



PUBLIC NOTICE

CITY OF ALAMEDA HEALTH CARE DISTRICT BOARD OF DIRECTORS

**MEETING AGENDA**

**Tuesday, October 10, 2023**

**OPEN SESSION: 5:30PM**

**OPEN SESSION:** CONFERENCE ROOM A, SOUTH WING, ALAMEDA HOSPITAL

Join Zoom Meeting

<https://us02web.zoom.us/j/83727369398?pwd=eUJDbXJsaWMybHFVUHV1cXdIYXVodz09>

Meeting ID: 837 2736 9398

Passcode: 309508

Dial by your location

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**Office of the Clerk: 510-263-8223**

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

**I. Call to Order**

Dr. Robert Deutsch,  
President

**II. Roll Call**

Alixandria Williams,  
District Clerk

**III. General Public Comment**

**IV. Adjourn into Executive Closed Session**

**V. Closed Session Agenda**

A.	Call to Order	Dr. Robert Deutsch, President
B.	Report on Health Care Trade Secrets	Health and Safety Code Sec. 32106
C.	Potential Litigation	Government. Code Sec. 54956.9

**VI. Adjourn to Open Session**

**VII. General Public Comments**

**VIII. Announcements From Closed Session**

Dr. Robert Deutsch,  
President

City of Alameda Healthcare District, October 10, 2023



PUBLIC NOTICE

**IX. REGULAR SESSION AGENDA**

A	YTD AHS Reports		
✓	1)	Alameda Health System / Alameda Hospital Update <b>ENCLOSURE (Pages 4 -16)</b>	Mario Harding, CAO Alameda and San Leandro Hospitals
✓	2)	Patient Experience <b>ENCLOSURE (Pages 17 - 19)</b>	Chris Adams, VP of Patient Care Services
✓	3)	Financial Update <b>ENCLOSURE (Pages 20 - 43)</b>	Kimberly Miranda, AHS CFO
✓	4)	Alameda Hospital Medical Staff Update <b>ENCLOSURE (Page 44)</b>	Dr. Nikita Joshi, AH Medical Staff Chief

B	District & Operational Updates <b>INFORMATIONAL</b>		
	1)	District Reports	
	2)	Presidents Report	Dr. Robert Deutsch, President
	3)	Alameda Health System Board Liaison Report	David Sayen
	4)	Alameda Hospital Liaison Report	Dr. Robert Deutsch, President
✓	5)	a. Executive Director Report <b>ENCLOSURE (Pages 45 - 48)</b> b. Initial Presentation of FY 2023 Audit Report <b>ENCLOSURE (Pages 49 - 69)</b>	Debi Stebbins, Executive Director
	6)	District – AHS Joint Planning Committee – Update	Dr. Robert Deutsch, President Gayle Codiga, 1 <sup>st</sup> Vice President
	7)	Property Oversight Committee Update	Jeff Cambra

	Consent Agenda		
✓	1)	Acceptance of Minutes, September 5, 2023 <b>ENCLOSURE (Pages 70 - 72)</b>	Dr. Robert Deutsch, President
✓	2)	Acceptance of July and August 2023 Financial Statements <b>ENCLOSURE (Pages 73 - 86)</b>	Dr. Robert Deutsch, President



PUBLIC NOTICE

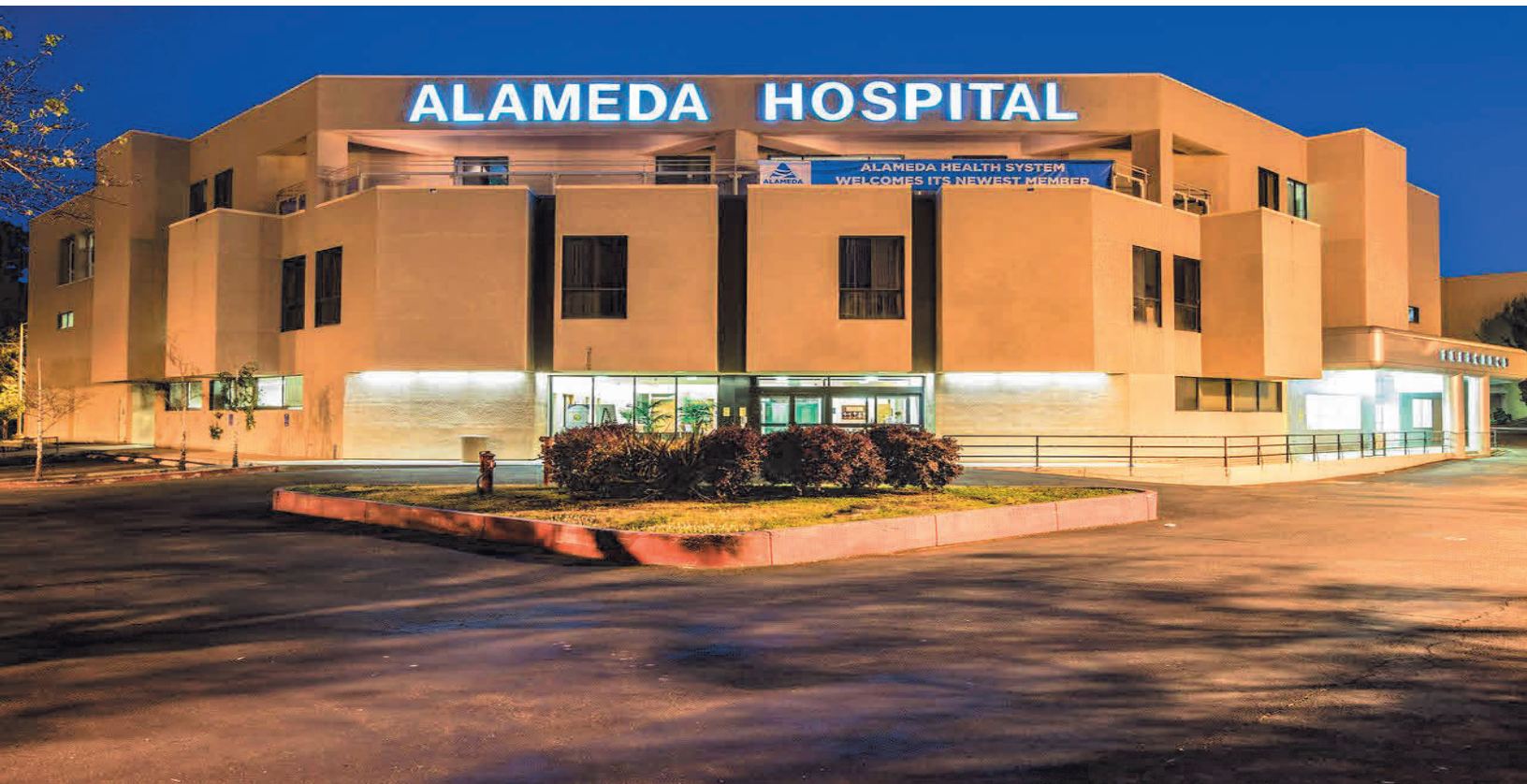
Action Items			
✓	1)	Proposal to Support Option 3B and Financing Strategy for 2030 Seismic Retrofit for Alameda Hospital <b>ENCLOSURE (Pages 87 - 89)</b>	Dr. Robert Deutsch, President
✓	2)	Proposal to Engage Ratcliff Architects for Next Phase of Seismic Planning <b>ENCLOSURE (Pages 90 - 96)</b>	Debi Stebbins, Executive Director

F	December 11, 2023, Agenda Preview	
	1)	Acceptance of October 10, 2023, Minutes
	2)	Acceptance of September and October 2023 Financial Statements
	3)	Audit Report for FY 23
	4)	True Up Distribution to AHS for FY 2023 Parcel Tax
	5)	Election of Board Officers and Liaison Positions
	6)	Review and Approval of District Board Calendar 2024

G	Informational Items: YTD AHS Reporting (CAO Hospital, Quality, Financial, Medical Staff)	
	1)	General Public Comments

**XI. Adjournment**

Next Scheduled Meeting Date <b>December 11, 2023</b> (2 <sup>nd</sup> Monday, every other month or as scheduled)	Open Session 5:30 PM
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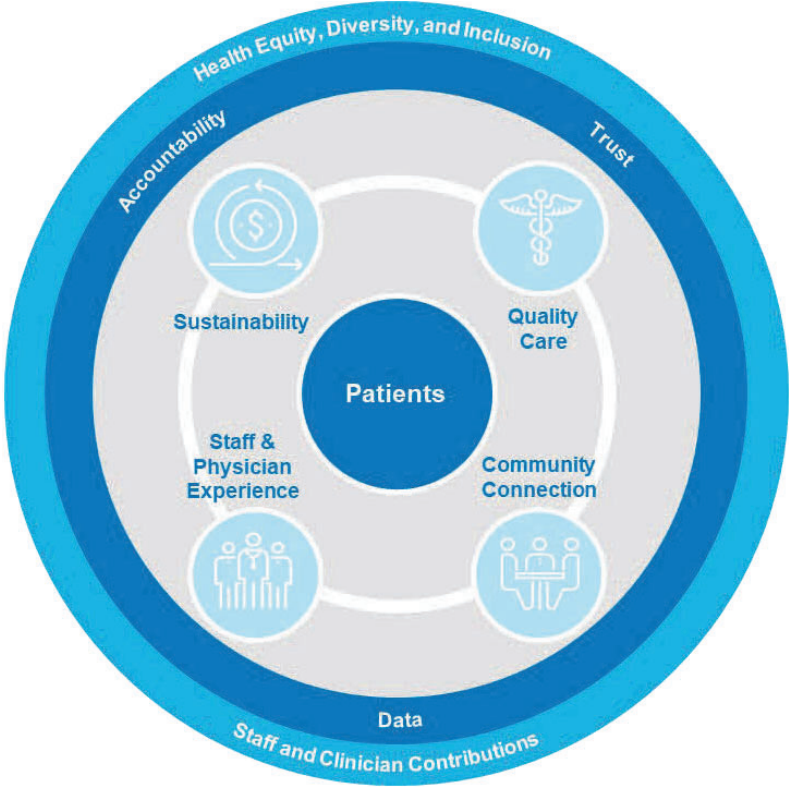
## Alameda Hospital Update

presented to Alameda Health Care District Board Meeting • October 10, 2023

Mario Harding, FACHE, Chief Administrative Officer-Community Hospitals  
Alameda Hospital and San Leandro Hospital  
Acting VP, System Support Services



# AHS Strategic Pillars



# Sustainability: Financials

*Refer to CFO Report*

# Sustainability: HVAC Infrastructure Update

# HVAC Infrastructure Replacement Plan (OLD)

- Phasing of the project will take place over 5 years with total cost upward of \$15,000,000 depending on inflation of construction costs over time period.
- Expect the cost for FY24 to range between \$1,250,000 and \$1,630,000 depending on costs for replacement when we begin each project.
- Capital cost for FY24 will come from AHS emergency capital fund.

Project Phase by Year	Original Budget	Phased Budget
<b>FY24 (07.1.23-06.30.24)</b>		
Temporary Systems Readiness	\$0	\$300,000
Humidification	\$750,000	\$1,050,000
Pump, Expansion Tanks, Air Separator	\$200,000	\$280,000
<b>FY25</b>		
Replace Chiller & Cooling Tower #1	\$2,729,000	\$3,820,600
<b>FY26</b>		
Replace Boiler #1	\$1,091,000	\$1,527,400
<b>FY27</b>		
Replace Chiller & Cooling Tower #2	\$4,093,500	\$5,730,900
<b>FY28</b>		
Replace Boiler #2	\$1,636,500	\$2,291,100
<b>TOTAL BUDGET</b>	<b>\$10,500,000</b>	<b>\$15,000,000</b>



# HVAC Infrastructure Replacement Plan (NEW)

Fiscal Year Scope of Work		Budget	Funds Allocated
FY 2024	Temporary Readiness	\$ 300,000	YES
	Humidifier Replacement	\$ 1,050,000	YES
	Pumps   Air Separators   Expansion Tanks	\$ 280,000	YES
FY 2025	BMS Controls Design, Permitting, & Construction	\$ 850,000	\$2M
	Chillers   Cooling Towers   Boilers Schematic Design	\$ 180,000	\$2M
	Chillers   Cooling Towers Design & Permitting	\$ 412,771	\$2M
	Purchase (2) Chillers	\$ 420,000	\$2M
	Purchase (2) Cooling Towers	\$ 225,000	\$2M
FY 2026	Chillers   Cooling Towers Storage	\$ 100,000	\$2M
	Chillers   Cooling Towers Construction	\$ 7,882,429	NO
	Boilers Design	\$ 249,874	NO
FY 2027	Boilers Permitting & Construction	\$ 3,049,926	NO

- \$2M gift from the Alameda Hospital Foundation approved on September 19, 2023.
- ***Removes one (1) year from the project completion date***

# Quality Care

# Alameda Hospital True North Metric Dashboard

*FY2024 under revision*

# Staff & Physician Experience

**TO:** Alameda Hospital Leadership Team  
Alameda Hospital Physicians  
Alameda Hospital Staff

**FROM:** Chris Adams, RN, MHA, MBA  
Vice President of Patient Care Services – Alameda Hospital and San Leandro Hospital

**DATE:** October 3, 2023

**SUBJECT:** Jessica Vinkavich, RN, MSN - Nurse Manager for Telemetry and Medical Surgical Units

We are pleased to announce a significant milestone in the growth and development of our healthcare team at Alameda Hospital. It is with great pleasure that we announce the promotion of Jessica Vinkavich, RN, MSN to the position of Nurse Manager of Med / Surg / Telemetry.

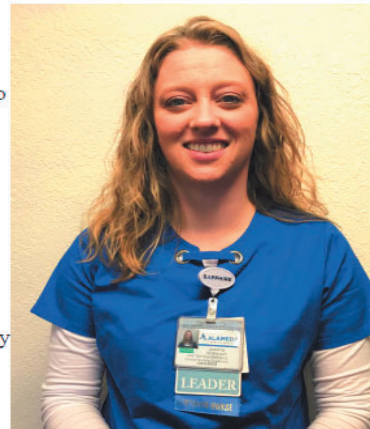
Jessica has been an invaluable member of our nursing team for 7 years and has consistently demonstrated dedication, passion, and exceptional clinical skills throughout her time. Her commitment to patient care, leadership abilities, and strong teamwork have not gone unnoticed.

