forum either in the next few months or after the November election.</p> <p>Mr. Whiteside will put is his comments into a written statement and send a written report to the Board of Directors.</p>	
<p>A short break was taken from 7:50 pm and the meeting was reconvened at 8:00 pm.</p>		
<p>D. District Liaison Reports</p>		
	<p>1) Alameda Health System Liaison Report Director Jensen reviewed her written report as included in the materials.</p> <p>2) Community Health Liaison Report Director Meyers provided a verbal report noting that the City of Alameda / District Liaison Committee met and discussions at the meeting included relations with the VA, siesimic requirements for 2030 and how the VA may be a potential partner. He also mentioned attending a meeting recently on transportation demand management on the island.</p> <p>3) Alameda Hospital Liaison Report Director Deutsch did not have anything further to report.</p> <p>4) President's Report Director Saenz Duke informed the Board that she had recently met with Dave Brown from Supervisor Wilma Chan's office as well as Susan Davis from Alameda Unified School District.</p> <p>5) Other District Outreach Reports and Member Updates <ul style="list-style-type: none"> • ACHD Annual Meeting Recap Directors Meyers, Williams and Jensen provided a brief update on their attendance at the Association of California Health Care District's Annual Meeting. All felt that attending the meeting was worthwhile. Director Meyers noted that health care districts are increasingly under scrutiny in particular Eden Healthcare District in San Leandro.</p>	<p>No action taken.</p>

Topic	Discussion	Action / Follow-Up
E. Consent Agenda	<ol style="list-style-type: none"> 1) Authorization to transfer April 2016 Parcel Tax Installment 2) Acceptance of February 8, 2016 Minutes 3) Acceptance of April 11, 2016 Minutes 4) Acceptance of March-April 2016 Financial Statements <p>Director Meyers noted a few grammatical edits to the minutes and would connect with the Clerk after the meeting with notes.</p> <p>Ms. Thorson reviewed the financial statements and answered questions from Director Jensen.</p>	<p>Director Jensen pulled item 4) from the consent agenda. Director Jensen made a motion to accept the remainder of the consent agenda and Director Williams seconded. The motion carried.</p> <p>Director Jensen made a motion to accept the March and April Financial Statements and Director Williams seconded. The motion carried.</p>
F. Action Items		
1) Adoption of Resolution to Levy Parcel Tax		<p>Director Jensen made a motion to adopt Resolution 2016-1 to levy the parcel tax for Fiscal Year 2016-2017 and Director Meyers seconded. The motion carried with one abstention (Deutsch)</p>
2) Approval of Alameda County Mutual Certification and Indemnification Agreement		<p>Director Jensen made a motion to approve the Alameda County Mutual Certification and Indemnification Agreement and Director Williams seconded. The motion carried.</p>
3) Review and Approval of Fiscal Year 2016-2017 Operating Budget	<p>Ms. Thorson noted that on page 18 of the packet for the operating budget, the Total Expenses line item and Variance from 6/30/16 Budget should be \$667,668.</p>	<p>Director Deutsch made a motion to approve the Fiscal Year 2016-2017 District Operating Budget as presented and Director Meyers seconded. The motion carried.</p>
4) Review and Approval of Fiscal Year 2016-2017 Parcel Tax Budget	<p>Ms. Panlasigui reviewed the parcel tax budget presented in the board packet. Director Deutsch requested that \$500,000 be allocated toward a Program Development line item.</p>	<p>No action taken.</p>

Topic	Discussion	Action / Follow-Up
	<p>Ms. Panlasigui noted that she did not foresee an issue with this change but would need to bring back to AHS to review. Seismic Retrofit could be reduced to allocate the \$500,000 to Program Development. The Board inquired as to where the Long Term Capital Reserve funds are being held. Action was deferred to a special meeting.</p>	
	<p>5) Approval to Engage TCA Partners for FYE June 30, 2016 Annual Audit</p>	<p>Director Deutsch made a motion to approve engagement of TCA Partners for the FYE June 30, 2016 Annual audit and Director Jensen seconded. The motion carried.</p>
	<p>6) Discussion and Decision of Lease at 888 Willow Street</p>	<p>Director Meyers made a motion to continue the lease agreement as is at 888 Willow, Unit B and Director Williams seconded. The motion carried.</p>
	<p>7) Adoption of Resolution for November 8, 2016 General Election</p> <p>Ms. Thorson noted one change on the Notice of General Election form, under incumbent name, "Appointed Yes/No" for Director Duke should read "NO". Correction will be made prior to sending to the Registrar of Voters.</p>	<p>Director Deutsch made a motion to adopt Resolution 2016-2 and Director Meyers seconded. The motion carried with one abstention (Williams).</p>
	<p>8) Authorization to Bind District Insurance Policies for Fiscal Year 2016-2017</p>	<p>Director Meyers made a motion to authorize the President to bind District insurance policies for FY 2016-2017 and Director Deutsch seconded. The motion carried.</p>
<p>G. August 1, 2016 Agenda Preview</p>		
	<ol style="list-style-type: none"> 1) FY Q4 (April-May-June) AHS Reporting 2) Alameda Hospital CAO Report 3) Acceptance of June 6, 2016 Minutes 4) FYE June 30, 2016 Parcel Tax Expenditure Report 5) Community Health, Safety and Wellness Focus Presentation 	<p>No action taken.</p>
<p>V. General Public Comments</p> <p>None</p>		<p>No action taken.</p>

