

PUBLIC NOTICE

CITY OF ALAMEDA HEALTH CARE DISTRICT BOARD OF DIRECTORS

MEETING AGENDA

Monday, December 12, 2016

OPEN SESSION: 5:30 P.M.

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. Swearing into Office (5:30 p.m. – Alameda Hospital, Dal Cielo Conference Room)** District Clerk
 - A. Oath of Office
 - Kathryn Sáenz Duke
 - Michael Williams

- II. Call to Order** Kathryn Sáenz Duke

- III. Roll Call**

- IV. General Public Comments**

- V. Regular Agenda**
 - A. Community Health, Safety and Wellness Focus Presentation
INFORMATIONAL
 - City of Alameda, Social Services and Human Relations Board
 - a) Jim Franz Community Development & Resiliency Coordinator

 - B. Alameda Health System and Alameda Hospital Updates
 - 1) FY 2016-2017 (Q1, July-August-September) AHS Financial Report
PRESENTATION David Cox, Chief Financial Officer FO

 - ✓
 - Insurance Contracting Update **ENCLOSURE (PAGE 4)**
 - 2) Hospital CAO Report James E.T. Jackson, M.P.H. Chief Administrative Officer

- ✓ 3) FY 2016-2017 (Q1, July-August-September) AHS Quality Dashboard James E.T. Jackson, M.P.H.
Chief Administrative Officer
ENCLOSURE (PAGES 5-6)

C. District Updates & Operational Updates

1) District Liaison Reports

INFORMATIONAL

- ✓ a. Community Health Liaison Report Jim Meyers, DrPH
ENCLOSURE (PAGES 7)
- ✓ b. Alameda Health System Liaison Report Tracy Jensen
ENCLOSURE (PAGES 8-10)
- c. Alameda Hospital Liaison Report Robert Deutsch, MD
VERBAL REPORT
- d. Other District Outreach Reports and Member Updates All
- e. President's Report Kathryn Sáenz Duke

2) Follow-Up from October 3, 2016 Meeting

PRESENTATION

- a. Responsibilities of the District under California Law
- b. Role of District under the JPA pertaining to operations of Alameda Hospital
- c. Overview of Seismic and Capital Investments under the JPA

- ✓ 3) Review of FY2015 and FY2016 Parcel Tax True-up Transfer to Alameda Health System **ENCLOSURE (PAGES 11-12)**

4) Executive Director Search / District Staffing Update

- a. Review and Approval of Job Descriptions **ACTION ITEM**
- ✓ b. Review and Approval of Ad Hoc Committee Advisory Committee for Executive Director Search **ACTION ITEM ENCLOSURE (13-14)**

E. Action Items

ACTION ITEMS

- ✓ 1) Acceptance of October 3, 2016 Meeting Minutes **ENCLOSURE (PAGES 15-25)**
- ✓ 2) Acceptance of Financial Statements: September/October 2016 **ENCLOSURE (PAGES 26-34)**
- ✓ 3) Review and Approval of Creating an Ad Hoc Committee and Charter on Alameda Hospital Facilities & Seismic Planning **ENCLOSURE (PAGES 35-36)**
- ✓ 5) Recommendation for Amend the Parcel Tax Consultant Services with SCI Consulting Group to include Manual Billing Unsecured / Possessory Interest Parcels and extend the Term to June 30, 2020 **ENCLOSURE (PAGES 37-45)**

- ✓ 6) Authorization to Seek Services for an Assessment of Long Term Capital Investments for Jaber Properties **ENCLOSURE (PAGES 46)**
- 7) Formalizing Regular Public Input from Alameda Hospital Medical Staff Leadership

F. February 13, 2017 Agenda Preview

Kristen Thorson

INFORMATIONAL - SUBJECT TO CHANGE

- 1) Executive Director Search / District Staffing Update
- 2) Approval of December 2016 Parcel Tax Installment Transfer to Alameda Health System
- 3) Approval of FY 2015 Parcel Tax True-up Transfer to Alameda Health System

VI. General Public Comments

VII. Board Comment

VIII. Adjournment

Next Meeting February 13, 2017	5:30 PM Open Session Dal Cielo Conference Room Alameda Hospital
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MEMORANDUM

1411 East 31 st Street
Oakland, CA 94602

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

FROM: David Cox, Chief Financial Officer

DATE: November 27, 2016

SUBJECT: Contracting Update

Alameda Health System is actively working on re-contracting with the major health plans and related Medical Groups to increase commercial access to Alameda residents who use Alameda Hospital for Care.

Historically, the Hospital has been largely used for emergency care, which has not been affected by these plan terminations and the continued growth of narrow networks with aligned providers and hospitals has further fueled migration of patients from Alameda Hospital to other Bay Area Hospitals. Even with below market health plan contractual rates prior to 2015, the Hospital's commercial utilization has continued to decline and Alameda Hospital's participation within these narrow networks and IPAs has diminished. Health Plan leadership have indicated in numerous discussions that Alameda Hospital is specialist dominated and that a greater commercially viable PCP organization is needed to support inclusion of Alameda Hospital in new and future commercial health plan participation.

Alameda Health System is currently in negotiations with the major health plans serving Alameda residents as stop-gap measure until AHP and AHS can leverage its primary care base and become an important component with the major Bay Area IPAs.

Some current highlights include:

- Scheduled meetings with Affinity and other Bay Area IPAs to foster new affiliations and begin working on an Alameda Hospital strategy. AHS will communicate with Alameda Hospital focused PCPs and request support as needed.
- Meeting with Anthem, Blue Shield, AETNA and United to begin a short and long term contracting strategy. This includes completing initial short-term commercial institutional agreements with the health plans. .
- Enhance and improve customer service and communications to support Alameda Hospital patients and minimize the financial burden of out-of-network challenges during contract negotiations.
- Continue to focus on the non-contracted health plan payments and assertively working underpaid claims for all out-of-network claims.

Alameda Hospital Balanced Score Card (FY 2017)

QUALITY INDICATORS	AH BASELINE FY16	YTD FY17	AH CURRENT PERFORMANCE						BENCHMARK /GOAL	COMPARISON ORG.
			Jul-16	n	Aug-16	n	Sep-16	n		
I. 30-Day Readmissions (all diagnoses):										
30-Day Readmissions (# of readmits # of total admissions)	9.10%	8.70%	10.50%	18/172	6.92%	11/159	8.57%	15/175	15.20%	HSAG/CMS(CA)
II. Medication Errors:										
Acute (# errors reported/doses dispensed)	0.06%	0.16%	0.07%	37/21894	0.13%	29/22386	0.19%	41/21419	0.10%	AH
Acute (# errors reported/100 patient days)	1.10	1.32	1.34	37/2757	1.09	29/2662	1.53	41/2673	TBD	TBD
LTC (# errors reported/100 patient days)	0.020	0.052	0.04	2/5249	0.00	0/5218	n/a	0/5112	TBD	TBD
III. HAPU:										
Acute: patients w/ at least 1 HAPU per 1,000 pt days	0.13	0.00	0.00	0/1321	0.75	1/1326	0.00	0/1317	1.00	CALNOC
Total number of HAPUS Long-Term Care (Sub-Acute; SSC; WE)	0.52	0.26	0.00	0/5249	0.00	0/5218	0.78	4/5212	2.54	NE
IV. Falls (per 1000 patient days):										
Acute (CCU/TELE/3W)	1.59	2.32	1.62	2/1321	3.02	4/1326	2.28	3/1317	2.43	CALNOC
Long-Term Care (Sub-Acute; SSC; WE)	1.75	1.86	1.91	10/5249	1.34	7/5218	2.35	12/5212	5.78	MQI
V. Infection Prevention:										
Catheter Associated Urinary Tract Infections (per catheter days)	0%	0%	0	209	0	193	0%	197	0.56%	NHSN
Hand Hygiene (percent compliance)	91%	75%	88.9%	24/27	72.0%	59/82	74%	60/81	90%	TJC
Surgical Site Infections (per inpatient elective orthopedic procedures)	0%	0%	0.00%	n/a	0.00%	n/a	0.00%	n/a	0.00%	NHSN
VI. Core Measures (percent compliance):										
Inpatient Perfect Care (All or None)	96.7%	100%	100%	5	TBD		TBD		90%	AHS TNM
Immunizations Measure Set Perfect	97.3%		N/A		N/A		N/A		90%	AHS TNM
Stroke Measure Set Perfect Care	95.2%	100%	100%	5	TBD		TBD		90%	AHS TNM
Venous Thromboembolism Measure Set Perfect Care	97.8%		N/A		TBD		TBD		90%	AHS TNM
Tobacco Cessation Measure Set	83.2%	89.13%	89.13%	46	TBD		TBD		90%	TBD
OP-5 Median Time from ED Arrival to ECG (min)	15	4	4	4	TBD		TBD		10	CMS / TJC
Sepsis Bundle Compliance	0	22.95%	41.7%	12	20.0%	5	TBD		TBD	
VII. HCAHPS (Top Box Percent):										
Rate the Hospital 9 or 10	58.9	67.5	81.4	19	52.8	18	TBD		68.3	Press Ganey
VIII. ED Turn-Around-Times (TAT):										
Door ➔ Doctor Time (min)	24	21	19	913	14	814	29	1422	30	AHS TNM
Door ➔ Admit (hrs)	4.4	4.0	4.1	182	3.9	171	3.9	176	4.0	AHS TNM
IX. Stroke (Mean Times):										
Door ➔ CT for Code Stroke	22	19	16	9	21	3	19	7	25	Am St Assoc
Door ➔ Alteplase	54	48	n/a		34	1	58	1	60	Am St Assoc

Note: Some metrics take up to 90 days to be compiled. * Tobacco Core Measures data collection did not start until January 2015.