Jessica joined Alameda Hospital as a travel nurse and after 1 year was promoted to Clinical Nurse Supervisor. She remained in this role until taking over the Assistant Nurse Manager position on Med / Surg / Telemetry which she has held for the last 4.5 years.

Originally from the Midwest, Jessica enjoys knitting (baby blankets are her specialty), reading, and spending time with her family.


Please join me in congratulating Jessica on her new role.


Jessica can be reached in the following manners:  
Office telephone 510-814-4350  
Cell phone at 510-604-8764  
[jvinkavich@alamedahealthsystem.org](mailto:jvinkavich@alamedahealthsystem.org)



# Community Connection

# Happenings/Upcoming Events



 **ALAMEDA**  
HEALTH SYSTEM

## Alameda Hospital Community Health Fair 2023

October 21, 2023 | 9 a.m. – 12 p.m.  
Alameda Hospital Parking Lot, 2070 Clinton Avenue, Alameda

Free flu shots*	Substance Use Information and Services
Health Screenings	Diabetes Education and more!
Emergency & Disaster Preparedness	Community Resources:
Safety & Injury Prevention	Alameda Fire Department
Free Bike Helmets for Kids 12 and under*	Community Emergency Response Team (CERT)
Cancer Prevention	Alameda Police Department
Healthy Nutrition	Alameda Family Services
Stroke Prevention	American Red Cross
Stop the Bleed	and more!
*while supplies last	

For more information | 510-754-9885 | [pace@alamedahealthsystem.org](mailto:pace@alamedahealthsystem.org)





# Patient Experience Alameda Hospital August 2023

# Alameda Hospital August 2023

H-CAHPS (N= 63) <i>N may vary by question</i>	FY23 Baseline	FY23 Goal	FY23 YTD	July 2023	Aug 2023
Overall Hospital Rating		70.00	67.83	66.17	69.87
Communication with Nurses		76.53	77.26	73.50	81.57
Communication with Doctors		78.52	84.16	84.95	83.26
Cleanliness and Quietness of Hospital Environment* (*2 questions-noted below)		62.28	62.18	59.08	65.68
<i>Quietness (no separate goal set)</i>		NA			
<i>Cleanliness (no separate goal set)</i>		NA			
Responsiveness of Hospital Staff		65.16	59.73	56.63	63.74
Communication about Medicines		60.51	64.33	67.03	61.01
Care Transitions		48.68	42.47	29.95	58.72
Discharge Information		60.51	64.33	83.79	84.02

# Action Plan

Metrics with opportunity for improvement	Follow-Up Actions	Date of Completion
Rate the Hospital and key drivers	<ul style="list-style-type: none"> <li>• Monthly Care Experience meeting with SLH and AH nursing leadership to discuss patient experience and best practices across community hospitals.</li> <li>• Review of patient comments with Nursing leaders and staff.</li> <li>• Data shared at physician and staff department meetings.</li> <li>• SMILE board (Safety, Metrics, Issues, Logistics, Encouragement) on all units</li> <li>• Sentact Rounding (EOC, TJC readiness, and patient rounding) done weekly on units</li> <li>• Increased compliance with leader rounding daily. Nursing Supervisors are rounding on units in addition to support staff managers will begin shortly.</li> </ul>	Ongoing
Care Transition domain-preferences taken into account in d/c planning	<ul style="list-style-type: none"> <li>• Care Transition Managers are focusing on Sentact patient rounding prior to discharge.</li> </ul>	Ongoing



Alameda Hospital

\*\*\* Confidential Peer Review Communication – Protected by Evidence Code section 1157 \*\*\*



# Alameda District Board Presentation 10/9/2023





## August Financial Report Volume Highlights – Alameda Acute

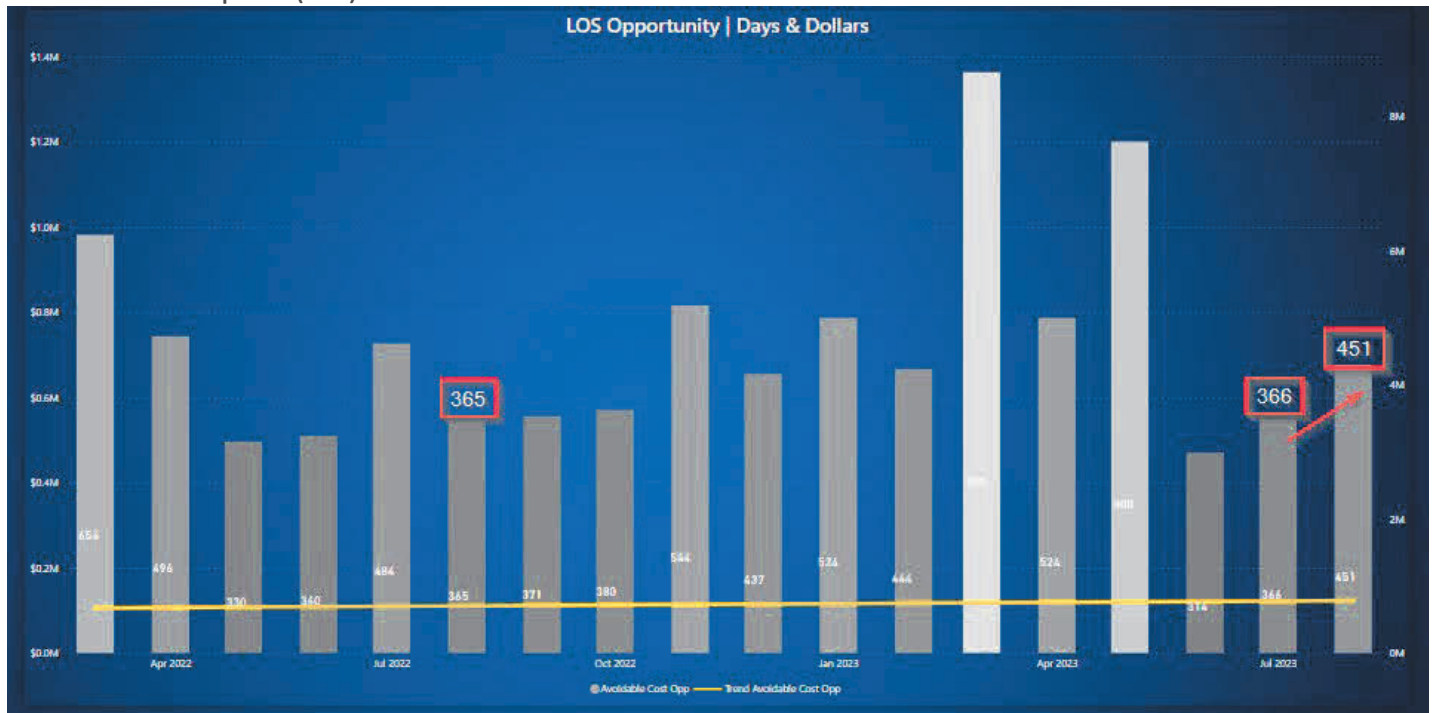
	MONTH				YEAR-TO-DATE				PRIOR YEAR-TO-DATE		
	MTD Actual	MTD Budget	Var	% Var	YTD Actual	YTD Budget	Var	% Var	YTD PY Actual	Var	% Var
ACUTE -----											
General Acute Days	1,161	1,008	153	15.20%	2,323	1,900	423	22.30%	2,236	-36	-3.00%
General Acute Discharges	249	202	47	23.40%	477	380	97	25.40%	448	15	6.40%
Average Daily Census	37.5	32.5	4.9	15.20%	37.5	30.6	6.8	22.30%	36.1	-1.2	-3.00%
Average Length of Stay	4.7	5	0.3	6.70%	4.9	5	0.1	2.50%	5	0.5	8.90%
Adjusted Patient Days	1,938	1,723	215	12.50%	3,865	3,256	610	18.70%	3,744	-69	-3.50%
Adjusted Discharges	416	345	71	20.50%	794	652	142	21.80%	750	23	5.90%
Occupancy %	57%	49%	0%	0.00%	57%	46%	0%	0.00%	55%	0%	0.00%
Observation Equiv Days	27	155	-128	-82.50%	-1	239	-240	-100.20%	287	-21	-43.20%
Total Paid FTE	538	603	65	10.70%	548	591	43	7.20%	589	64	10.60%
Total Productive FTE	480	489	10	2.00%	484	476	-8	-1.70%	510	51	9.60%
Total Adjusted Patient Days	1,938	1,723	215	12.50%	3,865	3,256	610	18.70%	3,744	-69	-3.50%
Total Adjusted Discharges	416	345	71	20.50%	794	652	142	21.80%	750	23	5.90%
Total Paid FTE per AOB	8.61	10.85	2.24	20.60%	8.79	11.25	2.46	21.90%	9.75	0.69	7.40%
Worked Hours Per APD	43.8	50.3	6.5	12.80%	44.4	51.8	7.4	14.40%	48.2	3	6.30%
Worked Hours Per AD	204	251	47	18.70%	216	259	43	16.50%	241	35	14.60%
Emergency Visits	1,521	1,394	127	9.10%	3,020	2,793	227	8.10%	2,813	117	8.30%
IP Surgeries	24	29	-5	-18.50%	42	47	-5	-10.50%	62	-16	-40.00%
OP Surgeries	160	115	45	39.10%	288	194	94	48.50%	194	44	37.90%
Total Surgeries	184	144	40	27.40%	330	241	89	37.00%	256	28	17.90%
Clinic Visits	1,071	1,048	23	2.20%	2,025	1,977	48	2.40%	2,104	-131	-10.90%
CMI Alameda	1.418	1.498	-0.082	-5.40%	1.428	1.423	-0.082	-5.40%	1.423	0.005	0.30%



## August Financial Report Volume Highlights – Alameda Skilled Nursing

	MONTH				YEAR-TO-DATE				PRIOR YEAR-TO-	
	MTD Actual	MTD Budget	Var	% Var	YTD Actual	YTD Budget	Var	% Var	YTD PY Actual	% Var
SNF -----										
SNF Patient Days	4,459	4,479	-20	-0.45%	8,894	8,959	-65	-0.73%	8,274	7.49%
SNF Discharges	4	12	-8	-66.67%	18	24	-6	-25.00%	21	-18.18%
Average Daily Census	143.8	144.5	-1	-0.45%	286.9	289.0	-2	-0.73%	156.8	-6.70%
Occupancy %	79%	92%	0	0.00%	79%	92%	0%	0.00%	87%	0.00%
Bed Holds	30	39	-9	-23.08%	66	46	20	43.48%	67	-1.49%

### Alameda Hospital (AH)



- **LOS Variance Days:** The total # of actual days in a bed in excess of the allowed # of days from national and State regulatory acuity models. August: 451 days which is *an 23% month over month Increase* and is a *24% Increase year over year* for August.
- **LOS Variance Dollars:** The AHS additional cost of resources due to the variance days for August was \$677K (calculated at \$1,500/day). Does not include the \$2.2M opportunity cost of the bed being unavailable for another patient (weighted average per diem reimbursement all heads in a bed \$4,883).<sup>4</sup>



## August 2023 Financial Report Alameda District Hospital Financial Statement

In Thousands	MTD ACTUAL	YTD ACTUAL
<i>Operating Revenue</i> -----		
Net Patient Revenue	\$8,622	\$17,870
Capitation Revenue	359	717
Other Government Programs	1,483	3,118
Other Revenues	806	1,333
<b>Total Revenue - All Sources</b>	<b>\$11,270</b>	<b>\$23,038</b>
<b>Collection %</b>	<b>15.1%</b>	<b>15.7%</b>
<i>Operating Expenses</i> -----		
Salaries & Benefits	9,020	18,186
Purchased Services	1,164	2,225
Materials and Supplies	1,257	2,021
Facilities	470	590
Depreciation	393	786
General & Administration	24	58
<b>Total Operating Expenses</b>	<b>\$12,328</b>	<b>\$23,866</b>
<b>Contribution Margin</b>	<b>(\$1,058)</b>	<b>(\$828)</b>

- Monthly Operating Reviews (MOR) with each entity leaders/managers underway and have identified opportunities for improvement. Implementing action plans.
  - Bridge plans to close financial gap in process
  
- Next Steps
  - Add entity Key Statistics
  - Allocate Performance Improvement Initiatives
  - Validate Revenue and understand collection ratios
  - Continue work to direct cost all feasible expenses
  - Physician expense/AHMG reporting moving forward
  - Develop service line financial statements for next year FY24
    - Examples: Cardiology, Post Acute, Behavioral Health



- Alameda District Hospital acute average daily census was 37.5 in August which is 57% occupancy. Census is over budget for the month with a YTD of 37.5.
- Acute Volume and Revenue Highlights:
  - CMI is at 1.4, 5.4% below budget for the month and 5.4% below budget YTD. Generally, a higher CMI increases the expected LOS.
  - LOS decreased in the month to 4.7; below budget of 5.0. YTD LOS is 4.9 and PY was 5.0.
  - Observation days has increased to 27 and is below budget of 155.
  - Surgeries increased to 184 in August above budget of 144. Mostly due to increase in Pain cases, which are done in the OR and being included in the surgery volumes.
    - OP Surgery is above budget by 45 and 39.1%; YTD above budget by 48.5%
    - IP Surgery is below budget by 5 and 18.5%; YTD below budget by 10.5%
- Expenses
  - Registry and Overtime are above budget due to staffing shortages and difficulty recruiting. Increase in COVID related call outs and LOA
    - Reviewing registry usage and working to standardize process and suppliers. Reviewing contract with Vaya and looking at other registries that AHS is using.
    - Intensive new grad orientation in progress to help decrease reliance on Travelers
    - Dedicated RN recruiter