Topic	Discussion	Action / Follow-Up
VI. Board Comments None		No action taken.
VII. Adjournment	Being no further business the meeting was adjourned at 9:14 p.m.	

Attest:

Michael Williams
Secretary

DRAFT

CITY OF ALAMEDA HEALTH CARE
DISTRICT

Minutes of the City of Alameda Health Care District Board of Directors
Open Session
Monday, June 28, 2016 Special Meeting

Board Members Present		Legal Counsel Present	Excused / Absent
Robert Deutsch, MD Tracy Jensen Jim Meyers, DrPH	Kathryn Sáenz Duke Michael Williams	Thomas Driscoll, Esq.	
Submitted by: Kristen Thorson, District Clerk			

Topic	Discussion	Action / Follow-Up
I. Call to Order	The meeting was called to order at 5:35 p.m.	
II. Roll Call	Kristen Thorson called roll, noting a quorum of Directors was present.	
III. Regular Agenda		
A. Discussion in regards to Alameda Health System / Alameda Hospital Payor Contracting Status and Strategy		
1) Introduction	Director Sáenz Duke made framing comments on the intent of the discussion at the meeting and process for public comment.	No action taken.
2) Board Comments	Director Deutsch indicated that he would have additional comments later in the meeting regarding the resolution. He noted that over 300 citizens and 38 physicians had signed a petition requesting Alameda Health System to accept the latest/best offers from all the major health insurance plans so that patients who have those plans may resume using services of Alameda Hospital.	No action taken.
3) AHS Updates on Payor Contracting Status and Strategy	<ul style="list-style-type: none"> Market Analytics Delvecchio Finley, CEO, David Cox, CFO and Bonnie Panlasigui provided an update on the payor contracting status and strategy including some market analytics as outlined in the	No action taken.

Topic	Discussion	Action / Follow-Up
	<p>presentation. Copies of the presentation will be available from the Clerk and posted on the website. Ms. Panlasigui also provided a brief overview of the prompt pay/self pay policy available to patients.</p> <p>Copies of a letter that the community could send to health insurance plans encouraging those companies to contract with AHS and a non-participating health plan letter that provide information on assistance that was available from the hospital staff so that patients could continue to use hospital services while contracts were being negotiated was made available to the public.</p>	
	<p>4) Public Comments</p> <p>The following people made public comments relating to Regular Agenda Item A. All expressed concern over the contracting issues at Alameda Hospital.</p> <ul style="list-style-type: none"> • Trish Spencer • Marilyn Ezzy Ashcraft • Jim Oddie • Mike Carlson • Pauletta Chanco Lowery • Steve Lowery, MD • Stephen Van Meter, MD • Karen Herzog, MD • Adrien Abuyen • Kari Thompson • Claudine Dutaret, MD • Karen Rothblatt • David Maxey • Karen Guthrie • Don Coughlin 	<p>No action taken.</p>
<p>B. Action Items</p>		
	<p>1) Review and Discussion of Proposed Resolution by Robert Deutsch</p> <p>Director Deutsch presented the resolution noting that it was advisory in nature to Alameda Health System. The resolution was read in its entirety.</p> <p>Discussion #1 after motion made:</p> <p>Director Meyers noted the community and Board have expressed their concern, that help was needed from the community to make noise with the insurance companies and that we needed to make sure that we pay our nurses equal to the system. He also noted that he supported the resolution without the one (1) month deadline.</p> <p>Director Williams noted that it was good to hear from the community, the resolution was</p>	<p>Director Deutsch made a motion to adopt the advisory resolution as presented. Director Meyers seconded the motion.</p> <p>Further discussion (#1) occurred including comments from all Directors and Delvecchio Finley, CEO as noted to the left.</p> <p>Motion did not pass with a 1-4 vote.</p>