Updated 11/14/16

DP=Data pending/ NA = Not Available / NC = No Cases / NE = Not Established/ TBD = To Be Determined
 Green = Meets or exceeds goal; Yellow = slightly below goal (10%); Red = Significantly below goal (more than 10%)

Alameda Hospital Balanced Score Card (FY 2017)

I. 30-Day Readmissions: (all diagnoses):

- **Successes:** Readmission rates continue to be below benchmark. Seven of the readmitted patients are being followed by Community Paramedics Program.

II. Medication Errors:

- **Continuing Opportunities for Improvement:** In July, Medication Error reporting moved from MedMarx to the new Safety Alert System for all facilities except Park Bridge. Park Bridge moved to the new reporting system in November. There are now more Medication Errors being reported. The higher Medication Error rates for this Fiscal Year are likely due to increased reporting.

III. HAPU:

- **Opportunities for Improvements:** There were no HAPUs in acute inpatient units in September.
- There were 4 LTC HAPUs, which is higher than average but still below the benchmark.

IV. FALLS:

- **Successes:** LTC patient falls continue to be better than benchmark, though they were up slightly compared to last month due to more falls in Park Bridge. Adherence to patient action plans for falls is helping to maintain low fall rates.
- There were 3 inpatient falls with one minor injury as patient sustained bruises on bilateral elbows. All falls occurred in Med-Surg unit and during night shift. Unit Manager reinforced with night shift staff importance of hourly rounding and reminding patients to call for assistance.

V. Infection Prevention:

- **Continuing Opportunities for Improvement:** Hand hygiene compliance slightly higher compared to last month but still below benchmark. Hand hygiene observations has increased. Infection Control will begin tracing departments and disciplines in order to break down areas that need the most improvement.

VI. Core Measures:

Immunization Core Measures are not available because immunizations are given from October - March. The VTE measure is not populated because Alameda has few cases which qualify.

• **Successes:**

Alameda Hospital achieved 100% Perfect Care compliance in July with all 7 qualifying cases in the Stroke measure set.

• **Continuing Opportunities for Improvement:**

Total of 12 cases fell out, all of which for Tobacco measure set. Staff did not document tobacco cessation counseling in the patient record. The Quality Program Manager met with medicine staff to emphasize the importance of ordering cessation medication for patients who use tobacco. Providers are being given access Tobacco cessation education documents in Meditech.

Sepsis Measures: Six out of 7 Sepsis cases fell out. All these Sepsis cases were reviewed in the HRT meeting. The main reasons for fall out were issues with physician orders. The Sepsis team will educate providers and work on revised Emergency Department and Inpatient Physician sepsis order sets.

VII. HCAHPS:

- Alameda Hospital's "Rate the Hospital 9-10" (52.8%) fell below the target (61.4%), but is already showing preliminary improvement in September. The dip was driven by poor performance on two Telemetry scores out of a total of 18 responses. Alameda Hospital plans to work on increasing accuracy of documented patient contact information in Meditech to ensure patient can be contacted and surveyed after discharge thus increasing the sample of patients surveyed. Three domains exceeded their goal: Physician Communication, Pain Management, and Communication About Meds are above their goals.

VIII. ED Turn-Around-Times

- **Successes:** Door to Doctor times continue to meet the goal per CEP data.
- Door to admit times met the goal for the second month in a row. The progress is due to increased back-filling open positions with travelers. Having 5 core nurses per shift improves patient throughput.
- **Continuing Opportunities for Improvement:** There are still delays receiving patients in the inpatient units. Inpatient managers are working to improve the readiness of the receiving unit. Some inpatient nursing positions remain unfilled.

IX. Stroke Mean Times:

- Door to CT for Code Stroke: There were 7 Code Strokes with average time of 19 minutes which met the goal.
- Door to Alteplase: Alteplase was given 1 time in 58 minutes which met the goal.

CITY OF ALAMEDA HEALTH CARE DISTRICT

DATE: 11/17/2016
FOR: December 12, 2016 District Board Meeting
TO: City of Alameda Health Care District, Board of Directors
FROM: Jim Meyers, DrPH
SUBJECT: Community Liaison Report

The following were activities that might be considered relevant to the role of the CoAHCD Community Liaison:

- I attended and participated in the Little Hoover Commission advisory meeting in Sacramento, CA on Nov 17. The topic was Health Care Special Districts.
- I participated in a City of Alameda Transportation Management strategic planning process though out the past few months. During the participation in e-mails, meetings and public forum, I spoke for myself and assisted in the consideration of health and well-being in transportation planning.

The formal community liaison activities are on hold until dedicated staff are hired to support activities.

CITY OF ALAMEDA HEALTH CARE DISTRICT

MEETING DATE: December 12, 2016

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

FROM: Tracy Jensen

SUBJECT: Alameda Health System Liaison Report

Board of Trustee Updates

AHS Appointment: Anthony Thompson, Senior Vice President with Union Business Bank and the treasurer of the AHS Foundation, was appointed to the AHS Board.

BOS Meeting: On November 8 the AHS board and the Board of Supervisors met to share information about pending issues and projects. The primary topic of discussion was the John George Psychiatric Hospital Psychiatric Emergency Service (**PES**). The PES is Alameda County's only psychiatric emergency service, in addition to providing psychiatric evaluation, intervention and referral twenty-four hours a day. AHS has been working with Alameda County Behavioral Health Care Services to reduce the average time for emergency evaluation at JGPH.

System Updates

Staffing: **Haeyoung Sohn** has been appointed Interim Chief Administrative Officer for Behavioral Health Care following the departure of John George Psychiatric Hospital (JGPH) administrator Guy Qvistgaard. Haeyoung is a licensed clinical social worker. In addition to responsibility for operations at JGPH, Haeyoung will support Behavioral Health Services throughout AHS, including ambulatory strategic planning, operations, and care delivery.

U. Mini B. Swift, MD, AHS Associate Chief Medical Officer, has been appointed Interim Chief Administrative Officer for Ambulatory Care. Dr. Swift will continue to provide direct care to patients as she assumes responsibility for all aspects of clinical and medical services provided at specialty and general clinic sites throughout AHS. Dr. Swift completed her internship and residence in Internal Medicine at UCSF and served as Chief Resident at Highland Hospital. Dr. Swift's accomplishments are too numerous to cite here – suffice to say her brilliance is demonstrated by her choice to reside in Alameda.

Attachments: AHS Board of Trustee 2017 meeting schedule

AHS Employee Forum "Town Hall" schedule



1411 East 31 st Street
Oakland, CA 94602

BOARD OF TRUSTEES – 2017 MEETING DATES

(draft - pending approval)

JANUARY	FEBRUARY	MARCH
11 th /4:00pm/Wed – FINANCE** 12 th /4:30pm/Th – BOARD 19 th /4:00pm/Th – HR** 26 th /3:00pm/Th – QPSC 26 th /5:00pm/Th – Annual BOARD	2 nd /4:00pm/Th – FINANCE 2 nd /6:30pm/Th – AUDIT/COMP 9 th /4:30pm/Th – BOARD 23 rd /3:00pm/Th – QPSC 23 rd /5:00pm/Th – BOARD	2 nd /4:00pm/Th – FINANCE 9 th /4:30pm/Th – BOARD 23 rd /3:00pm/Th – QPSC 23 rd /5:00pm/Th – BOARD
APRIL	MAY	JUNE
6 th /4:00pm/Th – FINANCE 12 th /4:00pm/Wed – HR 13 th /4:30pm/Th – BOARD 27 th /3:00pm/Th – QPSC 28 th /8:30am/Fri – BOT RETREAT 29 th /8:30am/Sat – BOT RETREAT	4 th /4:00pm/Th – FINANCE 11 th /4:30pm/Th – BOARD 25 th /3:00pm/Th – QPSC 25 th /5:00pm/Th – BOARD	1 st /4:00pm/Th – FINANCE 1 st /6:30pm/Th – AUDIT/COMP 8 th /4:30pm/Th – BOARD 22 nd /3:00pm/Th – QPSC 22 nd /5:00pm/Th – BOARD
JULY	AUGUST	SEPTEMBER
6 th /4:00pm/Th – FINANCE 12 th /4:00pm/Wed – HR 13 th /4:30pm/Th – BOARD 27 th /3:00pm/Th – QPSC 27 th /5:00pm/Th – BOARD	24 th /3:00pm/Th – QPSC	7 th /4:00pm/Th – FINANCE 7 th /6:30pm/Th – AUDIT/COMP 14 th /4:30pm/Th – BOARD 28 th /3:00pm/Th – QPSC 28 th /5:00pm/Th – BOARD
OCTOBER	NOVEMBER	DECEMBER
5 th /4:00pm/Th – FINANCE 11 th /4:00pm/Wed – HR 12 th /4:30pm/Th – BOARD 26 th /3:00pm/Th – QPSC 27 th /8:30am/Fri – BOT RETREAT 28 th /8:30am/Sat – BOT RETREAT	2 nd /4:00pm/Th – FINANCE 2 nd /6:30pm/Th – AUDIT/COMP 9 th /4:30pm/Th – BOARD 30 th /3:00pm/Th – QPSC 30 th /5:00pm/Th – BOARD	NO MEETINGS

* -Special Meeting / **-Change in Standing Meeting Date due to Holiday or rescheduling / *C*-Meeting Canceled

AHS FORUM SCHEDULE

Engaging our People

Please join us for the Q2 Forums where we will follow a Town Hall format to provide more time for discussion on topics that are important to you. Our recent engagement survey demonstrated your interest in more communication and we want to ensure you have the information you need to feel comfortable with the direction of the organization and your role in our success.