- Skilled Nursing Volume and Revenue Highlights:
  - Patient days were below budget by 20 days or 0.45%.
  - Discharges were below budget by 8
  - Daily Census was below budget by 1 or 0.45% with continued efforts to increase census
  - Occupancy is at 79% due to COVID outbreak status
- Expenses
  - Overtime was over budget by 1.2 FTE due to COVID outbreaks and sick calls

- Alameda District Hospital acute average daily census runs approximately 57% occupancy; mostly admissions coming through the ED. YTD census is 37.5.
  - Med surg and Tele (58 beds)
  - ICU census (8 Beds)
  - Clinics include Wound Care Clinic & Marina Wellness Center
  
- Skilled Nursing runs at approximately 79% capacity; mostly admissions from AHS hospitals.
  - Hospital (Subacute 35 beds)
  - Park Bridge (120 beds) and

# Appendix

## AHS Finance Committee Presentation



**August 2023 Financial Report  
Finance Committee 10/04/2023**

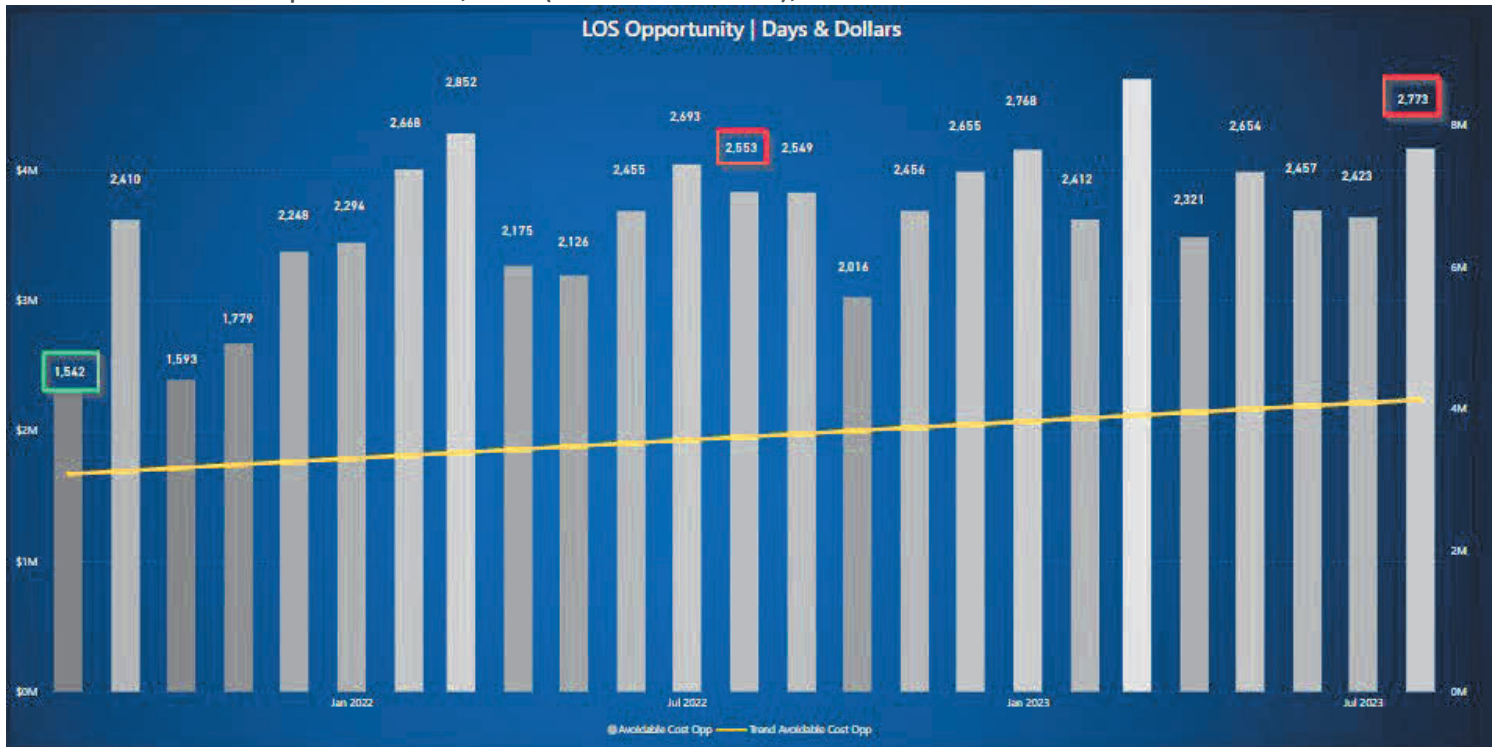




## August 2023 Financial Report Volume Highlights

	Actual	Budget	Variance	% Var	YTD Actual	YTD Budget	Variance	% Var	PY YTD Actual	Variance	% Var
<b>ACUTE</b>											
Patient Days	9,635	9,599	36	0.4%	19,268	19,020	248	1.3%	19,399	(131)	-0.7%
Discharges	1,603	1,586	17	1.1%	3,168	3,145	23	0.7%	2,979	189	6.3%
Average Daily Census	310.8	309.7	1.1	0.4%	310.8	306.8	4.0	1.3%	312.9	(2.1)	-0.7%
Average Length of Stay	6.0	6.1	(0.1)	-1.6%	6.1	6.0	0.1	1.7%	6.5	(0.4)	-6.2%
Adjusted Patient Days	15,769	15,175	594	3.9%	31,166	30,069	1,097	3.6%	29,993	1,173	3.9%
Adjusted Discharges	2,624	2,505	119	4.8%	5,124	4,973	151	3.0%	4,606	518	11.2%
CMI	1.513	1.553	(0.040)	-2.6%	1.492	1.528	(0.036)	-2.4%	1.528	(0.036)	-2.4%
Emergency Visits	8,516	8,504	12	0.1%	16,655	16,983	(328)	-1.9%	15,780	875	5.5%
Left Without Being Seen (LWBS)	6.5%	8.1%		-1.6%	7.6%	8.0%		-0.4%	9.9%		-2.3%
Trauma Cases	329	281	48	17.1%	628	557	71	12.7%	520	108	20.8%
Observation Equivalent Days	126	246	(120)	-48.8%	156	575	(419)	-72.9%	449	(293)	-65.3%
PES Equivalent Days	749	721	28	3.9%	1,485	1,447	38	2.6%	1,213	272	22.4%
Bed Holds	81	105	(24)	-22.9%	160	165	(5)	-3.0%	135	25	18.5%
Surgeries	792	768	24	3.1%	1,491	1,494	(3)	-0.2%	1,470	21	1.4%
IP Surgeries	367	377	(10)	-2.7%	681	755	(74)	-9.8%	742	(61)	-8.2%
OP Surgeries	425	391	34	8.7%	810	739	71	9.6%	728	82	11.3%
Deliveries	142	153	(11)	-7.2%	292	270	22	8.1%	245	47	19.2%
<b>SNF</b>											
Patient Days	8,412	8,403	9	0.1%	16,842	16,806	36	0.2%	16,109	733	4.6%
Discharges	30	25	5	20.0%	57	51	6	11.8%	35	22	62.9%
Average Daily Census	271.4	271.1	0.3	0.1%	271.6	271.1	0.5	0.2%	259.8	11.8	4.5%
Average Length of Stay	323.5	331.6	(8.1)	-2.4%	295.5	331.7	(36.2)	-10.9%	460.3	(164.8)	-35.8%
<b>CLINIC VISITS</b>											
Physician wRVU	34,211	30,869	3,342	10.8%	63,721	60,095	3,626	6.0%	58,636	5,085	8.7%
Clinic Visits	29,302	25,476	3,826	15.0%	54,546	49,669	4,877	9.8%	49,111	5,435	11.1%
Telehealth Visits	4,909	5,393	(484)	-9.0%	9,175	10,426	(1,251)	-12.0%	9,525	(350)	-3.7%
Physician wRVU	104,894	110,084	(5,190)	-4.7%	209,205	214,860	(5,655)	-2.6%	191,057	18,148	9.5%
Total Adjusted Patient Days	28,278	27,294	984	3.6%	55,931	54,053	1,878	3.5%	52,841	3,090	5.8%
Total Adjusted Discharges	2,552	2,441	111	4.6%	4,996	4,822	173	3.6%	4,485	511	11.4%

Acute Care Hospitals: HGH, SLH (excludes Rehab), AH



- LOS Variance Days: The total # of actual days in a bed in excess of the allowed # of days from national and state regulatory acuity models. August: 2,773 days which is **14% month over month Increase** and is **8.6% Increase year over year. Biennium Increase of 80% from August 2021.**
- LOS Variance Dollars: The AHS estimated additional cost of resources due to the variance days for August was \$4.2M (calculated at \$1,500/day). Does not include the \$13.5M opportunity cost of the bed being unavailable to another patient (weighted average per diem reimbursement all heads in a bed \$4,883).<sup>12</sup>



## August 2023 Financial Report Highlights

- Operating revenue exceeded budget primarily due to Anthem Blue Cross settlement, improved LOS, and retail pharmacy.
- Operating expenses exceeded budget driven by higher purchased services and materials and supplies. Labor costs at budget for month.
- Non-operating is unfavorable for the month and YTD.
- Net Income is unfavorable for the month and approximates budget for the year.
- EBIDA is below budget for the month and favorable YTD.

	August 2023				Year-To-Date				FY 2023	
	Actual	Budget	Variance	% Var	Actual	Budget	Variance	% Var	YTD	% Var
Operating revenue	\$ 118,623	\$ 116,306	\$ 2,317	2.0%	\$ 235,393	\$ 230,583	\$ 4,810	2.1%	\$ 215,332	9.3%
Operating expense	117,698	113,744	(3,954)	(3.5)%	232,529	227,818	(4,711)	(2.1)%	213,000	(9.2)%
<b>Operating income (loss)</b>	<b>925</b>	<b>2,562</b>	<b>(1,637)</b>	<b>(63.9)%</b>	<b>2,864</b>	<b>2,765</b>	<b>99</b>	<b>3.6%</b>	<b>2,332</b>	<b>22.8%</b>
Other non-operating activity	(101)	(45)	(56)	(124.4)%	(227)	(114)	(113)	(99.1)%	(195)	(16.7)%
<b>Net Income (loss)</b>	<b>\$ 824</b>	<b>\$ 2,517</b>	<b>\$ (1,693)</b>	<b>(67.3)%</b>	<b>\$ 2,637</b>	<b>\$ 2,651</b>	<b>\$ (14)</b>	<b>(0.5)%</b>	<b>\$ 2,137</b>	<b>23.4%</b>
EBIDA adjustments	3,413	3,121	292		6,702	6,268	434		5,573	
<b>EBIDA</b>	<b>\$ 4,237</b>	<b>\$ 5,638</b>	<b>\$ (1,401)</b>		<b>\$ 9,339</b>	<b>\$ 8,919</b>	<b>\$ 420</b>		<b>\$ 7,710</b>	
Operating Margin	0.8%	2.2%	(1.4)%		1.2%	1.2%	0.0%		1.1%	
EBIDA Margin	3.6%	4.8%	(1.2)%		4.0%	3.9%	0.1%		3.6%	



- Gross patient service revenue slightly favorable to budget for the month.
  - The average LOS is 6.0 and approximates budget; reflecting improvement over trend. CMI is lower than budget (2.6%) indicating less complexity of patients and services. Inpatient surgery fell below budget by 2.7%.
  - ED visits approximates budget. Left With Being Seen was 6.5% and better than budget.
  - SNF census and discharges continue to trend up; improving hospital through-put.
  - Although clinic visits exceeded budget for the month, hospital based professional services drove the unfavorable variance for the month and year.
- NPSR Collection ratio was 18.3% and below budget. YTD, 18.9% and at budget.
  - CDM increase of a blended 3% was effective on July 1, 2023. Estimated collectability will true-up once the sample size is large enough.
  - Trauma cases were 17.1% higher than budget.

	August 2023				Year-To-Date				FY 2023	
	Actual	Budget	Variance	% Var	Actual	Budget	Variance	% Var	YTD	% Var
Inpatient service revenue	\$ 212,965	\$ 216,253	\$ (3,288)	(1.5)%	\$ 424,828	\$ 429,531	\$ (4,703)	(1.1)%	\$ 413,701	2.7%
Outpatient service revenue	120,736	111,805	8,932	8.0%	233,217	221,925	11,292	5.1%	202,063	15.4%
Professional service revenue	32,112	34,179	(2,067)	(6.0)%	63,021	66,823	(3,803)	(5.7)%	57,394	9.8%
Gross patient service revenue	365,813	362,237	3,576	1.0%	721,066	718,279	2,786	0.4%	673,158	7.1%
Deductions from revenue	(298,958)	(293,736)	(5,223)	(1.8)%	(584,835)	(582,448)	(2,387)	(0.4)%	(547,290)	6.9%
<b>Net patient service revenue</b>	<b>66,855</b>	<b>68,501</b>	<b>(1,647)</b>	<b>(2.4)%</b>	<b>136,231</b>	<b>135,831</b>	<b>399</b>	<b>0.3%</b>	<b>125,868</b>	<b>(8.2)%</b>
Collection % - NPSR	18.3%	18.9%	(0.6)%		18.9%	18.9%	0.0%		18.7%	
Capitation and HPAC	4,022	4,018	3	0.1%	8,052	8,031	21	0.3%	7,817	3.0%
Other government programs	41,977	39,641	2,336	5.9%	81,572	79,261	2,311	2.9%	74,769	9.1%
Other operating revenue	5,769	4,146	1,623	39.2%	9,538	7,460	2,078	27.9%	6,878	38.7%
<b>Total operating revenue</b>	<b>\$ 118,623</b>	<b>\$ 116,307</b>	<b>\$ 2,316</b>	<b>2.0%</b>	<b>\$ 235,393</b>	<b>\$ 230,583</b>	<b>\$ 4,810</b>	<b>2.1%</b>	<b>\$ 215,333</b>	<b>9.3%</b>



## August 2023 Financial Report Governmental and Other Revenue Highlights

- Other government programs favorable \$2.3M for the month and YTD.
  - Physician SPA FY22 interim payback (\$2.6M).
  - GME (ACA portion) receipts for FY20 (\$2.2M) and FY21 (\$2.6M).
- Other operating revenue favorable for the month \$1.6M from higher retail pharmacy (\$0.9M), Anthem settlement (\$1.1M), and offset by timing of grant revenue (\$0.2M). YTD, favorable \$2.1M from higher retail pharmacy (\$1.6M), Anthem settlement (\$1.1M), and offset by timing of grant revenue (\$0.5M).