Topic	Discussion	Action / Follow-Up
	<p>clearly advisory and that support the community was needed to in this process with health plans.</p> <p>Director Saenz Duke distributed suggested revisions to the resolution. Director Deutsch disagreed with the revisions.</p> <p>Mr. Finley noted that he and AHS leadership were listening intently and have heard the concerns of the Board and community. He reiterated comments from Mr. Cox that there is no offer on the table other than, in one case, a willingness to get to the System when they can. Taking the best lowest rate does have a ripple effect including impact on other payers and AHS is responding to many variables.</p> <p>Discussion #2</p> <p>Director Jensen confirmed the comments that there was no offer on the table to respond to.</p> <p>Mr. Cox noted that staff and leadership are working hard to better communicate prompt pay policy to patients.</p> <p>Public Comment was provided by the following individuals during discussion of this action item:</p> <ul style="list-style-type: none"> • Carol Gerdes, MD • Jane Sullwold • April Fredian, MD • Rosemary McNally • Karen Rothblatt <p>The Board requested and update in 2 weeks on contracting status and AHS leadership agreed to the regular updates going forward.</p>	<p>Further discussion (#2) occurred.</p> <p>Director Williams made a motion to adopt the resolution striking the last three words of the resolution and Director Meyers seconded the motion.</p> <p>Director Jensen suggested the following edits to the resolution.</p> <p>Insert after 6th “Whereas” Whereas, the City of Alameda Health Care District Board deplores this current state of affairs, wherein, some Alameda residents cannot use Alameda Hospital services because Alameda Health System has allowed insurance contracts to terminate with major insurance plans,</p> <p>Change “Resolved” to the following: The City of Alameda Health Care District requests the Chief Executive Officer of Alameda Health System to direct his administration to promptly re-establish insurance contracts with all commercial insurers that provide coverage to Alameda residents.</p> <p>Director Williams accepted the amendment to his motion and Director Meyers seconded the amended motion. Motion carried with one abstention.</p>
	<p>2) Review and Approval of the FY 2016-2017 Parcel Tax Budget</p> <p>Ms. Panlasigui presented the Parcel Tax budget for FY 2016-2017. Noting the requested change from the presented budget at the 6/3/16 meeting. \$500,000 was allocated to Program Development.</p>	<p>Director Williams made a motion to approve the budget as presented. Director Jensen seconded the motion.</p> <p>Discussion occurred with Director</p>

Topic	Discussion	Action / Follow-Up
		<p>Deutsch requesting \$800,000 in Program Development to support community (primary care) clinic and infusion center.</p> <p>The question was called and the motion carried 4-1.</p>
<p>C. District Updates & Operational Updates</p>		
	<p>Ms. Thorson reminded the Board of the upcoming 4th of July Parade and participation by Alameda Hospital/Alameda Health System and the District. She encouraged all to participate in the parade entry.</p>	<p>No action taken.</p>
<p>IV. General Public Comments There were no additional public comments</p>		
<p>V. Board Comments Director Williams thanked Director Deutsch and commented on an amazing meeting as an example of how the public process should work.</p>		
<p>VI. Adjournment Being no further business the meeting was adjourned at 8:43 p.m.</p>		

Attest:

Michael Williams
Secretary

CITY OF ALAMEDA HEALTH CARE DISTRICT

DATE: July 25, 2016
FOR: August 1, 2016 Board Meeting
TO: City of Alameda Health Care District, Board of Directors
FROM: Kristen Thorson, District Clerk
SUBJECT: May and June 2016 Financial Statements

Action

Acceptance of the May and June 2016 District Financials

Discussion Highlights

The financials show a comparison of Actual (prior fiscal year and YTD) to YTD Budget. A variance percentage is shown from actual compared to budget. The budget has been spread evenly over 12 months. I will focus primarily on June, 30, 2016 monthly financials in this memorandum.

Notes on the Balance Sheet:

Cash and Cash Equivalents as of 05/31/16 was \$3,085,620 and as of 6/30/16 was \$471,592. The parcel tax installment was received in April and transferred to AHS on June 9, 2016 keeping the Cash and Cash Equivalents over \$3M for the month May and bringing back to normal in June with the transfer.

Notes on the Statement of Revenues, Expenses and Changes in Net Position:

Operating expenses as of June 30, 2016, excluding depreciation, were \$266,174 vs. a budget of \$369,225. Line items that were over budget for the fiscal year were Professional Fees (2%), Rents (1%), Utilities (217%), Insurance (26%).

Professional Fees comprise of the following areas, Accounting, Consultant Fees, Legal Fees, Annual Independent Audit and Jaber Management Fees. Accounting Fees were above budget due to the Board approved increase in monthly consulting fees mid-year. Consultant Fees were significantly under budget at approximately \$10,000 compared to a budget of \$25,400. Legal fees were slightly above budget by \$4,000 for the year.