Tue	29-Nov	12:00 PM	Highland HCP Grand
Wed	30-Nov	12:30 PM	San Leandro Education Center
Thu	1-Dec	12:30 PM	Fairmont Main Dining Room
Fri	2-Dec	7:30 AM	Highland HCP Grand
Fri	2-Dec	12:00 PM	Hayward Conference Rooms
Mon	5-Dec	12:00 PM	JGPH Clinical Education Center GL7
Tue	6-Dec	2:00 PM	Park Bridge Main Dining Room
Mon	12-Dec	12:30 PM	Alameda Conference Room A
Wed	14-Dec	12:00 PM	Eastmont Elmhurst Room
Thu	15-Dec	12:00 PM	System Support Center 5 th Floor Conf. Rm
Fri	16-Dec	12:00 PM	Newark Large Conference Room



You have options:
We've streamlined the series to include desktop webinars live and On-Demand for viewing at your convenience.

Be sure to check desktop requirements prior to your session

Pre-register to view live online webinars from your desktop

Visit AHS Connect Intranet

<http://ahs-rwc-webapp1/wordpress/pre-registration-for-live-webinars/>

Registration not required for in person attendance

CITY OF ALAMEDA HEALTH CARE DISTRICT

MEETING DATE: December 12, 2016

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

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

SUBJECT: Review of FY 2015 and FY 2016 Parcel Tax True-up Transfer to Alameda Health System

The District's financial consultant has developed a process that will be followed on an annual basis to determine the transfer of excess revenue from the District to Alameda Health System. This process will evaluate the past fiscal period July to June and true up the amounts transferred to the Alameda Hospital System based on terms of the agreements. This process will begin after the August parcel tax installment is received and after the District's audit is complete. Board approval of transfer amount would be scheduled at the December meetings.

The recommendation is as follows relating to the review and approval of the true up transfers:

1. Review the attached worksheet at the December, 2016 meeting
2. Authorize Clerk to secure services for an assessment of long term capital investments for Jaber Properties at the December, 2016 meeting.
 - a. Reference Action Item __Recommendation
3. Approve the FY 2015 True Up Transfer at the February, 2017 Meeting
4. Approve the FY 2016 True Up Transfer at the April, 2017 Meeting
5. Approve the FY 2017 True Up Transfer at the December, 2017 Meeting

The true up process is necessary in order to comply with the JPA and side letter agreement that state that revenue from the Jaber properties shall be transferred to Alameda Health System. The District Clerk has made the Board aware of the need for a defined process and thus the proposal set for in this memo. Reference Section 4 of Side Letter Agreement below.

The attached spreadsheet is an analysis of FY 2015 and FY 2016 revenue including revenue from the Jaber properties and parcel tax receipts, expenses from the District and transfers to Alameda Health System.

In consultation with the District's financial consultant, we feel that it is necessary to review long term capital investments relating to the two properties referred to as the Jaber properties to ensure that the District is aware of any major capital needs to the properties in the near and/or extended future (i.e. roof replacement, etc.). There may be a need to reserve a portion of the Jaber revenue based on analysis of the property by an independent consultant and in conjunction with the property management

CITY OF ALAMEDA HEALTH CARE DISTRICT

company. This analysis will help to determine the transfer amount in April, 2017 of the true up for FY 2016.

As indicated on the attached spreadsheet, the excess revenue calculated for FY 2015 and FY 2016 is \$209,328 and \$334,585 respectively. Total amount for the two fiscal years is \$543,913. As of October 31, 2016, cash on hand was approximately \$950,000. If the transfer was made in October, it would leave the District with around \$450,000 as of the end of October. These true-up transfers are in addition to the regular transfers of the parcel tax installments. Addressing each fiscal year as a separate approval and transaction will help in keeping a good record for each fiscal year for both the District and Alameda Health System.

Reference: JPA Side Letter Agreement

4. Jaber Properties. District owns two parcels of real property, located at 2711 Encinal Avenue and 1359 Pearl Street (the "Jaber Properties"), that are unrelated to the day-to-day operation of Alameda Hospital. For the avoidance of doubt, the Parties agree that the Jaber Properties shall not be included on Schedule 2.2 to the Agreement, and, therefore, pursuant to Section 2.2 of the Agreement, District shall promptly pay all tenant rents, proceeds, awards, revenues, and other consideration of whatever form or nature from any and all sources received by District from or attributable to the Jaber Properties (the "Jaber Revenues") to AHS and such Jaber Revenues shall be included in the definition of "Parcel Tax Revenue" (in addition to all other revenues not set forth on Schedule 2.2 to the Agreement) for the purposes of Section 2.2 of the Agreement. At the request of AHS, District shall execute and deliver to AHS such instruments and documents (including without limitation, a Deed of Trust in form and content acceptable to AHS that shall be recorded in the Official Records) as shall be necessary to unconditionally assign the Jaber Revenues to AHS and convey to AHS a security interest, with power of sale, in all of District's rights, interests, and estates, whether now owned or hereafter acquired, in and to the Jaber Properties, all improvements and fixtures thereon, and interests appurtenant thereto. The Jaber Properties will be deemed to be included in the definition of "Real Property" with respect to the covenants, rights and obligations set forth in Section 1.2 of the Agreement (including, without limitation, the restrictions on Transfers, ROFR rights, Lease Option, and Memorandum of Restrictive Covenants).

CITY OF ALAMEDA HEALTH CARE DISTRICT

MEETING DATE: December 12, 2016

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

FROM: Kathryn Sáenz Duke, Member, COAHCD Executive Director
Search Committee

SUBJECT: Moving toward appropriate staff support for our District

Since the District's 2014 affiliation with Alameda Health System, our five-member Board of Directors has had no direct support from Alameda Hospital staff, who are now AHS employees who are hired and supervised by AHS. As our District continues to move ahead in an organizational environment that has changed significantly since its 2002 creation, we Board members need an appropriate level and type of staff support to effectively carry out our responsibilities and opportunities for best serving our community.

We five board members receive staff support from three sources:

- (a) AHS staff such as the CEO, CFO, COO, and others. For this "in kind" staff support our District pays AHS according to an overhead cost allocation formula. Our District Board members have received reports and sometimes specific assistance from several AHS staff, and look forward to continuing these relationships.
- (b) Various consultants with expertise in topics such as health care law, public officials communications law, parcel tax assessment and collection methodology, planning for our District's 2030 seismic strengthening deadline, and management of our Jaber properties. For these types of support, we select and pay directly for consultants, using our District's funds. It is our expectation that some of the activities now handled by different consultants could be incorporated into the responsibilities of a District ED and/or Clerk & Administrative Assistant.
- (c) Part-time support from one particular AHS employee: Kristin Thorson.¹

What our Board and District do not now have is any staff support from people who are focused solely on our Board's responsibilities and activities, who report directly to us, and who are selected by and accountable to our Board.

On June 6, 2016, our Board approved a total of \$170,000 from our District Budget to hire a 0.5 FTE District Executive Director and a 1.0 FTE District Clerk/Administrative Assistant. These

¹ Section 4.1(g) of the Joint Powers Agreement states: "AHS shall make available 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." Kristen, our Board's clerk for many years prior to our District's affiliation with AHS, is now an AHS employee who serves as both our Clerk and as Executive Assistant to the Alameda Hospital CAO. She provides a wide range of support activities to our District Board, both as an extension of her former District clerk duties and as the "go to" staff support for diverse issues and administrative support needs related to District business. Since the recent departure of Alameda Hospital's CAO Bonnie Panlasigui, Kristen is now an AHS employee supporting James Jackson, CAO of Alameda and San Leandro Hospitals. *ksd- Dec. 12, 2016 mtg.*

CITY OF ALAMEDA HEALTH CARE DISTRICT

staff would directly support and report to the Board so that we can more effectively stay in close contact with our community, plan for specific and known challenges (e.g., state seismic strengthening requirements), plan for future and unknown challenges (e.g., changes in federal health programs) to our community's health and to Alameda Hospital. Once that half-time ED is selected and brought on board, that person would work with the Board in selecting a second District staff person: a 1.0 FTE District Clerk/Administrative Assistant.

Convene a 2017 Ad Hoc Advisory Group. There were earlier plans for our Board to have a community survey (by email) plus an in-person "town hall" meeting prior to beginning an ED search. After some delays in accomplishing these, we on the ED Search Committee now recommend that our next step be convening a 2017 Ad Hoc Advisory Group. The first priorities of this group would be to support our ED search process by helping us (a) reach out to our community for input, and (b) identify possible candidates for the ED position. This Advisory Group could have 15-20 members.