	August 2023				Year-To-Date				FY 2023	
	Actual	Budget	Variance	% Var	Actual	Budget	Variance	% Var	YTD	% Var
Net patient service revenue	66,855	68,501	(1,647)	(2.4)%	136,231	135,831	399	0.3%	125,868	(8.2)%
Capitation and HPAC	4,022	4,018	3	0.1%	8,052	8,031	21	0.3%	7,817	3.0%
Medi-Cal Waiver	7,640	7,697	(56)	(0.7)%	15,291	15,393	(102)	(0.7)%	16,417	(6.9)%
Measure A and parcel tax	13,868	13,868	0	0.0%	27,735	27,735	0	0.0%	21,469	29.2%
Supplemental Programs	20,469	18,077	2,392	13.2%	38,546	36,132	2,414	6.7%	36,884	4.5%
<b>Other government programs</b>	<b>41,977</b>	<b>39,641</b>	<b>2,336</b>	<b>5.9%</b>	<b>81,572</b>	<b>79,261</b>	<b>2,311</b>	<b>2.9%</b>	<b>74,769</b>	<b>9.1%</b>
Grant Revenue	917	1,155	(238)	(20.6)%	1,842	2,340	(498)	(21.3)%	2,258	(18.4)%
Other Operating Revenue	4,852	2,991	1,861	62.2%	7,697	5,120	2,576	50.3%	4,620	66.6%
<b>Other operating revenue</b>	<b>5,769</b>	<b>4,146</b>	<b>1,623</b>	<b>39.2%</b>	<b>9,538</b>	<b>7,460</b>	<b>2,078</b>	<b>27.9%</b>	<b>6,878</b>	<b>38.7%</b>
<b>Total operating revenue</b>	<b>\$ 118,623</b>	<b>\$ 116,307</b>	<b>\$ 2,316</b>	<b>2.0%</b>	<b>\$ 235,393</b>	<b>\$ 230,583</b>	<b>\$ 4,810</b>	<b>2.1%</b>	<b>\$ 215,333</b>	<b>9.3%</b>

- Physician contract services, including registry from Vaya, approximates budget. YTD, unfavorable with the largest variances in Anesthesiology and Rehabilitation.
- Purchased services unfavorable from outside medical services (\$0.9M) and transitional housing (\$0.3M) offset by lower management consultant (\$0.2M). YTD, Purchased services unfavorable from outside medical services (\$1.2M) and transitional housing (\$0.5M) offset by lower software licenses/hosting fees (\$0.3M), management consultant (\$0.3M) and parking services (\$0.2M).
- Material and supplies unfavorable from pharmaceuticals (\$0.9M), medical supplies (\$0.3M), lab reagents (\$0.2M), timing of minor equipment (\$0.2M) and the remaining variance (\$0.4M) spread across multiple areas. YTD, unfavorable from pharmaceuticals (\$1.0M), medical supplies (\$0.4M), and minor equipment (\$0.2M). Partial offset from favorable variance (\$0.2M) in retail pharmacy expense.
- Facilities unfavorable from timing for medical equipment repairs (\$0.3M) and building repairs (\$0.4M) partially for ambulatory flooring at Highland. YTD, unfavorable from medical equipment repairs (\$0.2M) and building repairs (\$0.2M) offset by lower utilities (\$0.3M).
- Depreciation and amortization unfavorable from higher equipment depreciation.

	August 2023				Year-To-Date				FY 2023	
	Actual	Budget	Variance	% Var	Actual	Budget	Variance	% Var	YTD	% Var
Labor costs	\$ 83,510	\$ 83,666	\$ 156	0.2%	\$ 169,265	\$ 167,982	\$ (1,283)	(0.8)%	\$ 156,914	(7.9)%
Physician contract services	3,648	3,484	(164)	(4.7)%	7,556	6,969	(587)	(8.4)%	6,552	(15.3)%
Purchased services	9,054	8,053	(1,001)	(12.4)%	16,808	15,889	(919)	(5.8)%	15,629	(7.5)%
Materials and supplies	12,465	10,560	(1,905)	(18.0)%	22,636	21,152	(1,484)	(7.0)%	18,629	(21.5)%
Facilities	3,609	2,860	(749)	(26.2)%	5,938	5,829	(109)	(1.9)%	6,091	2.5%
Depreciation and amortization	3,299	3,063	(236)	(7.7)%	6,449	6,129	(320)	(5.2)%	5,353	(20.5)%
General and administrative	2,113	2,058	(55)	(2.7)%	3,877	3,868	(9)	(0.2)%	3,832	(1.2)%
<b>Total operating expense</b>	<b>\$ 117,698</b>	<b>\$ 113,744</b>	<b>\$ (3,954)</b>	<b>(3.5)%</b>	<b>\$ 232,529</b>	<b>\$ 227,818</b>	<b>\$ (4,711)</b>	<b>(2.1)%</b>	<b>\$ 213,000</b>	<b>(9.2)%</b>

Labor costs approximate budget for the month and unfavorable YTD \$1.3M.

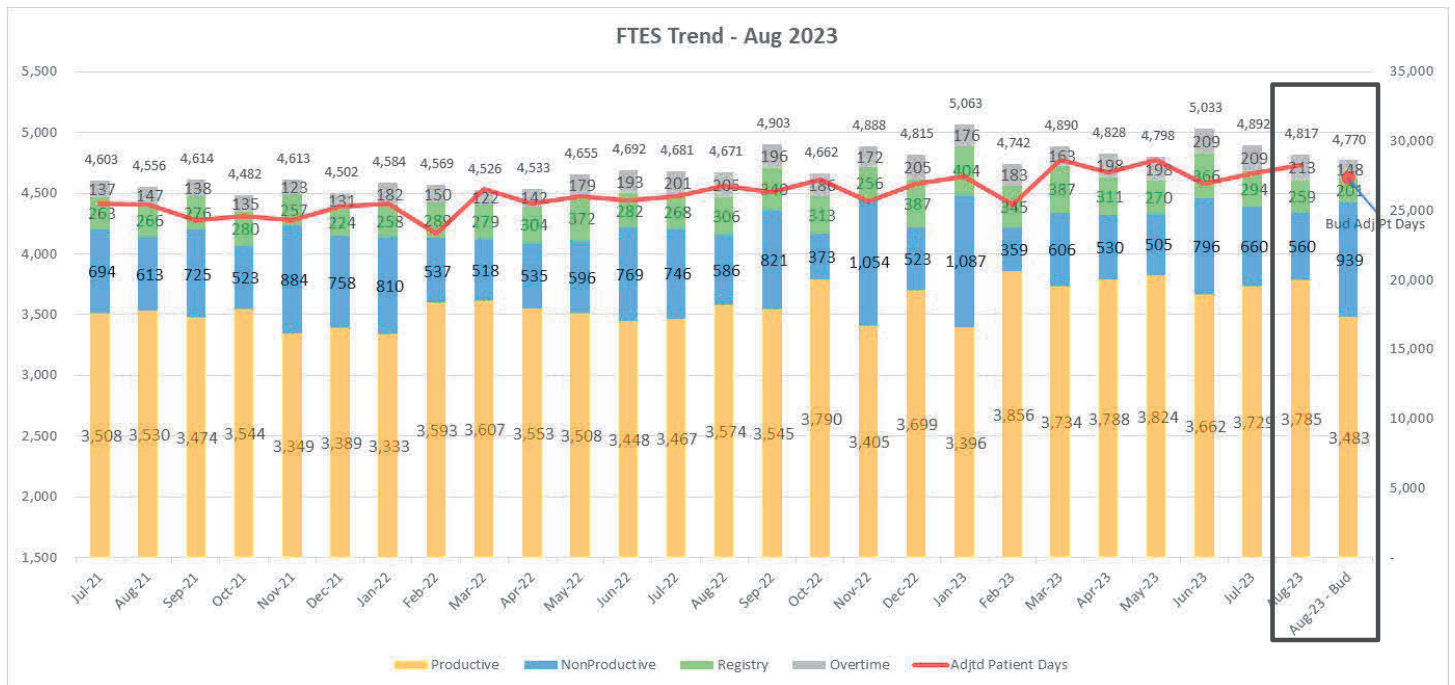
- Salaries and wages (staff) at budget and YTD unfavorable. See table to right variance detail.
- Physician Salaries were favorable for month and YTD with the variances spread across multiple specialties.
- Registry unfavorable for month and YTD from higher utilization (58 FTEs \$1.2M, YTD 75 FTEs \$3.7M) offset by lower rates (\$0.3M, YTD \$2.8M). Expense is trending lower compared to prior year.

Non-physician Salaries and Wage Variance		
	August	YTD
<u>Rate Variance to Budget</u>		
Salaries/PTO/Holiday/Sick	\$ 223	\$ (138)
Overtime (65 FTE, YTD 64 FTE)	(955)	(2,309)
On-Call	43	111
Shift Differential	446	867
Other	243	743
<b>Subtotal - Rate Variance</b>	<b>-</b>	<b>(726)</b>
<u>Volume Variance to Budget</u>		
11 FTE and 1 FTE	123	26
<b>Total Variance</b>	<b>\$ 123</b>	<b>\$ (700)</b>

	August 2023				Year-To-Date				FY 2023	
	Actual	Budget	Variance	% Var	Actual	Budget	Variance	% Var	YTD	% Var
Salaries and wages (staff)	\$ 49,979	\$ 50,102	\$ 123	0.2%	\$ 101,169	\$ 100,469	\$ (700)	(0.7)%	\$ 95,507	(5.9)%
Salaries and wages (physicians)	8,425	8,684	259	3.0%	16,654	17,608	954	5.4%	14,459	(15.2)%
Registry	5,203	4,248	(955)	(22.5)%	10,758	9,883	(875)	(8.9)%	14,475	25.7%
Employee benefits (taxes, insurance)	12,905	13,512	607	4.5%	26,521	25,746	(775)	(3.0)%	24,643	(7.6)%
Retirement	6,998	7,120	122	1.7%	14,163	14,276	113	0.8%	13,400	(5.7)%
Retirement (deferred)	-	-	-	0.0%	-	-	-	0.0%	(5,570)	(100.0)%
<b>Total labor costs</b>	<b>\$ 83,510</b>	<b>\$ 83,666</b>	<b>\$ 156</b>	<b>0.2%</b>	<b>\$ 169,265</b>	<b>\$ 167,982</b>	<b>\$ (1,283)</b>	<b>(0.8)%</b>	<b>\$ 156,914</b>	<b>(7.9)%</b>
Compensation ratio	70.4%	71.9%	1.5%		71.9%	72.9%	1.0%		72.9%	
Paid FTEs	4,817	4,770	(47)	(1.0)%	4,853	4,780	(73)	(1.5)%	4,667	4.0%

- Employee Benefits favorable reflecting an adjustment to correct the July budget spread. YTD, unfavorable from settlement payments for self-funded workers compensation (\$0.5M), housing allowance for residents/interns (\$0.6M) and offset by lower other employee benefits (\$0.2M).

	August 2023				Year-To-Date				FY 2023	
	Actual	Budget	Variance	% Var	Actual	Budget	Variance	% Var	YTD	% Var
Salaries and wages (staff)	\$ 49,979	\$ 50,102	\$ 123	0.2%	\$ 101,169	\$ 100,469	\$ (700)	(0.7)%	\$ 95,507	(5.9)%
Salaries and wages (physicians)	8,425	8,684	259	3.0%	16,654	17,608	954	5.4%	14,459	(15.2)%
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Employee benefits (taxes, insurance)	12,905	13,512	607	4.5%	26,521	25,746	(775)	(3.0)%	24,643	(7.6)%
Retirement	6,998	7,120	122	1.7%	14,163	14,276	113	0.8%	13,400	(5.7)%
Retirement (deferred)	-	-	-	0.0%	-	-	-	0.0%	(5,570)	(100.0)%
<b>Total labor costs</b>	<b>\$ 83,510</b>	<b>\$ 83,666</b>	<b>\$ 156</b>	<b>0.2%</b>	<b>\$ 169,265</b>	<b>\$ 167,982</b>	<b>\$ (1,283)</b>	<b>(0.8)%</b>	<b>\$ 156,914</b>	<b>(7.9)%</b>
Compensation ratio	70.4%	71.9%	1.5%		71.9%	72.9%	1.0%		72.9%	
Paid FTEs	4,817	4,770	(47)	(1.0)%	4,853	4,780	(73)	(1.5)%	4,667	4.0%



- August 2024 shows a negative variance for Paid FTEs, driven by registry needed to staff for higher patient days and vacancies. YTD unfavorable variance is 73 FTEs.

- Days in Cash are 6.2 and higher than year-end; typically, below 5.0 days.
- Gross AR Days had no change and Net AR Days decreased 0.3 days. See next slide for additional detail.
- Days in Accounts Payable decreased due to timing of the check run. The target is 30 days.
- Net Position is negative \$83.8M and improved \$2.6M from June 30, 2023 reflecting YTD Net Income.
- Net Negative Balance is a receivable \$18.3M. NNB consists of the liquidity facility (loan) of \$7.0M offset by restricted cash of \$25.3M; and is below the June 30, 2024 credit ceiling of \$105.0M.