As explained in previous months, Utilities for the Jaber Properties were not accounted for in the FY15-16 budget thus contributing to the significant the variance. This has been accounted for in the FY 2016-2017 budget. Rent expense was over budget by 1% due to CPI increase that occurred in April 2016. Insurance was over budget by 26% due to unamortized insurance premiums which will be trued up before the annual audit.

Requests for additional information or clarification on the Financial Statement can be brought to the District Clerk and a response will be coordinated through the District's financial consultant.

Balance Sheets

CITY OF ALAMEDA HEALTHCARE DISTRICT

	As of <u>6/30/2015</u>	As of <u>5/31/2016</u>
Assets		
<u>Current assets:</u>		
Cash and cash equivalents	\$ 292,794	\$ 3,085,620
Grant and other receivables	291,854	(188,639)
Prepaid expenses and deposits	88,075	23,471
Total current assets	<u>672,723</u>	<u>2,920,452</u>
Assets limited as to use	255,304	321,933
Capital Assets, net of accumulated depreciation	<u>3,650,181</u>	<u>3,272,431</u>
	4,578,208	6,514,817
Other Assets	16,433	14,379
Total assets	<u><u>\$4,594,641</u></u>	<u><u>\$ 6,529,196</u></u>
 Liabilities and Net Position		
<u>Current liabilities:</u>		
Current maturities of debt borrowings	\$ 26,940	\$ 26,940
Accounts payable and accrued expenses	5,653	12,821
Total current liabilities	<u>32,592</u>	<u>39,761</u>
Debt borrowings net of current maturities	<u>1,031,855</u>	<u>1,007,142</u>
Total liabilities	<u>1,064,447</u>	<u>1,046,903</u>
 Net position:		
Invested in capital assets, net of related debt	3,650,181	3,272,431
Restricted, by contributors	255,304	321,933
Unrestricted (deficit)	<u>(375,291)</u>	<u>1,887,929</u>
Total net position (deficit)	<u>3,530,194</u>	<u>5,482,293</u>
 Total liabilities and net position	 <u><u>\$4,594,641</u></u>	 <u><u>\$ 6,529,196</u></u>

Statements of Revenues, Expenses and Changes in Net Position

CITY OF ALAMEDA HEALTHCARE DISTRICT

	Actual YTD 6/30/2015	Actual YTD 5/31/2016	Budget YTD 5/31/2016	Variance	
Revenues and other support					
District Tax Revenues	\$5,737,101	\$ 5,295,881	\$ 5,345,052	(49,171)	-1%
Rents	172,112	166,162	157,769	8,392	5%
Other revenues	1,990	3	-	3	
Total revenues	5,911,203	5,462,046	5,502,821	(40,775)	
Expenses					
Salaries, wage and benefits	-	-	87,083	87,083	100%
Professional fees	116,102	72,282	74,158	1,876	3%
Supplies	3,906	3,421	3,804	383	10%
Repairs and maintenance	11,113	11,604	27,500	15,896	58%
Rents	22,150	22,723	22,550	(173)	-1%
Utilities	7,148	7,772	2,292	(5,481)	-239%
Insurance	82,516	69,601	55,000	(14,601)	-27%
Depreciation and amortization	455,541	379,804	-	(379,804)	
Interest	71,360	46,311	44,985	(1,325)	-3%
Travel, meeting and conferences	2,057	1,500	9,167	7,667	84%
Other expenses	74,112	5,910	11,917	6,007	50%
Total expenses	846,006	620,928	338,456	(282,472)	
Operating gains	5,065,197	4,841,117	5,164,365		
Transfers	(3,585,725)	(2,889,018)	(5,136,035)		
Increase in net position	1,479,472	1,952,100	28,330		
Net position at <i>beginning of the year</i>	2,050,722	3,530,194	3,530,194		
Net position at the <i>end of the period</i>	<u>\$3,530,194</u>	<u>\$ 5,482,293</u>	<u>\$ 8,694,559</u>		

Statements of Cash Flows

CITY OF ALAMEDA HEALTHCARE DISTRICT

	Actual YTD 6/30/2015	Actual YTD 5/31/2016	Budget YTD 5/31/2016
Increase in net position	\$1,479,472	\$ 1,952,100	\$ 28,330
Add Non Cash items			
Depreciation	455,541	379,804	-
Changes in operating assets and liabilities			
Grant and other receivables	(571)	480,493	-
Prepaid expenses and deposits	(88,075)	64,603	-
Accounts payable and accrued expenses	(111,939)	7,168	-
Net Cash provided(used) by operating activities	1,734,428	2,884,168	28,330
Cash flows from investing activities			
Acquisition of Property Plant and Equipment	(14,481)	(0)	(2,292)
Changes in assets limited to use	68,517	(66,629)	-
Net Cash used in investing activities	54,037	(66,629)	(2,292)
Cash flows from financing activities			
Principal payments on debt borrowings	(1,525,806)	(24,713)	(26,038)
Net cash used by financing activities	(1,525,806)	(24,713)	(26,038)
Net change in cash and cash equivalents	262,658	2,792,826	(0)
Cash at the beginning of the year	30,136	292,794	292,794
Cash at the end of the period	<u>\$ 292,794</u>	<u>\$ 3,085,620</u>	<u>\$ 292,794</u>