Once we have direct support from our own staff (in addition to the ongoing and indirect support AHS can often offer us), the Advisory Group could also take on other outreach and advisory roles if the full Board decides that is helpful. For example, that Advisory Group could have a role in helping us regarding carrying out our responsibilities and opportunities under the 2002 measure creating the District, the 2014 Joint Powers Agreement with AHS, California law relating to health care districts, and future regional and national dynamics that will affect our community's hospital and overall health.

As soon as an Advisory Group is selected, it would:

- assist the ED Search Committee with gathering community input and actively reaching out to educate our community on the changing role, activities, and plans of our District Board;
- develop a plan to disseminate an approved ED Job Description to potential ED candidates;
- help our Board reach out to potential candidates;
- discuss whether an Advisory Group member is precluded from being an ED candidate;
- Other?

Possible Role of Advisory Group Members:

- Advise and support the District Board in securing two staff members who will directly report to the District and its Board, while those staff also work closely with AHS staff and our community to appropriately support Alameda Hospital's current and future operations.
- Bring their perspectives, information and comments to CAHCD.
- Reach out to colleagues and neighbors to inform them of recent and upcoming activities and plans for our District.
- Help the Board move ahead in all aspects of our mission: to oversee maintenance and operation of a District-owned hospital and other District-owned health care facilities; to review, and educate the community on, use of parcel taxes collected under the District's authority; to proactively support community health leadership affecting all people in our District; and to operate within our District's bylaws and California health care district law.
- Be a resource for community input and outreach to relevant professionals within our community regarding future seismic requirements for the Alameda Hospital building(s).

CITY OF ALAMEDA HEALTH CARE
DISTRICT

Minutes of the City of Alameda Health Care District Board of Directors
Open Session
Monday, October 3, 2016 Meeting

Board Members Present		Legal Counsel Present	Excused / Absent
Robert Deutsch, MD Tracy Jensen Jim Meyers, DrPH	Kathryn Sáenz Duke	Thomas Driscoll, Esq.	Michael Williams
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 with Director Williams being absent from the meeting.	
III. Regular Agenda		
A. Community Health, Safety and Wellness Focus Presentation <ul style="list-style-type: none"> Alameda Family Services <ul style="list-style-type: none"> Lynne Moore-Kerr, Head Start/Early Head Start Director Daniel Javes, Health and Family Services Manager <p>Alameda Family Services provided an overview of their organization and services provided in the community. Director Jensen inquired how the organizations could better partner in the future as it was her desire to do more with AFS in the future. Ms. Moore-Kerr expressed a desire to partner with the District, Alameda Hospital and AHS outside of special events such as the annual health fair. Director Meyers was impressed and most interested in adverse childhood events and the impact on kids and how it relates to veterans and PTSD. He continued to state that most recently there was a event in Oakland that discussed the connection with adverse childhood events and recognizing symptoms children early on in the school system. He asked if AFS worked closely with the school district. Ms. Moore-Kerr stated that they do not work as closely as they would like to but have a close association with the kindergarten teachers when they are transitioning children from Head Start to the school system. A copy of the presentation can be found on the website.</p>	No action taken.	

President Duke, Director Deutsch, Director Meyers, Director Jensen and the District Clerk, Kristen Thorson, all recognized and thanked Bonnie Panlasigui for her work, leadership she has provided to the Alameda Hospital and commented on her caring nature and connections to employees, visitors, patients and families over the past 2 years. Ms. Panlasigui would be leaving the organization in October and this was her last Board

Topic	Discussion	Action / Follow-Up
meeting.		
B. Alameda Health System and Alameda Hospital Updates		
	<p>FY 2015-2016 (Q4, April-May-June) AHS Quality Dashboard</p> <p>Eileen Pummer, Director of Quality Programs from Alameda Health System reviewed the quality dashboard as presented in the packet. Director Meyers noted that every indicator has improved since 2015 and thanked Bonnie and the staff for the work being done.</p>	No action taken.
	<p>FY 2015-2016 (Q4, April-May-June) AHS Financial Report</p> <ul style="list-style-type: none"> • Patient Utilization Data FY Comparison • Alameda Hospital's EBIDA, Operating Margin and AHS Overhead Allocation Analysis • Insurance Contracting Update <p>David Cox, Chief Financial Officer reviewed the following items in a presentation that is available on the website.</p> <ul style="list-style-type: none"> • System Financial Performance – August 2016 YTD • Alameda Hospital Performance – FY 2016 – Unaudited <ul style="list-style-type: none"> ○ Income Statement ○ Patient Activity ○ Payer Mix • Contracting Status (verbal) <p>The following was noted as updates to the contracting issue for Alameda Hospital. AHS is now in discussions with all major plans with the objective to obtain fair market rates. Timing remains uncertain. A dedicated primary care network to support Alameda Hospital continues to be a major issue brought up by the insurance plans which is being discussed with the Alameda Health Partners (AHP) Board. AHP is the physician organization for AHS. Mr. Cox assured the Board and community that their voices have been heard and AHS understands the importance of this issue. Director Deutsch expressed the importance of this issue to the community and to the hospital. Director Deutsch stated that the prompt pay policy was not working well and Mr. Cox asked Director Deutsch to send him examples to look into.</p> <p>Alameda Hospital's EBIDA, Operating Margin and AHS Overhead Allocation Analysis was reviewed with Director Meyers noting the three data points over time since the affiliation in May 2014. Director Meyers noted that he and Director Williams have discussed in previous meetings the types of reports from AHS that are relevant to this type of Board and the role of the Board. The analysis provides a clearer picture and important for the Board to track. He had no further comments but stated that it may influence discussion on agenda items later on in the meeting. Understanding these metrics will help the Board in communicating with the community about how the parcel tax</p>	No action taken.

Topic	Discussion	Action / Follow-Up
	dollars are being used and the overall performance of the hospital.	
	<p>Hospital CAO Report</p> <p>Ms. Panlasigui thanked the Board for their support and stated that the frontline staff is responsible to improvements in quality indicators and commended the team at Alameda Hospital. Ms. Panlasigui reviewed her CAO report as presented in the board materials.</p>	No action taken
C.	District Updates & Operational Updates	
	<p>1) District Liaison Reports</p> <p>The order of the agenda was changed to the following order, AHS liaison Report, Community Health Liaison Report, Presidents Report and Hospital Liaison Report.</p>	
	<p>Alameda Health System Liaison Report</p> <p>Director Jensen reported on her written report in the board packet. Including new AHS Board appointments, Waters Edge name change, legislation and the Hospital Council Summit. The Pending appointments have been approved and will go to the Alameda County Board of Supervisors for appointment. The District Clerk will forward the new AHS organization chart to the Board of Directors as it was not included in the materials and noted in the memo. She introduced James E.T. Jackson who will be the new Chief Administrative Officer (CAO) for Alameda Hospital. He also is the CAO for San Leandro Hospital. Mr. Jackson provided a brief background and informed the Board that he would be on campus every day. Ms. Jensen echoed Bonnie's comments relating to the promotion of Richard Espinoza to CAO of Post Acute Care. He will oversee all of the system's post acute care service line, including Alameda Hospital's post acute care units (South Shore, Park Bridge and the subacute unit) and Fairmont Hospital.</p>	No action taken.
	<p>Community Health Liaison Report</p> <p>Director Meyers noted from his report that he is eager to move forward as required by healthcare district law. Stakeholder meetings are on hold until a full time clerk and part time Executive Director are on Board. He informed the Board that he had a great conversation with Jim Franz, the City of Alameda Community Development & Resiliency Coordinator regarding a community health needs assessment that will be implemented in 2017. Director Jensen suggested that Mr. Franz come and share information with the District regarding the survey and other work being done through his department and the City of Alameda.</p>	No action taken.
	<p>President's Report</p> <p>President Saenz Duke reviewed her written report. President Saenz Duke provided an election update noting that with only two candidates filing for the two open positions, incumbents Director Williams and Director Saenz Duke, will not appear on the ballot in November, 2016.</p> <p>She noted that there would be a roundtable discussion organized by the Little Hoover Commission</p>	No action taken.