	<u>Aug-23</u>	<u>Jul-23</u>	<u>FY 2023</u>
Days in cash	6.2	5.1	2.6
Gross days in patient receivable	60.1	60.1	62.4
Net days in patient receivable	35.8	36.1	38.3
Due from/(to) third-party payors	86,625	122,060	64,197
Due from/(to) County	16,415	(16,835)	19,130
Days in accounts payable	30.8	37.9	34.7
% of AP over 60 days	2.6%	2.1%	1.5%
Current ratio	1.4	1.3	1.3
Net position - fund balance/(deficit)	\$ (83,784)	\$ (84,610)	\$ (86,418)
Net negative balance - receivable/(payable)	\$ 18,326	\$ 39,086	\$ 58,811

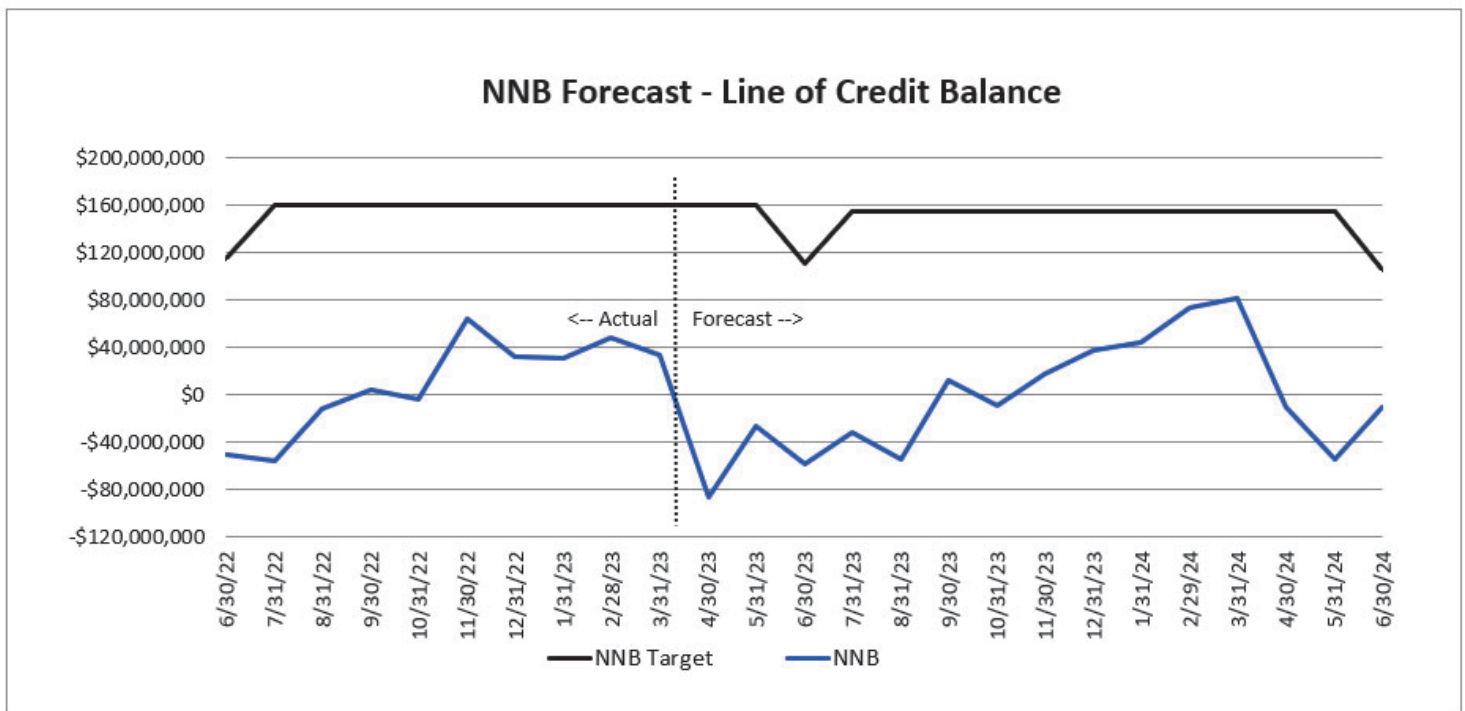




- FY23 collections were \$776.5M exceeding FY22 and FY21 collections. The transition to Epic occurred in FY20 on September 29, 2019. Volumes dropped during the pandemic (3/2021); however, collections strong with improved Revenue Cycle.
- FY24 Patient collections are running approximately 12.1% higher than the same time-period in FY23.

PATIENT COLLECTIONS (in thousands)							
	Behavioral			Total	FY 2023	FY 2022	FY 2021
	Legacy	Health	Epic	FY 2024			
Jul	1	10,909	68,682	79,592	74,260	59,732	41,373
Aug	1	5,871	63,441	69,313	58,590	57,374	53,893
Sep	-	-	-	-	76,063	61,968	64,484
Oct	-	-	-	-	59,796	49,923	51,514
Nov	-	-	-	-	56,939	52,057	49,499
Dec	-	-	-	-	67,018	68,121	53,274
Jan	-	-	-	-	71,452	62,292	34,443
Feb	-	-	-	-	57,886	52,269	49,157
Mar	-	-	-	-	65,320	62,888	58,922
Apr	-	-	-	-	55,307	56,235	55,646
May	-	-	-	-	63,795	69,591	44,005
Jun	-	-	-	-	70,027	53,187	43,889
<b>Total</b>	<b>2</b>	<b>16,780</b>	<b>132,123</b>	<b>148,905</b>	<b>776,453</b>	<b>705,637</b>	<b>600,099</b>
	<b>% change between fiscal years</b>			<b>12.1%</b>	<b>10.0%</b>	<b>17.6%</b>	

- The forecast is based on the FY24 Budget and is expected to be below limit of \$105.0M at 6/30/24.
  - Capital budget cash flow is \$30.5M; YTD capital was \$3.1M. The cashflow assumes another \$27.4M will be spent this fiscal year.
  - Forecast was lower the NNB by \$40.0M at 6/30/24 from the removal of the HPAC amendment payment in January 2024.



- HPAC amendment for FY24 reduced from \$40.0 million to zero based preliminary analysis.
- Prior year activity for the old Waiver, Medi-Cal FQHC and Physician SPA settlements are reflected in a separate table as the final settlement amount and timing are unknown.

<b>Material Items Included in NNB Forecast</b>						
(in thousands)						
	<u>Oct-23</u>	<u>Nov-23</u>	<u>Jan-24</u>	<u>Mar-24</u>	<u>Apr-24</u>	<u>May-24</u>
HPAC amendment and AB85 realignment	\$ -	\$ (8,395)	\$ -	\$ -	\$ -	\$ -
EPP (semi-annual)	20,000				20,000	
QIP (annual)					70,000	
GPP (quarterly)	26,000		26,000	7,300	26,000	
Medi-Cal Managed Care Rate Range (annual)						45,000
	<u>\$ 46,000</u>	<u>\$ (8,395)</u>	<u>\$ 26,000</u>	<u>\$ 7,300</u>	<u>\$ 116,000</u>	<u>\$ 45,000</u>

<b>Prior Year Reimbursement Settlements</b>		
Waiver recoupment (fy10, fy11, fy14, fy15)	\$ (16,190)	June 2024
Medi-Cal FQHC recoupment (fy08 - fy13)	\$ (40,000)	TBD
Physician SPA (fy08 - fy13)	\$ (25,000)	TBD

**Alameda Hospital Medical Executive Committee (MEC)**  
**Report to the Alameda Health Care District Board****October 10, 2023**

The Medical Executive Committee met on September 20, 2023, to review and approve the routine items from the Departmental reports, Committees reports and Administrative reports. MEC report includes the organizational pillars listed below:

- ✓ Community
- ✓ Quality
- ✓ Staff/Patient Experience
- ✓ Sustainability

**A. Community**

- Alameda Hospital Status Report and Planning for the Future September 26<sup>th</sup> meeting
  - Opportunities for further dialogue of how AH can contribute towards patient care and systemwide operations

**B. Quality**

- The MEC reviewed and approved the Clinical Practice Council items below:
  - Policies and Procedures
  - Order Sets
  - Epic Order Sets
- The MEC reviewed and recommends approval of documents which are key to the operational functions and compliance with regulatory requirements.
- CMS Performance Improvement Programs – July 2023
  - Alameda Hospital received a 4-star overall rating
    - Sub-Acute received a 5-start rating

**C. Staff/Patient Experience**

- Department Chair Appointment: Dr. Charlotte Wills, Emergency Medicine

**D. Sustainability**

- Medical Staff Leadership (AHS and AH) and System Integration
  - Pilot of combined Medical Executive Committee Open Session meetings
  - Perioperative Access Planning to improve access by increasing capacity, i.e., utilization and alignment of block times
    - Equitable and informed/data-led process improvement



October 10, 2023

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

From: Debi Stebbins  
Executive Director

RE: Executive Director Report – October 2023

1. October 21, 2023, Alameda Health Fair

Alameda Hospital is resuming its annual health fair for the public on October 21, 2023 from 9am-12N. The District has been invited to participate with a booth. This seems like an excellent opportunity for us to educate the on the role of the District as well as the seismic requirements faced by the hospital in 2030. I will be preparing some collateral material for distribution. Many Directors have already expressed an interest in being available in our booth to answer questions about the District. At the October 10, 2023, Board meeting I will distribute a sign-up list for Directors to sign up to be available in at least one hour increments. I plan to be present for the duration of the fair.

2. Annual Meeting of the Association of California Health Care Districts (ACHD)

Director Sayen and I attended the annual meeting of ACHD in September. There were several interesting presentations which he and I can highlight at the Board meeting. Notable is that there is now a requirement under AB 1234 that Directors and management of public health care districts, among other public entities, participate in a two-hour course on Ethics at least once every two years. David Sayen and I completed that requirement at the meeting. I will be providing other Directors on how this requirement can completed online or in person at the Board meeting.

We also learned about the value of certification of Boards offered by ACHD. I am pursuing more information on this for future review by the Board.

### 3. Joint Planning Committee Update

There will be discussion of the September 26, 2023, AHS-District Joint Planning Committee at the Board meeting. On September 19, I received the **attached letter** from AHS COO Mark Fratzke stating concerns about using the parcel tax as security for financing a Certificate of Participation loan for the 2030 Seismic retrofit. Dr. Deutsch and I are engaged in discussions with AHS leadership to resolve the issues raised by AHS management.

### 4. Grant from Alameda Hospital Foundation for HVAC Renovation Project

The Alameda Hospital Foundation approved a \$2 million grant to AHS to be used to expedite the completion of the very important HVAC renovation. It is not quite clear when this money will be transferred to AHS from the Foundation. The initial commitment from Mr. Fratzke was that this would expedite completion of the project by one year. The District is continuing to work with Mr. Mario Harding on the impact of additional funding on the project schedule since the renovation project remains a critical priority for the surgery suite operations as well as overall air handling and infrastructure for the entire hospital.



1411 East 31 st Street  
Oakland, CA 94602

September 19, 2023

Deborah E. Stebbins  
Executive Director  
City of Alameda Health Care District  
1402 Park Street, Suite A/B  
Alameda, CA 94501

RE: 2030 Seismic Requirements

Dear Ms. Stebbins:

Thank you for your letter dated August 22, 2023.

We appreciate the City of Alameda Health Care District (“District”) sharing with AHS a possible option for satisfying the 2030 Seismic Requirements through the use of bond financing. We understand the District’s concern that there is an immediate need to develop a funding plan for the upgrades so that we may continue to provide health care services to the residents of Alameda, and we remain eager to find an appropriate solution.

The District’s proposal requires the diversion of the Parcel Tax Revenue. As you know, the Parcel Tax Revenue is earmarked under the Joint Powers Agreement (JPA) to fund the operations of Alameda Hospital. According to the JPA, Parcel Tax Revenue is explicitly designated for AHS's operations at Alameda Hospital. Any surplus revenue that exceeds the amount necessary to operate Alameda Hospital is earmarked in a Capital Reserve Fund to address the 2030 Seismic Requirements. Thus, the parties contemplated the concept of using Parcel Tax Revenue for the 2030 Seismic Requirements in the JPA. The parties ultimately agreed upon the provision that Parcel Tax Revenue may be allocated for the 2030 Seismic Requirements, but only if there is a surplus beyond what is required to sustain Alameda Hospital operations.

In the August 22 letter it is stated that “AHS will have no obligation or risk under this financing plan.” However, there has been and remains a persistent deficit in Parcel Tax Revenue to cover the costs of Alameda Hospital operations. This has been the case since the inception of the JPA. Considering the foregoing, and absent the identification of sufficiently material financial opportunities that we may discover as part of our joint efforts, the proposed diversion of the Parcel Tax Revenue away from its intended role in funding critical hospital operations, poses a

September 19, 2023  
Deborah E. Stebbins  
Page 2

serious financial concern to the current and future operations of Alameda Hospital jeopardizing AHS's ability to meet the health care needs of our patients. Moreover, it would further stress AHS's financial situation requiring AHS to subsidize operations at Alameda Hospital at a higher level than the current state.

Accordingly, the proposal as presented merits additional review and discussion with all key stakeholders before any substantive decisions are taken or additional expenses incurred. Please note that any changes to the JPA will require the AHS Board of Trustees approval.

We will continue to review all elements of the District's proposal and remain open to considering all options while working with the District to identify a sustainable and effective way forward. We look forward to finding a workable solution that aligns with the JPA and meets our shared goal of providing quality health care services to our community.

Sincerely,

DocuSigned by:



~~Mark Pratzke~~

Chief Operating Officer



**Audited Financial Statements**  
**CITY OF ALAMEDA**  
**HEALTH CARE DISTRICT**  
**June 30, 2023 and 2022**

Audited Financial Statements

CITY OF ALAMEDA HEALTH CARE DISTRICT

June 30, 2023

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## Management's Discussion and Analysis

### CITY OF ALAMEDA HEALTH CARE DISTRICT

June 30, 2023

The District Clerk and Treasurer of the City of Alameda Health Care District (the District) has prepared this annual discussion and analysis in order to provide an overview of the District's performance for the fiscal year ended June 30, 2023 in accordance with the Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements; Management's Discussion and Analysis for State and Local Governments*. The intent of this document is to provide additional information on the District's historical financial performance as a whole in addition to providing a prospective look at revenue growth, operating expenses, and capital development plans. This discussion should be reviewed in conjunction with the audited financial statements for the fiscal year ended June 30, 2023 and accompanying notes to the financial statements to enhance one's understanding of the District's financial performance.

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

For the year of operations ending June 30, 2023, the District received \$6,036,813 million in parcel taxes from the County of Alameda and \$184,057 in rental and related interest income. The prior year taxes were \$5,938,514 and rental income was \$177,909.