Balance Sheets

CITY OF ALAMEDA HEALTHCARE DISTRICT

	As of 6/30/2015	As of 6/30/2016
Assets		
<u>Current assets:</u>		
Cash and cash equivalents	\$ 292,794	\$ 471,592
Grant and other receivables	291,854	292,778
Prepaid expenses and deposits	88,075	19,710
Total current assets	<u>672,723</u>	<u>784,079</u>
Assets limited as to use	255,304	328,241
Capital Assets, net of accumulated depreciation	<u>3,650,181</u>	<u>3,272,431</u>
	4,578,208	4,384,751
Other Assets	16,433	14,192
Total assets	<u>\$4,594,641</u>	<u>\$ 4,398,944</u>
 Liabilities and Net Position		
<u>Current liabilities:</u>		
Current maturities of debt borrowings	\$ 26,940	\$ 28,405
Accounts payable and accrued expenses	5,653	8,700
Total current liabilities	<u>32,592</u>	<u>37,105</u>
Debt borrowings net of current maturities	1,031,855	1,003,450
Total liabilities	<u>1,064,447</u>	<u>1,040,555</u>
 Net position:		
Invested in capital assets, net of related debt	3,650,181	3,272,431
Restricted, by contributors	255,304	328,241
Unrestricted (deficit)	<u>(375,291)</u>	<u>(242,283)</u>
Total net position (deficit)	<u>3,530,194</u>	<u>3,358,389</u>
Total liabilities and net position	<u>\$4,594,641</u>	<u>\$ 4,398,944</u>

Statements of Revenues, Expenses and Changes in Net Position

CITY OF ALAMEDA HEALTHCARE DISTRICT

	Actual YTD 6/30/2015	Actual YTD 6/30/2016	Budget YTD 6/30/2016	Variance	
Revenues and other support					
District Tax Revenues	\$5,737,101	\$ 5,777,298	\$ 5,830,966	(53,668)	-1%
Rents	172,112	181,283	172,112	9,171	5%
Other revenues	1,990	3	-	3	
Total revenues	5,911,203	5,958,583	6,003,078	(44,494)	
Expenses					
Salaries, wage and benefits	-	-	95,000	95,000	100%
Professional fees	116,102	82,236	80,900	(1,336)	-2%
Supplies	3,906	3,960	4,150	190	5%
Repairs and maintenance	11,113	12,972	30,000	17,028	57%
Rents	22,150	24,835	24,600	(235)	-1%
Utilities	7,148	7,914	2,500	(5,414)	-217%
Insurance	82,516	75,474	60,000	(15,474)	-26%
Depreciation and amortization	455,541	379,991	-	(379,991)	
Interest	71,360	50,541	49,075	(1,465)	-3%
Travel, meeting and conferences	2,057	1,527	10,000	8,473	85%
Other expenses	74,112	6,716	13,000	6,284	48%
Total expenses	846,006	646,165	369,225	(276,940)	
Operating gains	5,065,197	5,312,418	5,633,853		
Transfers	(3,585,725)	(5,484,222)	(5,602,947)		
Increase in net position	1,479,472	(171,804)	30,905		
Net position at <i>beginning of the year</i>	2,050,722	3,530,194	3,530,194		
Net position at the <i>end of the period</i>	<u>\$3,530,194</u>	<u>\$ 3,358,390</u>	<u>\$ 9,164,046</u>		

Statements of Cash Flows

CITY OF ALAMEDA HEALTHCARE DISTRICT

	Actual YTD 6/30/2015	Actual YTD 6/30/2016	Budget YTD 6/30/2016
Increase in net position	\$1,479,472	\$ (171,804)	\$ 30,905
Add Non Cash items			
Depreciation	455,541	379,991	-
Changes in operating assets and liabilities			
Grant and other receivables	(571)	(924)	-
Prepaid expenses and deposits	(88,075)	68,365	-
Accounts payable and accrued expenses	(111,939)	3,047	-
Net Cash provided(used) by operating activities	1,734,428	278,675	30,905
Cash flows from investing activities			
Acquisition of Property Plant and Equipment	(14,481)	(0)	(2,500)
Changes in assets limited to use	68,517	(72,937)	-
Net Cash used in investing activities	54,037	(72,937)	(2,500)
Cash flows from financing activities			
Principal payments on debt borrowings	(1,525,806)	(26,940)	(28,405)
Net cash used by financing activities	(1,525,806)	(26,940)	(28,405)
Net change in cash and cash equivalents	262,658	178,798	(0)
Cash at the beginning of the year	30,136	292,794	292,794
Cash at the end of the period	<u>\$ 292,794</u>	<u>\$ 471,592</u>	<u>\$ 292,794</u>