Topic	Discussion	Action / Follow-Up
	<p>who is reviewing special districts in California. The District submitted a response to an inquiry by the Association of California Healthcare Districts which is included in the materials. The roundtable discussion will be held on November 16, 2016. Prior to moving on to updates on the Executive Director Search in her report and as agendized, Director Deutsch provided the Hospital Liaison Report.</p>	
	<p>a. Review and Approval of Community Survey Discussion occurred below in Section 2).</p>	<p>No action taken.</p>
	<p>Alameda Hospital Liaison Report Director Deutsch provided a verbal report noting that that an agreement had been reached with Californian Nurses Association which will increase salaries, increase morale and assist with recruitment and retention in Nursing. The infusion center expansion is moving forward. Progress is being made by AHP on a primary care clinic potentially designated as a FQHC clinic. He reported that the Chief Medical Officer is looking at issues with transfers from Alameda Hospital to Highland when a higher level of care is needed. Urology coverage has been a issue at Alameda Hospital and AHP is looking at possible solutions sand has a commitment to cover these types of specialties. On the contracting issue, director Deutsch noted that he was pleased with the progress made over a short period of time.</p>	<p>No action taken.</p>
	<p>b. Other District Outreach Reports and Member Updates President Saenz Duke added that she has been on communication with the League of Women Voters and a potential joint presentation. Due to scheduling, the next available time slot will be summer, 2017.</p>	<p>No action taken.</p>
	<p>2) Review and Discussion of Decision Points for Vision and District Staffing President Saenz Duke noted that this agenda item ties into the last portion of the President's report. President Duke requested a discussion of the Board regarding the next steps in the Executive Director search and the proposed draft community survey included in the materials. She also noted that the annual community health fair was scheduled for October 16, 2016 and there is an opportunity for the Board to have a presence at the health fair and possible distribution of the survey at the same time. She asked the Board if they wished to discuss the survey or move to discuss Review and Discussion of Decision Points for Vision and District Staffing.</p> <p>Director Meyers commented on the collection of data as presented and thanked staff for the work done in gathering the information. He commented on the length of time it has taken in regards to the Vision and district Staffing and that without the additional support, the District cannot do the things the Board has approved moving forward with. Director Meyers stated that he was in favor of getting community input but now feels that the Board needs to take action on what California State law requires healthcare district to do and what has been agreed through the Vision and Mission statement. He feels strongly that the Board should move forward and take action in regards to</p>	

Topic	Discussion	Action / Follow-Up
	<p>personnel. The point of collecting the data was to show that work and discussion that has occurred. He noted that he has received positive feedback about the Vision and staffing model. Director Meyers referenced the health and safety code and the ballot measure that has declared what the District should be doing along with what the district has approved in the Vision and mission statement. He continued to say that City leaders such as Jim Franz and Mayor Trish Spencer want to see the District get the stakeholders together to begin to address issues in the community and to find the voice of the underserved through stakeholder meetings. He stated that there is nothing in the Vision about programs; it only references being the lead agent and bring stakeholders together in the community. In regards to the survey, he is involved with the transportation Commission and has learned that the Commission has a process for distributing surveys to the broader community as opposed to list-serves and suggested working with the Commission on what their process is for the District's survey.</p> <p>Director Saenz Duke noted that HFS Consultant, Don Whiteside was present and the report given at a previous meeting has been included on the Board packet for reference. She asked Mr. Whiteside to comment on some of the comments made by Director Meyers and the process to date.</p> <p>Mr. Whiteside agreed in concept of moving forward with the search and hiring of personnel. He further stated that the more feedback from the community is essential. He suggested that the Board move concurrently with survey and talent acquisition.</p> <p>Director Deutsch stated that he had a very different view from Director Meyers. He stated that he has seen no evidence that the community wants to embark on this new vision and that the citizens of Alameda did not agree to it even though the Board approved the new Vision. He stated that he understands that the Board has agreed to the Vision. He continued to say that the Board has a responsibility to the electorate and the role of the Board under the JPA which includes receiving reports from AHS and to remind AHS and the community of the need for the hospital. He did not want to underestimate what the community voted for in 2002. Public health programs in Alameda would-be very valuable to the community but the community has not agreed to tax itself for such programs. He expressed concern over use of district resources for projects and programs in the community outside of the hospital operations without significant input or vote from the community or a real objective survey. He proposed the question of "Do you want district funds, which are currently obtained through the parcel tax, to be spent on community programs other than for the exclusive use for Alameda hospital through Alameda health System?" Director Deutsch stated that the survey was misleading. As for secretarial support, the JPA calls for AHS to provide that support. As far as an Executive Director (ED), he feels that the citizens have not voiced their input on hiring of an ED. He said that he has voiced his opinion in regards to this at prior meetings and does not feel that the board should move forward.</p>	

Topic	Discussion	Action / Follow-Up
	<p>Director Jensen stated that she agreed with a lot of the comments made by Director Deutsch and expressed some concerns about the Vision 2015 and direction. She that she looked forward to discussion on the proposed survey. She stated that she has spent time reviewing healthcare districts and district that have been the focus of review for potentially not following what they are supposed to be doing under the law. She commented on similarities and differences with some Districts such as Petaluma and Sequoia. She wants to see the Board develop relationships with other community organizations. She stated that she was unsure of the role for the Executive Director. She continued to state that the community needs to support the role of the Executive Director She noted that the Board should spend time to identify the role of the current District Clerk, Ms. Thorson. She wants to ensure that there is an expectation to fill the role of liaison between Alameda Health System and the District either by the role of Ms. Thorson or a similar position.</p> <p>Director Meyers noted that Alameda County LAFCo approved the formation of the health Care District in 2002 by the levy of \$298 per parcel tax. In the LAFCo document and in the ballot measure, it states that we were to follow the Health and Safety Code as defined under healthcare district law by doing the following: A district that transfers its assets to another corporation shall act as an advocate for the community and the district shall annually report to the community on the progress made in identifying the gaps in health and well being in the community. He restated that despite hearing from Director Deutsch and others about using parcel tax dollars to fund public health programs, nothing has been said or approved in the Vision about programs; it only references being the lead agent and bring stakeholders together in the community. Director Meyers noted that the District has the sole responsibility of the overall health of the community. He continued to state that we are local, we are responsive, we were started by residents, voted by residents, serve upon the election of residents; we operate in service of resident's. all of our residents who don't use this facility and who don't have a voice. We are who we serve. We are uniquely positioned to know those who are suffering n our community. Community members entrust the District with the parcel tax dollars. He stated that when the board discussed Vision there were two bubbles and we are not losing the first bubble (hospital), what we are doing is our job which is the responsibility of the health and well being of the community, which has not been done since 2002. We don't need a large staff, but we need staff. He felt that the community supports having the District own staff that does not report to AHS. The other bubble is community health and well being of the community which the District will work collaboratively with AHS to address. Mr. Meyers referenced his support of 10,000 votes from the community when he was elected on the basis that he would address these areas while he served on the Board.</p> <p>Director Jensen stated that she agreed that it was important to address the items noted by Director Meyers including the overall health needs of the community as well as oversight of the JPA with AHS. Director Jensen stated that she is not ready to hire an Executive Director at this time. She did feel that the District needed to understand the overall health of the community and this survey or report could be accomplished through the use of a consultant instead of an Executive Director and</p>	

Topic	Discussion	Action / Follow-Up
	<p>before hiring an Executive Director. We are equipped and can make decisions but propose an alternative to seek more input and understand the overall health of the community and what the gaps in coverage are before hiring an Executive Director. The report she is referring to is the saem report that Director Meyers has been referencing from healthcare district law.</p> <p>Director Meyers noted that he was happy to vote again on the Vision that was approved 5-0. He wants to move forward. If someone wants to make a motion to do something else, make a motion to do something else.</p> <p>Director Deutsch stated that he did not believe that we needed another layer of an Executive Director to be the “hub” in the community to do these activities. AHS should be and is addressing the community health needs and public health of the community. He agreed that we need secretarial support. The parcel tax was voted on to support the hospital and using it in other ways such as an Executive Director that does not directly support Alameda Hospital is a misuse of funds. He stated that he believes that there is enough to do with informing AHS about issues with the Hospital. He suggested that the Board not move forward with public input and would be happy to make a motion.</p> <p>President Saenz Duke asked about moving forward with the survey in the next few months and the draft that was presented in the materials. She wanted to find common ground and understand how we could move forward and agreement on the path laid out by the consultant with a survey.</p> <p>Director Deutsch stated that he was not asked for input and felt that the survey was misleading. He did not believe the survey would provide the feedback the Board is looking for. There has been a lot of discussion and doubts raised in meetings regarding the direction under the Vision 2015, despite a 5-0 vote. Director Deutsch said that the survey should be one question: Do you want the District to continue to do what the it has been doing or do you want the District to hire staff begin to do something very different relating to community health independent of Alameda Health System and independent of the hospital?</p> <p>President Saenz Duke asked for the motion. After further thought and several iterations, Director Deutsch made a motion..</p> <p><u>DISCUSSION ON MOTION</u></p> <p>Director Meyers stated that he did not know what projects or programs were being discussed. He did not agree with the motion. He continued to state that he needs staff support to do his work and all of the functions of the Board. We are being asked to be a District without staff. The role of the District goes beyond the four walls of the hospital. He stated again that there is no plan to do</p>	<p>Director Deutsch made a motion to not proceed with the hiring of an Executive Director unless the Board has evidence that a significant portion of the taxpaying Alameda community wants the District to spend their fund on projects and programs other than those that are directly related to Alameda Hospital.</p> <p>Director Jensen seconded the motion.</p> <p>Discussion occurred as noted to the left. After discussion ended, Director Meyers called the question.</p>