Total District expenses for 2023 were \$1,277,617, comprised of: \$167,612 in depreciation and amortization, \$66,973 in interest expense, \$558,199 in professional fees, \$125,911 in insurance and \$358,922 in various other types of expenses. Transfers to the Alameda Health System were \$3.5 million, leaving the District with an increase in net position for the year of \$15,042.

Total District expenses for 2022 were \$1,063,154: \$170,640 in depreciation and amortization, \$48,140 in interest expense, \$411,089 in professional fees, \$99,309 in insurance and \$333,976 in various other types of expenses. Transfers to the Alameda Health System were \$3.5 million, leaving the District with an increase in net position for the year of \$1,515,694.

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

#### ***Statements of Net Position***

As of June 30, 2023, the District's current assets of \$2,956,815 are comprised of \$2,460,281 in operating cash, \$343,074 in parcel taxes and short-term lease receivables and \$153,460 in prepaid assets. Other assets include cash and cash equivalents of \$862,163 which are restricted for specific purposes, \$2,111,184 of capital assets, net of accumulated depreciation and \$166,472 in long-term lease receivables. Current liabilities of \$47,698 include \$22,624 of current maturities of debt borrowings and \$25,074 of various accounts payable due to certain vendors. Long-term debt borrowings amounted to \$802,462 and deferred inflows of resources were \$203,217.

## Management's Discussion and Analysis

### CITY OF ALAMEDA HEALTH CARE DISTRICT

As of June 30, 2022, the District's current assets of \$2,949,313 are comprised of \$2,505,423 in operating cash, \$335,062 in parcel taxes and short-term lease receivables and \$108,828 in prepaid assets. Other assets include cash and cash equivalents of \$709,693 which are restricted for specific purposes, \$2,278,048 of capital assets, net of accumulated depreciation and \$203,964 in other assets of which \$203,217 is long-term lease receivables. Current liabilities of \$103,465 include \$36,784 of current maturities of debt borrowings and \$32,435 of various accounts payable due to certain vendors. Long-term debt borrowings amounted to \$806,121 and deferred inflows of resources were \$237,463.

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

For the year ended June 30, 2023 and 2022, the District realized an increase in net position of \$15,042 and an increase in net position of \$1,515,694, respectively. The 2023 year approximated budget and expectations.

#### *Next Year's Budget*

The District annual budget for 2024 approximates the 2023 results. Excess earnings will continue to be remitted to AHS to help support the operations of the Alameda Hospital, formerly operated by the District.

# JWT & Associates, LLP

A Certified Public Accountancy Limited Liability Partnership

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

## *Report of Independent Auditors*

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

We have audited the accompanying financial statements of the City of Alameda Health Care District, (the District) which comprise the statements of net position as of June 30, 2023 and 2022, and the related statements of revenues, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

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

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

### *Auditor's Responsibility*

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

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

*Opinion*

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of the District at June 30, 2023 and 2022, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

*Emphasis of Matter*

As discussed in Note A, the District adopted GASB 87 for the year beginning July 1, 2021 and ending June 30, 2022. Our opinion is not modified with respect to this matter.

*Required Supplementary Information*

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

*Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 9, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*GW & Associates, LLP*

Fresno, California  
October 9, 2023

Statements of Net Position

CITY OF ALAMEDA HEALTH CARE DISTRICT

	June 30	
	<u>2023</u>	<u>2022</u>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 2,460,281	\$ 2,505,423
Other receivables	343,074	335,062
Prepaid expenses and deposits	<u>153,460</u>	<u>108,828</u>
Total current assets	2,956,815	2,949,313
Assets limited as to use	862,163	709,693
Capital assets, net of accumulated depreciation	2,111,184	2,278,048
Long-term lease receivable	<u>166,472</u>	<u>203,964</u>
	<u>\$ 6,096,634</u>	<u>\$ 6,141,018</u>
<b>Liabilities</b>		
Current liabilities:		
Current maturities of debt borrowings	\$ 22,624	\$ 36,784
Accounts payable and accrued expenses	<u>25,074</u>	<u>32,435</u>
Total current liabilities	47,698	69,219
Debt borrowings, net of current maturities	<u>802,462</u>	<u>806,121</u>
Total liabilities	850,160	875,340
<b>Deferred inflows of resources</b>	203,217	237,463
<b>Net position</b>		
Invested in capital assets, net of related debt	2,111,184	2,278,048
Restricted, by contributors	862,163	709,693
Unrestricted	<u>2,069,910</u>	<u>2,040,474</u>
Total net position	<u>5,043,257</u>	<u>5,028,215</u>
	<u>\$ 6,096,634</u>	<u>\$ 6,141,018</u>

*See accompanying notes and auditor's report*

Statements of Revenues, Expenses and Changes in Net Position

CITY OF ALAMEDA HEALTH CARE DISTRICT

	Year Ended June 30	
	<u>2023</u>	<u>2022</u>
<b>Operating revenues</b>		
Rent and other operating revenue	\$ 184,057	\$ 177,909
Total operating revenues	<u>184,057</u>	<u>177,909</u>
<b>Operating expenses</b>		
Professional fees	558,199	411,089
Supplies	6,150	5,300
Purchased services	28,829	11,764
Building and equipment rent	20,430	19,269
Utilities and phone	14,820	12,256
Insurance	125,911	99,309
Depreciation and amortization	167,612	170,640
Other operating expenses	<u>288,693</u>	<u>285,387</u>
Total operating expenses	<u>1,210,644</u>	<u>1,015,014</u>
Operating loss	(1,026,587)	(837,105)
<b>Nonoperating revenues (expenses)</b>		
District tax revenues	6,036,813	5,938,514
Interest income	7,765	8,919
Interest expense	(66,973)	(48,140)
Transfers to AHS	<u>(4,935,976)</u>	<u>(3,546,494)</u>
Total nonoperating revenues (expenses)	<u>1,041,629</u>	<u>2,352,799</u>
Increase (decrease) in net position	15,042	1,515,694
Net position at beginning of the year	<u>5,028,215</u>	<u>3,512,521</u>
Net position at end of the year	<u>\$ 5,043,257</u>	<u>\$ 5,028,215</u>

*See accompanying notes and auditor's report*



Statements of Cash Flows

CITY OF ALAMEDA HEALTH CARE DISTRICT

	Year Ended June 30	
	<u>2023</u>	<u>2022</u>
<b>Cash flows from operating activities:</b>		
Cash received from operations	\$ 220,555	\$ 229,397
Cash payments to suppliers and contractors	<u>(1,129,271)</u>	<u>(884,469)</u>
Net cash (used in) operating activities	(908,716)	(655,072)
<b>Cash flows from noncapital financing activities:</b>		
District tax revenues	6,036,813	5,938,514
Transfers to AHS	<u>(4,935,976)</u>	<u>(3,546,494)</u>
Net cash provided by noncapital financing activities	1,100,837	2,392,020
<b>Cash flows from capital financing activities:</b>		
Principal payments on debt borrowings	(17,820)	(34,132)
Interest payments on debt borrowings	<u>(66,973)</u>	<u>(48,140)</u>
Net cash (used in) capital financing activities	(84,793)	(82,272)
<b>Cash flows from investing activities:</b>		
Net change in assets limited as to use	<u>(152,470)</u>	<u>(31,097)</u>
Net cash (used in) investing activities	<u>(152,470)</u>	<u>(31,097)</u>
Net increase (decrease) in cash and cash equivalents	(45,142)	1,623,579
Cash and cash equivalents at beginning of year	<u>2,505,423</u>	<u>881,844</u>
Cash and cash equivalents at end of year	<u>\$ 2,460,281</u>	<u>\$ 2,505,423</u>

*See accompanying notes and auditor's report*

Statements of Cash Flows (continued)

CITY OF ALAMEDA HEALTH CARE DISTRICT

	Year Ended June 30	
	<u>2023</u>	<u>2022</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>		
Operating (loss)	\$ (1,018,822)	\$ (828,186)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:		
Depreciation and amortization	167,612	170,640
Changes in operating assets and liabilities:		
Other receivables	(8,012)	(25,923)
Prepaid expenses and deposits	(44,632)	(22,557)
Long-term lease receivable	36,745	(203,217)
Accounts payable and accrued expenses	(7,361)	16,708
Deferred inflows of resources	(34,246)	237,463
Net cash (used in) operating activities	<u>\$ (908,716)</u>	<u>\$ (655,072)</u>

*See accompanying notes and auditor's report*

CITY OF ALAMEDA HEALTH CARE DISTRICT

June 30, 2023

**NOTE A - ORGANIZATION AND ACCOUNTING POLICIES**

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

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

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

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

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

CITY OF ALAMEDA HEALTH CARE DISTRICT

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

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

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

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

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

***Capital Assets:*** Capital assets consist of property and equipment and are reported on the basis of cost, or in the case of donated items, on the basis of fair market value at the date of donation. Routine maintenance and repairs are charged to expense as incurred. Expenditures which increase values, change capacities, or extend useful lives are capitalized. Depreciation of property and equipment and amortization of property under capital leases are computed by the straight-line method for both financial reporting and cost reimbursement purposes over the estimated useful lives of the assets, which range from 10 to 40 years for buildings and improvements, and 3 to 10 years for major moveable equipment. The District periodically reviews its capital assets for value impairment.

***Net Position:*** Net position is presented in three categories. The first category is net position “invested in capital assets, net of related debt”. This category of net position consists of capital assets (both restricted and unrestricted), net of accumulated depreciation and reduced by the outstanding principal balances of any debt borrowings that were attributable to the acquisition, construction, or improvement of those capital assets. The second category is “restricted” net position. This category consists of externally designated constraints placed on those net position by creditors (such as through debt covenants), grantors, contributors, law or regulations of other governments or government agencies, or law or constitutional provisions or enabling legislation. The third category is “unrestricted” net position. This category consists of net position that does not meet the definition or criteria of the previous two categories.

CITY OF ALAMEDA HEALTH CARE DISTRICT

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

***District Tax Revenues:*** The District receives most of its financial support from parcel taxes. These funds are used to support operations and meet required debt service agreements. They are classified as non-operating revenue as the revenue is not directly linked to patient care. Parcel taxes are levied by the County on the District's behalf during the year, and are intended to help finance the District's activities during the same year. The County has established certain dates to levy, lien, mail bills, and receive payments from property owners during the year. Parcel taxes are considered delinquent on the day following each payment due date. Property taxes are considered delinquent on the day following each payment date. Those dates are: (1) lien date of January 1; (2) due dates of November 1 and February 1; and (3) delinquent dates of December 10 and April 10.

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

***Recently Adopted Accounting Pronouncement:*** In June, 2017 the Governmental Accounting Standards Board released GASB 87 regarding changes in the way leases are accounted for. GASB 87 superceded GASB 13 and GASB 62 and more accurately portrays lease obligations by recognizing lease assets and lease liabilities on the statement of net position and disclosing key information about leasing arrangements. The District has adopted GASB 87 effective July 1, 2021 in accordance with the timetable established by GASB 87.

**NOTE B - CASH AND CASH EQUIVALENTS**

As of June 30, 2023 and 2022, the District had deposits invested in various financial institutions in the form of cash and cash equivalents in the amounts of \$3,322,444 and \$3,215,116 respectively. All of these funds were held in deposits, which are collateralized in accordance with the California Government Code (CGC), except for \$250,000 per account that is federally insured. The CGC and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial risk for deposits. Custodial risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District would not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. Under the provisions of the CGC, California banks and savings and loan associations are required to secure the District's deposits by pledging government securities as collateral. The market value of pledged securities must equal at least 110% of the District's deposits. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the District's total deposits. The pledged securities are held by the pledging financial institution's trust department in the name of the District.

CITY OF ALAMEDA HEALTH CARE DISTRICT

**NOTE C - CONCENTRATION OF CREDIT RISK**

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

***Financial Instruments***: Financial instruments, potentially subjecting the District to concentrations of credit risk, consist primarily of bank deposits in excess of the Federal Deposit Insurance Corporation (FDIC) limits of \$250,000. Although deposits exceed the limit in certain bank accounts, management believes that the risk of loss is minimal due to the high financial quality of the bank with which the District does business. Management further believes that there is no risk of material loss due to concentration of credit risk with regards to investments as the District has no investments in equity funds, closed-end funds, exchange-traded products, or other perceived “at risk” alternatives as of June 30, 2023 and 2022.

**NOTE D - OTHER RECEIVABLES**

Other receivables as were comprised of Alameda County parcel taxes in the amounts of \$306,329 and \$300,816 as of June 30, 2023 and 2022, respectively. They also included \$36,745 and \$34,246 of short term lease receivable as of June 30, 2023 and 2022, respectively.

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

Assets limited as to use are related to the Jaber agreement as described in Note F and were comprised of cash and cash equivalents in the amounts of \$862,163 and \$709,693 as of June 30, 2023 and 2022, respectively.