CITY OF ALAMEDA HEALTH CARE DISTRICT

DATE: July 29, 2016

FOR: August 1, 2016 District Board Meeting

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

FROM: Robert Deutsch, MD, Treasurer
Kristen Thorson, District Clerk

SUBJECT: Recommendation for Parcel Tax Consultant Services with SCI Consulting Group

Recommendation

Recommend entering into an agreement with SCI Consultant Services for Fiscal Year July 1, 2016 – June 30, 2017 for parcel tax assistance as outlined in the attached agreement and Scope of work (Exhibit A) at a cost of \$9,800.

Discussion

Each year a process is followed to levy and administer the parcel tax. We have used a consultant the last several years at a minimal cost to filter the parcel tax data file in order to submit to Alameda County, who then puts the assessment on the secured tax bills. Prior to the affiliation when the District operated the hospital, the hospital IT Department assisted with the data file and submission. Currently the data file is reviewed with prior years submission to ensure parcels are in line with prior years however, an in depth analysis is not done. Director Jensen has also requested an analysis of parcel taxes since there has been additional new home growth in Alameda during the last several years and the District has not seen the expected growth in parcel tax revenue to correspond with that growth. Using SCI will provide a thorough analysis for the District through their expertise in levy administration.

While this expenditure was not specifically budgeted for the operating budget, there are funds available in the budget to cover this expense under Insurance and Consulting Fees.

- Savings of approximately \$12,000 on Insurance Premiums
- \$25,400 in Consulting Fees budget. The same amount was budgeted for in FY 15-16 with YTD expenses as of 6/30/16 of \$10,000. Depending on activities for FY 16-17, there is a possibility that there would be funds from this line item to allocate to the expense of this agreement as well.

The agreement with SCI would provide the following which is outlined on Exhibit A – Scope of Work.

- First Year Parcel Audit
- Determination of Preliminary Levies

CITY OF ALAMEDA HEALTH CARE DISTRICT

- Determination of Final Levies
- Quality Control
- Levy Submittal and Confirmation
- Taxpayer Inquiries and Appeals
- Meetings

Background on SCI Consultant Group: Founded in 1985, SCI Consulting Group assists public agencies throughout California with establishment and administration of taxes, assessments, fees, and other special levies. We have established over 100 community-wide funding mechanisms, and currently administer over 600 assessment districts and special tax districts, comprising of over ten million parcels throughout the state. In addition, we have a state-of-the-art service center with expertise in data and document processing and customer care, including inbound and outbound phone calls. SCI Consultant

Our clients are the best at providing many of the services that form the backbone and structure that makes California a great place to live and work. We are proud to have experience working with a full spectrum of agencies and service providers around the state. In 2013, we administered levies in nearly every county in the state from Alameda to Yuba. The projects we work on range in size from five to five million parcels. Recently, SCI has consulted for the following:

- Special Districts
 - Cemetery
 - Fire
 - Flood Control
 - Landscaping and Lighting
 - Levee Improvement
 - Mosquito Control
 - Parks and Recreation
 - Reclamation
 - Sewer
 - Stormwater Management
 - Vector Control
- Cities
- Community Colleges
- Counties
- Roads and Infrastructure
- School Districts
- State Agencies
- Towns

We will also be meeting with SCI between the August and October Board meetings to and will propose an additional engagement to support the administration of the manual billing of the possessory interest bills, annual reporting compliance for special assessments.

CONSULTANT SERVICES AGREEMENT

THIS AGREEMENT is made on July 26, 2016, between **City of Alameda Health Care District**, a public agency, ("District") and **SCI Consulting Group** ("Consultant" or "SCI"), a California Corporation, who agree as follows:

- 1. Scope of Work ("Work").** Consultant shall perform the work and render the services described in the attached Exhibit A and incorporated herein (the "Work"). Consultant shall provide all labor, equipment, material and supplies required or necessary to properly and competently perform the Work, and determine the method, details and means of doing the Work.
- 2. Payment.**
 - a.** In exchange for the Work, District shall pay to Consultant a fee for completed phases of Work as described in Exhibit B. The total fee for the Work shall not exceed amounts set forth in Exhibit B. There shall be no compensation for extra or additional work or services by Consultant unless approved in advance in writing by District. Consultant's fee shall include all of Consultant's costs and expenses related to the Work.
 - b.** At the completion of each phase of Work, Consultant shall submit to District an invoice for the Work performed during the preceding month. If the Work is satisfactorily completed and the invoice is accurately computed, District shall pay the invoice within 30 days of its receipt.
- 3. Term.** This Agreement shall take effect on the above date and shall continue until June 30, 2017.
- 4. Conflict of Interest.** Consultant (including principals, associates and professional employees) represents and acknowledges that (a) it does not now have any investment or interest in real property and shall not acquire any interest, direct or indirect, in the area covered by this Agreement or any other source of income, interest in real property or investment that would be affected in any manner or degree by the performance of Consultant's services under this agreement, and (b) in the performance of the Work under this Agreement no person having any such interest shall perform any portion of the Work.
- 5. Insurance.**
 - a. Types & Limits.** Consultant at its sole cost and expense shall procure and maintain for the duration of this Agreement the following types and limits of insurance:

Commercial General Liability	\$2,000,000 per occurrence \$4,000,000 aggregate
Automobile Liability	\$2,000,000 per accident
Workers' Compensation	Statutory limits
Professional Liability	\$2,000,000 per claim
Excess Liability (over General Liability & Auto Liability)	\$1,000,000 per occurrence \$1,000,000 aggregate

- b. Other Requirements.** The general liability policy(ies) shall be endorsed to name District, its officers and employees as additional insureds regarding liability arising out of the Work.
- c. Proof of Insurance.** Upon request, Consultant shall provide to District proof of insurance.
- 6. Indemnification.** Consultant shall indemnify, defend, protect, and hold harmless District, and its officers and employees from and against any and all liability, losses, claims, damages, expenses, demands, and costs (including, but not limited to, attorney, expert witness and consultant fees, and litigation costs) arising out of Consultant's performance of the Work and caused by willful misconduct of or by Consultant or its employees, agents and subcontractors.
- 7. Entire Agreement.** This writing represents the sole, final, complete, exclusive and integrated expression and statement of the terms of this contract between the parties concerning the Work, and supersedes all prior oral and/or written negotiations, representations or contracts. This Agreement may be amended only by a subsequent written contract approved and executed by both parties.
- 8. Independent Contractor.** Consultant's relationship to District is that of an independent contractor.
- 9. Successors and Assignment.** This Agreement shall bind and inure to the benefit of the heirs, successors and assigns of the parties; however, Consultant shall not subcontract, assign or transfer this Agreement or any part of it without the prior written consent of District.
- 10. No Waiver of Rights.** Any waiver at any time by either party of its rights as to a breach or default of this Agreement shall not be deemed to be a waiver as to any other breach or default.
- 11. Severability.** If any part of this Agreement is held to be void, invalid or unenforceable, then the remaining parts will nevertheless continue in full force and effect.
- 12. Governing Law and Venue.** This Agreement will be governed by and construed in accordance with the laws of the State of California.
- 13. Default.** In the event that Consultant defaults in the obligations of Consultant under this Agreement, or Consultant defaults in the performance of the terms and conditions of this Agreement, District may, at its option, declare this Agreement to be in default and, at any time thereafter, may do any one or more of the following: a) enforce performance of the Agreement by Consultant; or b) terminate this Agreement. In the event that this Agreement is terminated, payment shall still be due for all Work performed by Consultant through the date of the termination.

14. Cancellation. District or Consultant may cancel this Agreement without cause. The party desiring to cancel this Agreement shall notify the other party in writing. In the event that this Agreement is cancelled, payment shall still be due for all Work performed by Consultant through the date of the notification of cancellation.

15. Attorney's Fees. In the event any legal action is brought to enforce or construe this Agreement, the prevailing party shall be entitled to an award of reasonable attorney's fees, expert witness and consulting fees, and litigation costs.

16. Proprietary Rights. The District shall have proprietary rights over the Nexus Study and all prepared resolutions, notices, agenda reports and presentations.

17. Notice. Any notice, invoice or other communication that is required or permitted to be given under this Agreement shall be in writing and either served personally or sent by prepaid, first class U.S. mail addressed as follows:

Public Agency:

City of Alameda Health Care District
2070 Clinton Avenue
Alameda, CA 94501

Consultant:

SCI Consulting Group
4745 Mangels Boulevard
Fairfield, CA 94534

Any party may change its address by notifying the other party of the change in the manner provided above

Accepted:

Kathryn Saenz Duke
President, Board of Directors
City of Alameda Health Care District

Date

Accepted:



John Bliss
Vice President
SCI Consulting Group

Date

Attachments

Exhibit A - Scope of Work

Exhibit B - Fee Schedule / Manner of Payment

EXHIBIT A – SCOPE OF WORK

This Exhibit A provides a description of the scope of services and other responsibilities SCI would perform as special tax levy administrator for the District for fiscal year 2016-17. These services shall cover the District's 2002 Measure A Special Tax.