Topic	Discussion	Action / Follow-Up
	<p>projects and programs.</p> <p>President Saenz Duke stated prior to the affiliation the District has a team of support and now has no staff support of our own. She felt it is necessary to have support for the District. She also pointed out the two articles she has written relating to the changes happening in healthcare and that healthcare extends beyond the four walls of the hospital. She feels that it is the Board responsibility of the Board to look at these issues.</p> <p>Director Deutsch suggested that AHS fund the staff support in concept and per the JPA. The focus of the Board should be support district clerk support from AHS. He suggested that the Board move forward with a 0.5 FTE clerk dedicated to the District operations which would be non-controversial.</p> <p>Director Saenz Duke Requested legal counsel to site the section in the JPA refers to the support of the District Clerk by Alameda Health System.</p>	<p>The Clerk re-read the motion to which Director Deutsch revised the motion:</p> <p>Director Deutsch made a motion to go forward with the hiring an Executive Director unless and until the Board has evidence from the electorship/voters of that they want the District to proceed with programs other than what has been done up until now which is to use all fund for the operations of Alameda hospital.</p> <p>No further discussion.</p> <p>The vote was a tie 2 in favor (Deutsch/Jensen) – 2 against (Saenz Duke/Meyers).</p>
<p>The meeting paused for a break at 7:57 PM. The meeting reconvened at 8:06 PM.</p>		
	<p>Discussion continued. Director Deutsch agreed that population health is beyond the 4 walls of a hospital and that it is AHS is committed to population health. He reiterated that he feels that staff support in the form of a 0.5 FTE clerk is needed.</p> <p>Director Jensen noted that the insurance contracting issues remains an important issue for the Board and community. She is confident that the meeting with community input moved AHS to make it more of a priority. She feels that progress and input can be obtained without the support of an Executive Director.</p> <p>The District Clerk read the section of the JPA: Article 4, District Reserved Rights; Remedies, Section 4.1. Reserved Rights, g) AHS shall make available 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.</p> <p>Discussion on the funding of a 05. FTE clerk ensued and Director Meyers stopped the discussion and noted that the funding has already been approved under the District's operating budget for the</p>	

Topic	Discussion	Action / Follow-Up
	<p>current fiscal year. He stated that the District has already had that discussion and a decision has been made.</p> <p>Director Jensen noted that there was a 2-2 vote and that we should move forward with hiring an executive director based on prior decisions by the Board.</p> <p>Director Saenz Duke commented and referred back to the survey, timeline and plan identified by HFS Consultants. She asked if the survey should be revisited when Director Williams is present and look at what would need to be in a community survey</p> <p>Director Deutsch proposed the following question for the survey. Would you support using parcel tax funds in order to hire staff to enable such a broadening of the District mission or do you believe that parcel tax funds should be used exclusively for the projects and programs at Alameda Hospital? Yes, I believe the District should hire staff to enable a broadening of the District Mission to include public health projects in Alameda. No, I believe that parcel tax funds should be used exclusively for the projects and programs at Alameda Hospital.</p> <p>President Saenz Duke asked the Board again if they wanted to continue discussion on what type of questions to put in a community Survey</p> <p>Director Meyers noted that the question was whether the Board supports the expanded vision as approved or the board does not now support this vision. He stated that there is a democratic process and the Board is not following the approved decision or timeline. Director Meyers stated that we have a responsibility under California law. There was disagreement between Director Deutsch and Director Meyers regarding whether the District was doing its job under healthcare law. Director Meyers noted that he felt that Director Williams would agree that the Board's oversight is not as important as the focus has been for the Board. Director Meyers stated that he feels that the District needs its own staff that does not report to AHS.</p> <p>Director Jensen did not agree that we are mandated to have staff and that we can carry out our mission in different ways. Director Meyers stated he is tired of waiting to move forward. He wants an Executive Director that works independently, for the Board and who will go out and gather data for the board to fulfill its responsibilities.</p>	<p>Director Jensen made a motion to defer hiring an Executive Director until 2017 and then discuss the issue in 2017. Director Deutsch seconded the motion.</p> <p>Director Meyers called the question.</p> <p>The vote was a tie 2 in favor (Deutsch/Jensen) – 2 against (Saenz Duke/Meyers).</p>

Topic	Discussion	Action / Follow-Up
	<p><u>DISCUSSION ON THE MOTION</u></p> <p>Director Jensen stated she would like the input of Director Williams but is not comfortable moving forward with hiring of an Executive Director until 2017 and defer discussion of hiring a ED until 2017.</p> <p>President Saenz Duke noted that she would like to have Director Williams in on the discussion of next steps of hiring an Executive Director. As head of the search committee, President Saenz Duke will move forward with the process and involve Director Williams.</p>	
E.	Consent Agenda	
	Acceptance of June 6, 2016 Meeting Minutes	A motion was made to approve the consent calendar as approved. The motion was seconded and the motion carried with one abstention (Meyers).
	Acceptance of June 28, 2016 Special Meeting Minutes	
	Acceptance of August 1, 2016 Meeting Minutes	
	Acceptance of Financial Statements: July/August 2016	
F.	Action Items	
	<p>1) Adoption of Meeting Schedule for Calendar Year 2017</p> <p>Ms. Thorson reviewed the proposed calendar as included in the board materials. The meetings were moved to the second Monday of the month and the Board will meet every other month.</p>	Director Jensen made a motion to approve the meeting schedule and Director Deutsch seconded. The motion carried.
	<p>2) Review and Approval of FYE June 30, 2016 Audit</p> <p>Ms. Thorson reviewed the annual audit as presented in the board materials.</p>	Director Jensen made a motion to accept the FYE June 30, 2016 Financial Audit and Director Deutsch seconded. The motion carried.
	<p>3) Review and Approval of Creating an Ad Hoc Committee and Charter on Alameda Hospital Facilities & Seismic Planning</p>	Action item was deferred until the December, 2016 meeting due to the absence of Director Williams.
G.	December 12, 2016 Agenda Preview	
	1) Executive Director Search / District Staffing Update	
IV.	General Public Comments	
	None	

Topic	Discussion	Action / Follow-Up
V. Board Comments None		
VI. Adjournment	Being no further business the meeting was adjourned at 8:42 p.m.	

Attest:

Michael Williams
Secretary

DRAFT

CITY OF ALAMEDA HEALTH CARE DISTRICT

MEETING DATE: December 12, 2016 Board Meeting
TO: City of Alameda Health Care District, Board of Directors
FROM: Kristen Thorson, District Clerk
SUBJECT: September and October 2016 Financial Statements

Action

Acceptance of the September and October 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. Some expense categories will show greater variances (positive and negative) on a month to month basis because the budget is spread evenly over the fiscal year.

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.

- Repairs and maintenance are slightly over budget due to the additional expense report in prior month for replacement of a sewer pipe.
- Professional Fees (Accounting, Consultant, Legal, Audit) continue to be above budget in the month of October primarily due to the expense of the annual audit paid in October.
- Expenses overall are under budget in the majority of categories.
- There will be adjustments made in November to reclassify some expenses into the proper budgeted categories.

CITY OF ALAMEDA HEALTH CARE DISTRICT

UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD SEPTEMBER, 2016

Balance Sheets

CITY OF ALAMEDA HEALTHCARE DISTRICT

	As of 6/30/2015	As of 6/30/2016	As of 9/30/2016
Assets			
<u>Current assets:</u>			
Cash and cash equivalents	\$ 292,794	\$ 471,592	\$ 690,284
Grant and other receivables	291,854	293,921	1,444,250
Prepaid expenses and deposits	88,075	19,710	51,592
Total current assets	672,723	785,223	2,186,126
Assets limited as to use	255,304	328,241	344,369
Capital Assets, net of accumulated depreciation	3,650,181	3,535,723	3,434,617
	4,578,208	4,649,187	5,965,112
Other Assets	16,433	14,192	13,632
Total assets	\$ 4,594,641	\$ 4,663,380	\$ 5,978,744
Liabilities and Net Position			
<u>Current liabilities:</u>			
Current maturities of debt borrowings	\$ 26,940	\$ 28,405	\$ 29,804
Accounts payable and accrued expenses	5,653	8,700	8,700
Total current liabilities	32,592	37,105	38,504
Debt borrowings net of current maturities	1,031,855	1,003,450	995,178
Total liabilities	1,064,447	1,040,555	1,033,682
Net position:			
Invested in capital assets, net of related debt	3,650,181	3,535,723	3,434,617
Restricted, by contributors	255,304	328,241	344,369
Unrestricted (deficit)	(375,291)	(241,139)	1,166,076
Total net position (deficit)	3,530,194	3,622,825	4,945,062
Total liabilities and net position	\$ 4,594,641	\$ 4,663,380	\$ 5,978,744

Statements of Revenues, Expenses and Changes in Net Position

CITY OF ALAMEDA HEALTHCARE DISTRICT

	Actual YTD 6/30/2015	Actual YTD 6/30/2016	Actual YTD 9/30/2016	Budget YTD 9/30/2016	Variance	
Revenues and other support						
District Tax Revenues	\$ 5,737,101	\$ 5,778,442	\$ 1,444,250	\$ 1,444,092	(159)	0%
Rents	172,112	181,283	46,224	45,363	(861)	-2%
Other revenues	1,990	289,969	4	-	(4)	
Total revenues	5,911,203	6,249,693	1,490,478	1,489,455	(1,024)	
Expenses						
Salaries, wage and benefits	-	-	-	23,750	23,750	100%
Professional fees	116,102	82,236	25,234	25,725	491	2%
Supplies	3,906	3,960	823	1,175	352	30%
Purchased services	-	-	-	900	900	100%
Repairs and maintenance	11,113	12,972	5,606	5,250	(356)	-7%
Rents	22,150	24,835	6,335	6,327	(8)	0%
Utilities	7,148	7,914	3,051	2,610	(441)	-17%
Insurance	82,516	75,474	11,540	12,500	960	8%
Depreciation and amortization	455,541	406,665	101,666	113,325	11,659	
Interest	71,360	50,541	12,497	12,269	(228)	-2%
Travel, meeting and conferences	2,057	1,527	260	2,750	2,490	91%
Other expenses	74,112	6,716	1,229	30,875	29,646	96%
Total expenses	846,006	672,839	168,240	237,456	69,215	
Operating gains	5,065,197	5,576,854	1,322,238	1,251,999	(70,239)	-6%
Transfers	(3,585,725)	(5,484,222)	-	(1,244,522)		
Increase in net position	1,479,472	92,632	1,322,238	7,477		
Net position at <i>beginning of the year</i>	2,050,722	3,530,194	3,622,825	3,622,825		
Net position at the <i>end of the period</i>	\$ 3,530,194	\$ 3,622,825	\$ 4,945,063	\$ 3,630,302		