**NOTE F - RELATED PARTY TRANSACTIONS**

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

CITY OF ALAMEDA HEALTH CARE DISTRICT

**NOTE G - CAPITAL ASSETS**

The District received two parcels of improved rental-real estate by court order dated December 3, 2003, pursuant to the terms of the Alice M. Jaber 1992 Trust. As successor to the former non-profit Alameda Hospital, the District has agreed to abide by the terms of the Trust Agreement. The Trust Agreement and the will of Alice M. Jaber require the District to account for the property as part of the Abraham Jaber and Mary A. Jaber Memorial Fund. Among other things, the District is prohibited from selling all or any portion of the parcels received until after the death of certain named family members and, if the property is sold, it may not be sold to any descendant, spouse or relative to the third degree of any such descendant of a named family member. The net carrying value of this property is \$815,700 and \$853,100 at June 30, 2023 and 2022, respectively. Capital assets as of June 30, 2023 and 2022 were comprised of the following:

	<u>Balance at June 30, 2022</u>	<u>Adjustments &amp; Additions</u>	<u>Retirements</u>	<u>Balance at June 30, 2023</u>
Land and land improvements	\$ 1,376,954			\$ 1,376,954
Buildings and improvements	25,519,556			25,519,556
Equipment	3,747,274			3,747,274
Construction-in-progress	<u>30,643,784</u>	<u>                    </u>	<u>                    </u>	<u>30,643,784</u>
Totals at historical cost	30,643,784			30,643,784
Less accumulated depreciation	<u>(28,365,736)</u>	<u>(166,864)</u>	<u>                    </u>	<u>(28,532,600)</u>
Capital assets, net	<u>\$ 2,278,048</u>	<u>\$ (166,864)</u>	<u>\$                    </u>	<u>\$ 2,111,184</u>

	<u>Balance at June 30, 2021</u>	<u>Adjustments &amp; Additions</u>	<u>Retirements</u>	<u>Balance at June 30, 2022</u>
Land and land improvements	\$ 1,376,954			\$ 1,376,954
Buildings and improvements	25,519,556			25,519,556
Equipment	3,747,274			3,747,274
Construction-in-progress	<u>30,643,784</u>	<u>                    </u>	<u>                    </u>	<u>30,643,784</u>
Totals at historical cost	30,643,784			30,643,784
Less accumulated depreciation	<u>(28,197,337)</u>	<u>(168,399)</u>	<u>                    </u>	<u>(28,365,736)</u>
Capital assets, net	<u>\$ 2,446,447</u>	<u>\$ (168,399)</u>	<u>\$                    </u>	<u>\$ 2,278,048</u>

CITY OF ALAMEDA HEALTH CARE DISTRICT

**NOTE H - DEBT BORROWINGS**

As of June 30, 2023 and 2022 debt borrowings were as follows:

	<u>2023</u>	<u>2022</u>
Note payable to a bank; principal and interest at 5.75% due in monthly installments of \$6,099 through April 15, 2033; collateralized by District property:	\$ 825,086	\$ 842,905
	825,086	842,905
Less current maturities of debt borrowings	<u>(22,624)</u>	<u>(36,784)</u>
	<u>\$ 802,462</u>	<u>\$ 806,121</u>

Future principal maturities for debt borrowings for the next succeeding years are approximately: \$22,624 in 2023; \$23,755 in 2024; \$24,943 in 2025; \$26,190 in 2026; and 27,500 in 2027.

**NOTE I - COMMITMENTS AND CONTINGENCIES**

**Operating Leases:** The District leases various equipment and facilities under operating leases expiring at various dates. Total building and equipment rent expense for the years ended June 30, 2023 and 2022, were \$20,430 and \$19,269, respectively. Future minimum lease payments for the succeeding years under operating leases as of June 30, 2023 and 2022 are not considered material as AHS has assumed responsibility for the significant leases associated with patient care effective May 1, 2014 according to the affiliation agreement. Other District lease or rent agreements that have initial or remaining lease terms in excess of one year are not considered material.

**Litigation:** The District may from time-to-time be involved in litigation and regulatory investigations which arise in the normal course of doing business. After consultation with legal counsel, management estimates that matters existing as of June 30, 2023 will be resolved without material adverse effect on the District's future financial position, results from operations or cash flows.

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



CITY OF ALAMEDA HEALTH CARE DISTRICT

**NOTE J - AFFILIATION AGREEMENT**

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

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

Transfers made to AHS related to this affiliation agreement for the year ended June 30, 2023 and 2022 amounted to \$4,935,976 and \$3,546,494, respectively.

**NOTE K - LEASES**

As of July 1, 2021 the District adopted the Governmental Accounting Standards Board (GASB) 87 requiring certain changes in the way the District accounted for leases, both as a lessee and as a lessor.

**Lessor:** The District leases the certain properties to a third party under an operating lease. Lease commencement occurs on the date the District third party takes possession or control of the properties. Original terms for the lease is 5 years. This lease contains an option to extend for another 5 years. The lease also contains an option to terminate the lease at the end of five years, with a written notice. For purposes of lease calculations for this operating lease, it is assumed that the termination clause would not be exercised due to the significant penalty associated with the early termination conditions.

The lease does not contain a readily determinable discount rate. The estimated borrowing rate of 3.5% was used to discount the remaining cash flows for this operating lease.

Notes to Financial Statements (continued)

CITY OF ALAMEDA HEALTH CARE DISTRICT

**NOTE K - LEASES (continued)**

This lease requires payment of common area maintenance and real estate taxes which represent the majority of variable lease costs. Variable lease costs are excluded from the present value of lease obligations.

The District's lease agreement does not contain any material restrictions, covenants, or any material residual value guarantees.

Lessor-lease related assets and liabilities as of June 30, 2023 and 2022 consist of the following:

Assets:	<u>2023</u>	<u>2022</u>
Lease receivable - current portion	\$ 36,246	\$ 34,246
Lease receivable - long term portion	<u>166,472</u>	<u>203,217</u>
Total lease assets	<u>\$ 203,217</u>	<u>\$ 237,463</u>
Deferred inflows of resources		
Deferred inflows of resources	<u>\$ 203,217</u>	<u>\$ 237,463</u>
Total deferred inflows of resources	<u>\$ 203,217</u>	<u>\$ 237,463</u>

Total operating lease revenue under this lease arrangement for the years ended June 30, 2023 and 2022 was \$34,246 and \$31,869, respectively. Due to the change with GASB 87 there was \$7,765 and \$8,919 of interest income associated with the lease revenues for the years ended June 30, 2023 and 2022, respectively. The District has other operating lease revenue not subject to GASB 87 reporting requirements of \$149,811 and \$146,040 for the years ended June 30, 2023 and 2022, respectively.

The future minimum rental payments required under operating lease obligations as of June 30, 2023, having initial or remaining non-cancelable lease terms in excess of one year are summarized as follows:

Notes to Financial Statements (continued)

CITY OF ALAMEDA HEALTH CARE DISTRICT

**NOTE K - LEASES (continued)**

Years ending June 30,

2024	\$	43,272
2025		44,570
2026		45,907
2027		47,284
Thereafter		<u>40,586</u>
Total		221,619
Less: interest		<u>(18,403)</u>
Present value of lease liabilities		<u>\$ 203,217</u>

The weighted average for the remaining lease term of this operating lease is 58 months and the weighted average discount rate for this operating leases is 3.5%

**NOTE L - SUBSEQUENT EVENTS**

Management evaluated the effect of subsequent events on the financial statements through October 9, 2023, the date the financial statements are issued, and determined that there are no material subsequent events that have not been disclosed.

# JWT & Associates, LLP

A Certified Public Accountancy Limited Liability Partnership

1111 East Herndon Avenue, Suite 211, Fresno, California 93720

Voice: (559) 431-7708 Fax: (559) 431-7685

*Independent Auditors Report on Internal Control over Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the City of Alameda Health Care District (the District) as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated October 9, 2023.

## *Internal Control over Financial Reporting*

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given those limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

*Compliance and Other Matters*

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

*Purpose of this Report*

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*JW7 & Associates, LLP*

Fresno, California  
October 9, 2023



**City of Alameda**  
HEALTH CARE DISTRICT

**Meeting Minutes for September 5, 2023, Open Session**  
Location: Zoom

Board Members Present	Legal Counsel Present	Also Present	Absent
Robert Deutsch, MD Gayle Codiga, Stewart Chen, DC David Sayen Jeff Cambra	Tom Driscoll	Debi Stebbins Alixandria Williams Mario Harding Louise Nakada	

Agenda Item/Topic	Presentation and Discussion Notes	Action/Follow-Up
Call to Order	The meeting was called to order at 5:30 p.m. by the Board president Dr. Robert Deutsch.	
Roll	Roll was called prior to the start of the closed session. A quorum of Directors was present.	
Presidents Report /Status of HVAC Funding	Mr. Harding informed the group that he and Dr. Deutsch presented an overview of the HVAC replacement project to the Alameda Hospital Foundation Board on August 31st. There was a formal request for \$2 million to support AHS plans to replace the HVAC which is a \$10.5 million dollar project. The Foundation Board stated they would conduct a special meeting in September to discuss further.  Ms. Stebbins added the District will still be working with AHS to ask for the County's help during their October meeting.	

Executive Directors Report	<p>Ms. Stebbins informed the group that on September 26<sup>th</sup> there will be a Joint Planning Committee meeting where AHS will be presenting financial ramifications for the other 2030 seismic options. Ms. Stebbins has also met with Katy Ford of Ratcliff Architects and asked for an updated cost estimate for the four seismic options as the previous ones are dated. Additionally, Ms. Ford and Ms. Stebbins are working to set up a meeting with HCAI, the District and AHS. The purpose is to review the cost estimate of project plans and get suggestions on ways to expedite approvals. (not sure if I misquoted this).</p> <p>Ms. Stebbins also updated the group on the work being done with Mr. Hicks, the District's Financial Bond Advisor. Mr. Hicks has had several meetings with the District and AHS to refine the current financial strategy. Mr. Hicks feels the District could support a \$75-85 million dollar bond at a 5 % interest rate using the current parcel tax revenue as security. Ms. Stebbins followed up by sending a letter to AHS management with suggested next steps for financing options.</p> <p>Ms. Stebbins informed the group that she, Ms. Codiga, and Mr. Cambra did a site visit to the Pearl Street property last week and there are several cosmetic issues that need to be addressed including a possible new roof and the upgrades for Unit E which has remained vacant for several months.</p>	
Status of HVAC Funding	<p>Mr. Harding informed the group that he and Dr. Deutsch presented an overview of the HVAC replacement project to the Alameda Hospital Foundation Board on August 31st. There was a formal request for \$2 million to support AHS plans to replace the HVAC which is a \$10.5 million dollar project. The Board stated they would conduct a special meeting in September to discuss further.</p> <p>Ms. Stebbins added the District will still be working with AHS to ask for the County's help during their October meeting.</p>	

Consent Agenda		
	<ul style="list-style-type: none"> <li>A. Acceptance of Minutes from August 12, 2023</li> <li>B. Acceptance of Financial Statements, from March 2023</li> <li>C. Acceptance of Financial Statements, from April 2023</li> </ul> <p>A motion to accept the Consent Agenda was made by Mr. Cambra and seconded by Dr. Chen. The motion was unanimously approved.</p>	Motion approved
Action Items		

Renewal of Executive Director Contract Through June 30, 2024,	A motion to approve Ms. Stebbins contract through June 2024 with a 4.9 % COLA increase was made by Mr. Cambra and seconded by Ms. Codiga. Additionally, a motion to waive the 2 signatures required by Board procedures for checks over \$5,000 only for Ms. Stebbins' monthly compensation check was made by Mr. Sayen and seconded by Dr. Chen. Both motions were unanimously carried	Motions approved
Extension of Jaber Distribution Through June 30, 2024,	Mr. Harding agreed to revisit the original request for Jaber funds in terms of quantity of safety equipment and will verify with nurse leaders. Since the Jaber distributio0nj was tabled at the last meeting. Dr. Deutsch recommended a partial distribution of funds to cover one of each of the Hoyer lift and Hover Jack Map. Similar equipment is already available at the hospital. The balance of the \$164,00 Jaber distribution is available for use by AHS once other equipment needs are identified. A motion to approve the make the Jaber distribution payment was made by Ms. Codiga and Seconded by Mr. Cambra. The motion was unanimously approved.	Motion approved
Formation of Property oversight committee	Ms. Stebbins presented the suggestion of a Property Oversight committee that would deal with the two District owned properties. The committee will source out options for work and cosmetic improvements that need to be made and evaluate the property management company. A motion to approve the Property Oversight Committee with Mr. Cambra as the committee member was made by Dr. Chen and Seconded by Mr. Sayen. The motion was carried 4 to 1.	Motion approved

Minutes submitted by: Alixandria Williams, Executive Assistant

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





# CITY OF ALAMEDA HEALTH CARE DISTRICT

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## UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD  
(July 1 - 31, 2023)

## Balance Sheets

### CITY OF ALAMEDA HEALTHCARE DISTRICT

	As of 6/30/2023	As of 7/31/2023
<b>Assets</b>		
<u>Current assets:</u>		
Cash and cash equivalents	\$ 2,460,281	\$ 2,391,446
Grant and other receivables	205,058	701,751
Prepaid expenses and deposits	153,460	144,260
Total current assets	<u>2,818,799</u>	<u>3,237,457</u>
Assets limited as to use	862,163	874,345
Capital Assets, net of accumulated depreciation	2,109,650	2,095,616
	<u>5,790,611</u>	<u>6,207,418</u>
Other Assets	(0)	(0)
Deferred outflows of resources	203,217	203,217
Total assets	<u>\$ 5,993,828</u>	<u>\$ 6,410,635</u>
 <b>Liabilities and Net Position</b>		
<u>Current liabilities:</u>		
Current maturities of debt borrowings	\$ 22,624	\$ 23,832
Accounts payable and accrued expenses	53,874	57,774
Total current liabilities	<u>76,498</u>	<u>81,606</u>
Deferred revenue	203,217	203,217
Debt borrowings net of current maturities	802,462	799,497
Total liabilities	<u>1,082,177</u>	<u>1,084,320</u>
 <b>Net position:</b>		
Total net position (deficit)	<u>4,911,651</u>	<u>5,326,316</u>
<b>Total liabilities and net position</b>	<u>\$ 5,993,828</u>	<u>\$ 6,410,635</u>

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

### CITY OF ALAMEDA HEALTHCARE DISTRICT

	Actual YTD 6/30/2023	Actual YTD 7/31/2023	Budget YTD 6/30/2023	Variance	
<b>Revenues and other support</b>					
District Tax Revenues	\$ 5,900,000	\$ 499,167	\$ 491,667	5,408,333	1100%
Rents	191,822	15,983	17,500	174,322	#####
Other revenues	-	-	-	-	
Total revenues	6,091,822	515,149	509,167	5,582,655	
<b>Expenses</b>					
Professional fees - executive director	175,433	31,167	14,417	(161,017)	#####
Professional fees - Assistant	84,246	10,990	4,667	(79,580)	#####
Professional fees	291,779	17,954	34,067	(257,712)	-756%
Supplies	6,150	2,366	333	(5,817)	#####
Purchased services	4,100	-	833	(3,267)	-392%
Repairs and maintenance	24,729	2,368	2,833	(21,895)	-773%
Rents	20,430	1,911	1,785	(18,645)	#####
Utilities	14,820	835	917	(13,904)	#####
Insurance	125,911	14,535	11,097	(114,814)	#####
Depreciation and amortization	169,146	14,033	15,867	(153,279)	
Interest	66,973	4,076	4,167	(62,807)	#####
Travel, meeting and conferences	8,691	-	833	(7,858)	-943%
Other expenses	15,941	250	21,667	5,725	26%
Community projects and programs	264,058	-	22,798	(241,260)	#####
Total expenses	1,272,409	100,484	136,280	#####	
Operating gains	4,819,412	414,665	372,887	4,446,525	1192%
Transfers	(4,935,976)	-	-		
Increase(Decrease) in net position	(116,564)	414,665	372,887		
Net position at <i>beginning of the year</i>	5,028,215	4,911,651	-		
Net position at the <i>end of the period</i>	\$ 4,911,651	\$ 5,326,316	\$ 372,887		