First Year Parcel Audit

The starting point for calculating and confirming the tax levies for all parcels within the District is SCI's extensive statewide database of property and ownership information. This important internal data includes all parcels in the State with over two decades of historical data and extensive parcel attributes. To complement this data, we also utilize current Assessor and Tax Roll Data from the County Assessor and Auditor-Controller.

As necessary, we acquire, compare and incorporate additional data and property information from the District and other real property vendors, title company information vendors and other sources. Going beyond Assessor data and our internal parcel information allows us to incorporate and compare other information that typically enhances the comprehensive accuracy of our parcel information.

This approach is more time consuming, but is worth the extra effort because it has proven to generate additional revenues for our new levy administration clients.

Determination of Preliminary Levies

Twice a year, we recalculate and confirm special levies on a parcel-by-parcel basis for all properties. This additional step, while more time consuming than simply relying on Assessor property characteristics and previous levy amounts, has consistently proven to result in more accurate levies and higher overall special levy revenues.

Beginning each March, SCI will determine preliminary levies based on the most current Assessor lien roll data. We will research changes in property data, property usage, property valuations and levy changes from the previous year for all parcels within the District and flag all parcels that require property research to determine the appropriate levy. This process allow us to discover any issues with the assessor's data early. It also allows us to provide the District with a timely and accurate projection of special levy revenues for the upcoming fiscal year.

Determination of Final Levies

After the close of each fiscal year, SCI will determine the final levies based on final lien roll data as of July 1. All new or changed parcels will be identified and the final levies determined on a parcel-by-parcel basis.

Quality Control

We take great pride in our levy determination process and our stringent quality control and oversight to ensure the accuracy of the levies. Each year for every special levy, we run over 50 checks and validation queries on each parcel so any parcels that may require additional research can be identified, researched and determined. After the preliminary levies have been determined by the levy administrator, another levy administrator with SCI will perform a complete independent peer review and audit, including a parcel-by-parcel confirmation of the special levies. Any questions or issues uncovered are fully

reviewed and resolved. Finally, before the levies are finalized, a manager will perform another full round of quality assurance and review. These multiple stage reviews and quality assurance steps are a key element in SCI's proven ability to ensure the highest level of accuracy and to maximize special levy revenues for our clients.

Levy Submittal and Confirmation

Once the special levies have been internal approved, SCI prepares the final levy roll for submittal to the County Tax Collector. SCI will also meet the Tax Collector's levy roll submission requirements and documents. We have never missed an special levy submittal deadline. Additionally electronic levy rolls sorted by Assessor Parcel Number and Property Owner's Name will be prepared and submitted to the District. Once the special levies are received and approved, SCI will receive written confirmation of the approval of the special levies and communicate the confirmation of the special levies with the District.

Upon the District's request, SCI will also develop and make available to the District an Internet based website or computer program that will allow District staff to quickly locate parcel data by owner name, parcel number, street address or other requested search criteria.

Taxpayer Inquiries and Appeals

SCI will coordinate with the County Tax Collector for our taxpayer inquiry line - **(800) 273-5167** to be placed aside the special levy amount on the County tax bill so taxpayers can directly contact SCI throughout the fiscal year with questions regarding the levy. Our representatives are fluent in English and Spanish. We will also provide the County Tax Collector with a summary and overview of each special levy for internal staff use.

SCI will research and, if necessary, revise any levies which property owners consider to be based upon incorrect assessor information used in the determination of the levy. If any taxpayer appeals a special levy for their property, SCI shall investigate the special levy amount and basis for appeal and shall make a recommendation and finding for the District. In the event that the District finds that a special levy should be adjusted, SCI will adjust the special levy according to the District's final determination. For any taxpayer appeals, SCI will coordinate with the District and the taxpayer as appropriate.

Our goal is to represent the District professionally and minimize the any inconvenience to the inquiring taxpayer or the District.

Meetings

SCI shall attend any meetings related to the administration of the District's special levies. We anticipate at least an annual kickoff meeting with the District for the first fiscal year.

EXHIBIT B – FEE SCHEDULE / MANNER OF PAYMENT

In consideration for the performance of the Work as detailed in Exhibit A, SCI shall be compensated \$9,800 for fiscal year 2016-17. Payments shall be due and payable upon submission of an invoice for each portion of the work completed.

- a. The amount of \$4,900 shall be due on August 15, 2016.
- b. The amount of \$4,900 shall be due on January 15, 2017.

Customary incidental expenses including property data, mileage, and other out-of-pocket costs, shall be billed as incurred, with a total amount not to exceed \$500 without prior authorization from the District.