Statements of Cash Flows

CITY OF ALAMEDA HEALTHCARE DISTRICT

	Actual YTD 6/30/2015	Actual YTD 6/30/2016	Actual YTD 9/30/2016	Budget YTD 9/30/2016
Increase in net position	\$ 1,479,472	\$ 92,632	\$ 1,322,238	\$ 7,476
Add Non Cash items				
Depreciation	455,541	406,665	101,666	113,325
Changes in operating assets and liabilities				
Grant and other receivables	(571)	(2,067)	(1,150,329)	-
Prepaid expenses and deposits	(88,075)	68,365	(31,882)	-
Accounts payable and accrued expenses	(111,939)	3,047	-	-
Net Cash provided(used) by operating activities	1,734,428	568,641	241,693	120,801
Cash flows from investing activities				
Acquisition of Property Plant and Equipment	(14,481)	(289,966)	(0)	(625)
Changes in assets limited to use	68,517	(72,937)	(16,128)	-
Net Cash used in investing activities	54,037	(362,903)	(16,128)	(625)
Cash flows from financing activities				
Principal payments on debt borrowings	(1,525,806)	(26,940)	(6,873)	(7,101)
Net cash used by financing activities	(1,525,806)	(26,940)	(6,873)	(7,101)
Net change in cash and cash equivalents	262,658	178,798	218,692	113,075
Cash at the beginning of the year	30,136	292,794	471,592	292,794
Cash at the end of the period	\$ 292,794	\$ 471,592	\$ 690,284	\$ 405,869

CITY OF ALAMEDA HEALTH CARE DISTRICT

UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD OCTOBER, 2016

Balance Sheets

CITY OF ALAMEDA HEALTHCARE DISTRICT

	As of 6/30/2015	As of 6/30/2016	As of 10/31/2016
Assets			
<u>Current assets:</u>			
Cash and cash equivalents	\$ 292,794	\$ 471,592	\$ 674,391
Grant and other receivables	291,854	293,921	1,925,667
Prepaid expenses and deposits	88,075	19,710	46,507
Total current assets	672,723	785,223	2,646,565
Assets limited as to use	255,304	328,241	350,591
Capital Assets, net of accumulated depreciation	3,650,181	3,535,723	3,400,915
	4,578,208	4,649,187	6,398,071
Other Assets	16,433	14,192	13,445
Total assets	\$ 4,594,641	\$ 4,663,380	\$ 6,411,517
Liabilities and Net Position			
<u>Current liabilities:</u>			
Current maturities of debt borrowings	\$ 26,940	\$ 28,405	\$ 29,804
Accounts payable and accrued expenses	5,653	8,700	10,700
Total current liabilities	32,592	37,105	40,504
Debt borrowings net of current maturities	1,031,855	1,003,450	992,779
Total liabilities	1,064,447	1,040,555	1,033,282
Net position:			
Invested in capital assets, net of related debt	3,650,181	3,535,723	3,400,915
Restricted, by contributors	255,304	328,241	344,369
Unrestricted (deficit)	(375,291)	(241,139)	1,632,950
Total net position (deficit)	3,530,194	3,622,825	5,378,234
Total liabilities and net position	\$ 4,594,641	\$ 4,663,380	\$ 6,411,517

Statements of Revenues, Expenses and Changes in Net Position

CITY OF ALAMEDA HEALTHCARE DISTRICT

	Actual YTD 6/30/2015	Actual YTD 6/30/2016	Actual YTD 10/31/2016	Budget YTD 10/31/2016	Variance	
Revenues and other support						
District Tax Revenues	\$ 5,737,101	\$ 5,778,442	\$ 1,925,667	\$ 1,925,455	(211)	0%
Rents	172,112	181,283	61,510	60,484	(1,026)	-2%
Other revenues	1,990	289,969	5	-	(5)	
Total revenues	5,911,203	6,249,693	1,987,181	1,985,939	(1,242)	
Expenses						
Salaries, wage and benefits	-	-	-	31,667	31,667	100%
Professional fees	116,102	82,236	41,321	34,300	(7,021)	-20%
Supplies	3,906	3,960	1,271	1,567	296	19%
Purchased services	-	-	-	1,200	1,200	100%
Repairs and maintenance	11,113	12,972	7,332	7,000	(332)	-5%
Rents	22,150	24,835	8,446	8,436	(10)	0%
Utilities	7,148	7,914	3,275	3,480	205	6%
Insurance	82,516	75,474	16,625	16,667	41	0%
Depreciation and amortization	455,541	406,665	135,555	151,100	15,545	
Interest	71,360	50,541	16,554	16,358	(196)	-1%
Travel, meeting and conferences	2,057	1,527	260	3,667	3,407	93%
Other expenses	74,112	6,716	1,133	41,167	40,033	97%
Total expenses	846,006	672,839	231,772	316,608	84,835	
Operating gains	5,065,197	5,576,854	1,755,409	1,669,332	(86,077)	-5%
Transfers	(3,585,725)	(5,484,222)	-	(1,659,363)		
Increase in net position	1,479,472	92,632	1,755,409	9,969		
Net position at <i>beginning of the year</i>	2,050,722	3,530,194	3,622,825	3,622,825		
Net position at the <i>end of the period</i>	\$ 3,530,194	\$ 3,622,825	\$ 5,378,234	\$ 3,632,794		

Statements of Cash Flows

CITY OF ALAMEDA HEALTHCARE DISTRICT

	Actual YTD 6/30/2015	Actual YTD 6/30/2016	Actual YTD 10/31/2016	Budget YTD 10/31/2016
Increase in net position	\$ 1,479,472	\$ 92,632	\$ 1,755,409	\$ 9,968
Add Non Cash items				
Depreciation	455,541	406,665	135,555	151,100
Changes in operating assets and liabilities				
Grant and other receivables	(571)	(2,067)	(1,631,745)	-
Prepaid expenses and deposits	(88,075)	68,365	(26,796)	-
Accounts payable and accrued expenses	(111,939)	3,047	2,000	-
Net Cash provided(used) by operating activities	1,734,428	568,641	234,422	161,068
Cash flows from investing activities				
Acquisition of Property Plant and Equipment	(14,481)	(289,966)	0	(833)
Changes in assets limited to use	68,517	(72,937)	(22,350)	-
Net Cash used in investing activities	54,037	(362,903)	(22,350)	(833)
Cash flows from financing activities				
Principal payments on debt borrowings	(1,525,806)	(26,940)	(9,273)	(9,468)
Net cash used by financing activities	(1,525,806)	(26,940)	(9,273)	(9,468)
Net change in cash and cash equivalents	262,658	178,798	202,799	150,767
Cash at the beginning of the year	30,136	292,794	471,592	292,794
Cash at the end of the period	\$ 292,794	\$ 471,592	\$ 674,391	\$ 443,561

City of Alameda Health Care District Facilities Planning Committee

The City of Alameda Health Care District Board of Directors have a responsibility to oversee the ownership, provision and maintenance of a publically -owned hospital supported by parcel taxes collected from the citizens of the City of Alameda. That hospital must have, at a minimum: a 24-hour emergency service supported by normal support services and inpatient care comprised of at least 25 inpatient operational beds.

The current hospital does not meet seismic requirements necessary for continued operations after 2030 and repairs/new construction must occur between now and 2030 to ensure the citizens of Alameda have these minimum services available at all times.

A City of Alameda Health Care District Facilities Planning Committee is being formed as a sub-committee of the District Board and will be comprised of two District Directors supported by the District Executive Director and District administrative support person.

Partnership with Alameda Health System, the current operator of the Alameda Hospital, will be essential during the committee process. The assigned committee Directors will determine the level of joint planning necessary to complete the committee charter activities and request assistance from AHS planners and leaders as appropriate.

Goal: In 2030, a seismically compliant District-owned hospital will be open for services within the zip code of 94501 with at least the minimum services outlined in the current JPA.

Committee Charter: Complete all planning and actions necessary to ensure the provision of seismic compliant emergency room and supportive inpatient services in a District-owned hospital in the City of Alameda past the year 2030. Initial planning report with recommended actions to be completed by March 30, 2018.

Committee Membership:

- Two City of Alameda Health Care District Directors will be assigned to the committee and one will serve as chair.
- The Chair will be given an annual planning and operations budget and will direct the expenditures of the funds to ensure the attainment of the committee's goals.
- The Alameda Health System will be invited to provide planning input at regular intervals as determined by the committee Chair.

Assumptions:

- A District Executive Director will manage the committee and formal committee meetings will begin no later than 3 months after hire.
- A hospital planning and construction consultant will be hired to support the committee's activities and that selection process will completed no later than 6 months after the ED hire.

For October 3, 2016 Board Meeting

Initial Guidance Questions - To Be Completed and Approved by District by March 30, 2017

- In FY 2017-2018, what is the minimum amount of parcel tax to set aside to insure the goal is met? This amount should be conservative estimate used until a formal committee report is completed and action voted on the following question: What amount of money should be set aside each year from the parcel tax starting in FY 2018-2019 to meet this goal?
- How should these funds managed be allocated to insure these parcel tax funds are restricted for these purposes and available to meet the goal? How are they legally held in order to insure the capital assets funded remain the property of the District?

Broad Questions to Be Formally Reported and Completed by March 30, 2018

- Is the current location and structure of the hospital capable of supporting demolition and construction of all required upgrades to meet 2030 State seismic requirements and maintain emergency and inpatient services?
 - If yes, when does planning for that work need to begin to insure the goal is met?
 - If no, what are the options to insure the people of Alameda still have a District-owned seismically compliant hospital with the emergency and inpatient services on the island?
- What steps should to be taken to ensure the District owns the upgraded hospital in 2030? These could involve revisiting and revising the JPA language, planning for necessary financing, soliciting community input, working with Alameda Health System staff and consultants who have relevant expertise and experience, and other steps the Planning Committee deems appropriate.

CITY OF ALAMEDA HEALTH CARE DISTRICT

MEETING DATE: December 12, 2016

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

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

SUBJECT: Recommendation for Amend the Parcel Tax Consultant Services with SCI Consulting Group to include Manual Billing Unsecured / Possessory Interest Parcels and extend the Term to June 30, 2020

Recommendation

Recommend amendment the agreement with SCI Consulting Group to include manual billing of unsecured / possessory interest parcels and extend the term of the agreement to June 30, 2020.

Discussion

In August, 2016, the District Board approved an agreement with SCI Consulting Group for the annual levy administration for Fiscal Year 2016-2017 at a cost of \$9,800 plus a not to exceed amount of \$500 on out-of pocket expenses. To date, \$4,927 has been paid to SCI with the next payment of \$4,900 due in January 2017. This agreement was only for the secured parcel tax assessment which is collected through Alameda County.

The amended agreement includes the manual billing of the unsecured or possessory interest bills from fiscal year 2015 through fiscal year 2017. For reference, a Possessory Interest is the possession of, or exclusive right to the possession of real property. A private party's interest in real property owned by a tax-exempt public agency may be taxable if sufficiently independent, durable and exclusive of the rights held by others. Each year the District levies the tax on parcels and possessory interests. There are a total of 140 possessory interests that will be manually billed for the two prior fiscal years and the current fiscal year.

The cost to manually bill and collect the special assessments on the possessory interests will be \$5,000. This amount would be paid in the current fiscal year. For the current fiscal year, the total spend on this agreement would be a maximum of \$15,300 (includes not to exceed out of pocket expenses of \$500). The FY16-17 budget allocated \$25,400 for Consulting Fees. YTD, \$6,337 has been spent leaving a positive variance of \$19,063.

SCI will be responsible to sending out the bills and collecting the special assessment for these 140 possessory interests. Estimated total revenue from the collection of the special assessment is \$41,720/year or \$125,160 for the three (3) fiscal years.

Beginning with fiscal year 2018, the annual fee noted below includes the cost for the annual levy administration of the secured taxes in addition to the unsecured /

CITY OF ALAMEDA HEALTH CARE DISTRICT

possessory interest manual billing. These fees will be included in future fiscal year operating budgets.

Summary of costs in addition to the approved amount for fiscal year 2017.

Manual Billing of Possessory interest for FY15 through FY17 (3 years)	\$ 5,000
Fiscal year 2017-18 (Secured and unsecured)	\$12,200
Fiscal year 2018-19 (Secured and unsecured)	\$12,500
Fiscal year 2019-20 (Secured and unsecured)	\$12,800
Subtotal	\$42,500

Details from Exhibit B.

1. Compensation for performance of annual levy administration for fiscal year 2016-17 shall be \$9,800. ***This task was included in a previous agreement with the District dated July 26, 2016, and did not include the manual billing of possessory interest parcels for the fiscal year, which is listed below separately 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.
2. Compensation for the manual billing of possessory interest parcels shall be a fixed fee as follows:
 - a. Fiscal year 2014-15 in the amount of \$500.
 - b. Fiscal year 2015-16 in the amount of \$500.
 - c. Fiscal year 2016-17 in the amount of \$4,000.
3. Compensation for performance of annual levy administration and manual billing of possessory interest parcels for an additional three fiscal years shall be a fixed fee as follows:
 - a. Fiscal year 2017-18 in the amount of \$12,200.
 - b. Fiscal year 2018-19 in the amount of 2,500.
 - c. Fiscal year 2019-20 in the amount of S 12,800.
4. Payments shall be due and payable upon submission of an invoice for each portion of the work completed as follows:
 - a. The amount of \$6,000 shall be due on August 15 of the fiscal year.
 - b. The remaining amount shall be due on January 15 of the fiscal year.

CONSULTANT SERVICES AGREEMENT

THIS AGREEMENT is made on November 18, 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, 2020.
- 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 or negligence 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:

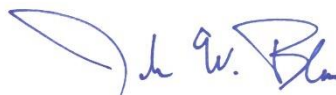
SCI Consulting Group
4745 Mangels Boulevard
Fairfield, CA 94534

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

Accepted:



John W. Bliss
Vice President
SCI Consulting Group

Date

November 18, 2016
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 (Fiscal Year 2016-17)

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.

Manual Billing for Possessory Interests

SCI will obtain the list of unsecured properties from the County Assessor. We will directly invoice any valid possessory interest for the assessment amounts due for their leased property, record payments received in a payment tracking database, produce periodic reports for the District of bills paid and those still outstanding, and assist the District with collection of delinquent assessments.

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 as follows:

1. Compensation for performance of annual levy administration for fiscal year 2016-17 shall be \$9,800. ***This task was included in a previous agreement with the District dated July 26, 2016, and did not include the manual billing of possessory interest parcels for the fiscal year, which is listed below separately 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.
2. Compensation for the manual billing of possessory interest parcels shall be a fixed fee as follows:
 - a. Fiscal year 2014-15 in the amount of \$500.
 - b. Fiscal year 2015-16 in the amount of \$500.
 - c. Fiscal year 2016-17 in the amount of \$4,000.
3. Compensation for performance of annual levy administration and manual billing of possessory interest parcels for an additional three fiscal years shall be a fixed fee as follows:
 - a. Fiscal year 2017-18 in the amount of \$12,200.
 - b. Fiscal year 2018-19 in the amount of \$12,500.
 - c. Fiscal year 2019-20 in the amount of \$12,800.

Payments shall be due and payable upon submission of an invoice for each portion of the work completed as follows:

- a. The amount of \$6,000 shall be due on August 15 of the fiscal year.
 - b. The remaining amount shall be due on January 15 of the fiscal year.
4. Customary incidental expenses including property data, mileage, mailing, and other out-of-pocket costs, shall be billed as incurred, with a total amount not to exceed \$500 per year without prior authorization from the District.
5. If the District desires to extend the term of this agreement, the fee amount for each additional year will be the amount of the last fiscal year shown above, increased annually by a minimum of 3%.
6. In the event that the District elects to request optional, additive scope of work, SCI will work with the District to negotiate compensation for any additional tasks, and execute an Addendum to the agreement for these additional services.

CITY OF ALAMEDA HEALTH CARE DISTRICT

MEETING DATE: December 12, 2016 Board Meeting

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

FROM: Kristen Thorson, District Clerk

SUBJECT: Authorization to Seek Services for an Assessment of Long Term Capital Investments for Jaber Properties

Action

Authorize District Clerk to seek services for an assessment of long term capital investments for Jaber properties.

Discussion

The Jaber properties have been managed by Harbor Bay Realty (HBR) Property Management for many years. HBR maintains the property under the management agreement and passes through expenses relating to maintenance and repairs on a monthly basis. On occasion there are repairs needed outside of normal maintenance. These expenses are authorized through the Board President. There is the potential that there are investments that need to be made to the properties to keep them in good condition for the future.

I am recommending seeking an outside consultant that will assess the properties, including condition of buildings and property to determine if the needed capital investments needed over the next 5-10 years. Capital investments could include roof replacement, re-pavement of driveway, sewer line replacement, water heater replacement, washer and dryer replacement, etc. This assessment would be used in conjunction with reports and assessments from HBR. Through this assessment the District is being fiscally responsible property owners of the two Jaber properties.

The goal of the assessment is to determine the long term capital needs and the amount of revenue, if needed, to reserve in order to cover any such capital needs. This assessment and findings could impact the Parcel Tax True Up Transfer (refer to Agenda Item, C.3.).

Once a consultant, individual or business is identified to conduct an assessment, a final recommendation will be brought to the Board for review and approval. No funds will be expended until Board approved.