## Statements of Cash Flows

### CITY OF ALAMEDA HEALTHCARE DISTRICT

	Actual YTD 6/30/2023	Actual YTD 7/31/2023
Increase(Decrease) in net position	\$ (116,564)	\$ 414,665
Add Non Cash items		
Depreciation	169,146	14,033
<b>Changes in operating assets and liabilities</b>		
Grant and other receivables	130,004	(496,693)
Prepaid expenses and deposits	(44,631)	9,199
Deferred outflows of resources	-	-
Accounts payable and accrued expenses	(12,809)	3,900
Deferred revenues	-	-
Net Cash provided(used) by operating activities	125,146	(54,896)
<b>Cash flows from investing activities</b>		
Acquisition of Property Plant and Equipment	(0)	0
Changes in assets limited to use	(152,470)	(12,182)
Net Cash used in investing activities	(152,470)	(12,182)
<b>Cash flows from financing activities</b>		
Principal payments on debt borrowings	(17,818)	(1,757)
Net cash used by financing activities	(17,818)	(1,757)
<b>Net change in cash and cash equivalents</b>	(45,141)	(68,835)
Cash at the beginning of the year	2,505,423	2,460,281
Cash at the end of the period	\$ 2,460,281	\$ 2,391,446

## Balance Sheets

### CITY OF ALAMEDA HEALTHCARE DISTRICT

	District 6/30/2023	Jaber 6/30/2023	As of 6/30/2023	District 7/31/2023	Jaber 7/31/2023	As of 7/31/2023
<b>Assets</b>						
<u>Current assets:</u>						
Cash and cash equivalents	\$ 2,460,281	\$ -	\$ 2,460,281	\$ 2,391,446	\$ -	\$ 2,391,446
Grant and other receivables	205,058	0	205,058	701,751	0	701,751
Prepaid expenses and deposits	153,460	(0)	153,460	144,260	(0)	144,260
Total current assets	2,818,799	(0)	2,818,799	3,237,457	(0)	3,237,457
Due To Due From	24,037	(24,037)	0	24,037	(24,037)	0
Assets limited as to use	0	862,163	862,163	0	874,345	874,345
Capital Assets, net of accumulated depreciation	1,293,950	815,700	2,109,650	1,283,033	812,583	2,095,616
	4,136,785	1,653,826	5,790,611	4,544,527	1,662,891	6,207,418
Other Assets	(0)	0	(0)	(0)	0	(0)
Deferred outflows of resources	203,217		203,217	203,217	0	203,217
Total assets	4,340,002	1,653,826	5,993,828	4,747,744	1,662,891	6,410,635
<b>Liabilities and Net Position</b>						
<u>Current liabilities:</u>						
Current maturities of debt borrowings	22,624	0	22,624	23,832	0	23,832
Accounts payable and accrued expenses	53,874	0	53,874	57,774	0	57,773
Total current liabilities	76,498	0	76,498	81,606	0	81,605
Deferred revenue	203,217	0	203,217	203,217	0	203,217
Debt borrowings net of current maturities	802,462	0	802,462	799,497	0	799,497
Total liabilities	1,082,177	0	1,082,177	1,084,320	0	1,084,319
<b>Net position:</b>						
Total net position (deficit)	3,257,824	1,653,826	4,911,651	3,663,424	1,662,891	5,326,316
<b>Total liabilities and net position</b>	<b>\$4,340,002</b>	<b>\$1,653,826</b>	<b>\$5,993,828</b>	<b>\$4,747,744</b>	<b>\$1,662,891</b>	<b>\$6,410,635</b>

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

### CITY OF ALAMEDA HEALTHCARE DISTRICT

	District 6/30/2023	Jaber 6/30/2023	Actual YTD 6/30/2023	District 7/31/2023	Jaber 7/31/2023	Actual YTD 7/31/2023
<b>Revenues and other support</b>						
District Tax Revenues	5,900,000	0	5,900,000	499,167	0	499,167
Rents	0	191,822	191,822	0	15,983	15,983
Other revenues	0	0	0	0	0	0
Total revenues	5,900,000	191,822	6,091,822	499,167	15,983	515,149
<b>Expenses</b>						
Professional fees - executive director	175,433	0	175,433	31,167	0	31,167
Professional fees - Assistant	84,246	0	84,246	10,990	0	10,990
Professional fees	282,128	9,651	291,779	17,167	787	17,954
Supplies	6,150	0	6,150	2,366	0	2,366
Purchased services	4,100	0	4,100	0	0	0
Repairs and maintenance	249	24,480	24,729	0	2,368	2,368
Rents	20,430	0	20,430	1,911	0	1,911
Utilities	2,479	12,341	14,820	189	646	835
Insurance	125,911	0	125,911	14,535	0	14,535
Depreciation and amortization	131,746	37,400	169,146	10,917	3,117	14,033
Interest	66,975	0	66,975	4,076	0	4,076
Travel, meeting and conferences	8,691	0	8,691	0	0	0
Other expenses	13,949	1,993	15,940	250	0	250
Community projects and programs	264,058	0	264,058	0	0	0
Total expenses	1,186,546	85,865	1,272,410	93,567	6,917	100,484
Operating gains	4,713,454	105,957	4,819,411	405,599	9,065	414,665
Transfers	(4,935,976)	0	(4,935,976)	0	0	0
Increase(Decrease) in net position	(222,522)	105,957	(116,565)	405,599	9,065	414,665
Net position at <i>beginning of the year</i>	3,480,346	1,547,869	5,028,216	3,257,825	1,653,826	4,911,651
Net position at the <i>end of the period</i>	3,257,824	1,653,826	4,911,651	3,663,424	1,662,891	5,326,316

## Statements of Cash Flows

### CITY OF ALAMEDA HEALTHCARE DISTRICT

	District 6/30/2023	Jaber 6/30/2023	Actual YTD 6/30/2023	District 7/31/2023	Jaber 7/31/2023	Actual YTD 7/31/2023
Increase(Decrease) in net position	(222,522)	105,957	(116,565)	405,599	9,065	414,665
Add Non Cash items						
Depreciation	131,746	37,400	169,146	10,917	3,117	14,033
<b>Changes in operating assets and liabilities</b>						
Grant and other receivables	130,003	0	130,003	(496,693)	0	(496,693)
Prepaid expenses and deposits	(44,631)	0	(44,631)	9,199	0	9,199
Deferred outflows of resources						
Due To Due From	(9,113)	9,113	0	0	0	0
Accounts payable and accrued expenses	(12,807)	0	(12,807)	3,900	0	3,900
Deferred revenues	0	0	0	0	0	0
Net Cash provided(used) by operating activities	(27,324)	152,470	125,146	(67,078)	12,182	(54,896)
<b>Cash flows from investing activities</b>						
Acquisition of Property Plant and Equipment	0	0	0	0	(0)	0
Changes in assets limited to use	0	(152,470)	(152,470)	0	(12,182)	(12,182)
Net Cash used in investing activities	0	(152,470)	(152,470)	0	(12,182)	(12,182)
<b>Cash flows from financing activities</b>						
Principal payments on debt borrowings	(17,818)	0	(17,818)	(1,757)	0	(1,757)
Net cash used by financing activities	(17,818)	0	(17,818)	(1,757)	0	(1,757)
<b>Net change in cash and cash equivalents</b>	(45,142)	0	(45,142)	(68,836)	(0)	(68,836)
Cash at the beginning of the year	2,505,423	(0)	2,505,423	2,460,281	(0)	2,460,281
Cash at the end of the period	2,460,281	(0)	2,460,281	2,391,446	(0)	2,391,446



# CITY OF ALAMEDA HEALTH CARE DISTRICT

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## UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD  
(August 1-31, 2023)



## Balance Sheets

### CITY OF ALAMEDA HEALTHCARE DISTRICT

	As of 6/30/2023	As of 8/31/2023
<b>Assets</b>		
<u>Current assets:</u>		
Cash and cash equivalents	\$ 2,460,281	\$ 652,121
Grant and other receivables	205,058	897,062
Prepaid expenses and deposits	153,460	131,130
Total current assets	<u>2,818,799</u>	<u>1,680,313</u>
Assets limited as to use	862,163	884,029
Capital Assets, net of accumulated depreciation	2,109,650	2,081,583
	<u>5,790,611</u>	<u>4,645,925</u>
Other Assets	(0)	(0)
Deferred outflows of resources	203,217	203,217
Total assets	<u>\$ 5,993,828</u>	<u>\$ 4,849,142</u>
 <b>Liabilities and Net Position</b>		
<u>Current liabilities:</u>		
Current maturities of debt borrowings	\$ 22,624	\$ 23,832
Accounts payable and accrued expenses	53,874	53,874
Total current liabilities	<u>76,498</u>	<u>77,706</u>
Deferred revenue	203,217	203,217
Debt borrowings net of current maturities	802,462	797,731
Total liabilities	<u>1,082,177</u>	<u>1,078,654</u>
 <b>Net position:</b>		
Total net position (deficit)	<u>4,911,651</u>	<u>3,770,488</u>
<b>Total liabilities and net position</b>	<u>\$ 5,993,828</u>	<u>\$ 4,849,142</u>

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

### CITY OF ALAMEDA HEALTHCARE DISTRICT

	Actual YTD 6/30/2023	Actual YTD 8/31/2023	Budget YTD 6/30/2023	Variance	
<b>Revenues and other support</b>					
District Tax Revenues	\$ 5,900,000	\$ 998,333	\$ 491,667	506,667	103%
Rents	191,822	31,965	17,500	14,465	2777%
Other revenues	-	-	-	-	
Total revenues	6,091,822	1,030,298	509,167	521,132	
<b>Expenses</b>					
Professional fees - executive director	175,433	31,167	14,417	(16,750)	-116%
Professional fees - Assistant	84,246	17,391	4,667	(12,725)	-273%
Professional fees	291,779	36,457	34,067	(2,390)	-7%
Supplies	6,150	3,534	333	(3,201)	-960%
Purchased services	4,100	-	833	833	100%
Repairs and maintenance	24,729	7,233	2,833	(4,400)	-155%
Rents	20,430	3,822	1,785	(2,037)	-114%
Utilities	14,820	1,671	917	(754)	-82%
Insurance	125,911	29,197	11,097	(18,100)	-163%
Depreciation and amortization	169,146	28,066	15,867	(12,200)	
Interest	66,973	8,143	4,167	(3,977)	-95%
Travel, meeting and conferences	8,691	4,529	833	(3,695)	-443%
Other expenses	15,941	250	21,667	21,417	99%
Community projects and programs	264,058	-	22,798	22,798	100%
Total expenses	1,272,409	171,461	136,280	(35,182)	
Operating gains	4,819,412	858,837	372,887	485,950	130%
Transfers	(4,935,976)	(2,000,000)	-		
Increase(Decrease) in net position	(116,564)	(1,141,163)	372,887		
Net position at <i>beginning of the year</i>	5,028,215	4,911,651	-		
Net position at the <i>end of the period</i>	\$ 4,911,651	\$ 3,770,488	\$ 372,887		

## Statements of Cash Flows

### CITY OF ALAMEDA HEALTHCARE DISTRICT

	Actual YTD 6/30/2023	Actual YTD 8/31/2023
Increase(Decrease) in net position	\$ (116,564)	\$ (1,141,163)
Add Non Cash items		
Depreciation	169,146	28,066
<b>Changes in operating assets and liabilities</b>		
Grant and other receivables	130,004	(692,004)
Prepaid expenses and deposits	(44,631)	22,330
Deferred outflows of resources	-	-
Accounts payable and accrued expenses	(12,809)	-
Deferred revenues	-	-
Net Cash provided(used) by operating activities	125,146	(1,782,771)
<b>Cash flows from investing activities</b>		
Acquisition of Property Plant and Equipment	(0)	(0)
Changes in assets limited to use	(152,470)	(21,866)
Net Cash used in investing activities	(152,470)	(21,866)
<b>Cash flows from financing activities</b>		
Principal payments on debt borrowings	(17,818)	(3,523)
Net cash used by financing activities	(17,818)	(3,523)
<b>Net change in cash and cash equivalents</b>	(45,141)	(1,808,160)
Cash at the beginning of the year	2,505,423	2,460,281
Cash at the end of the period	\$ 2,460,281	\$ 652,121

**Balance Sheets**

**CITY OF ALAMEDA HEALTHCARE DISTRICT**

	District 6/30/2023	Jaber 6/30/2023	As of 6/30/2023	District 8/31/2023	Jaber 8/31/2023	As of 8/31/2023
<b>Assets</b>						
<u>Current assets:</u>						
Cash and cash equivalents	\$ 2,460,281	\$ -	\$ 2,460,281	\$ 652,121	\$ -	\$ 652,121
Grant and other receivables	205,058	0	205,058	897,062	0	897,062
Prepaid expenses and deposits	153,460	(0)	153,460	131,130	(0)	131,130
Total current assets	2,818,799	(0)	2,818,799	1,680,313	(0)	1,680,313
Due To Due From	24,037	(24,037)	0	24,037	(24,037)	0
Assets limited as to use	0	862,163	862,163	0	884,029	884,029
Capital Assets, net of accumulated depreciation	1,293,950	815,700	2,109,650	1,272,116	809,467	2,081,583
	4,136,785	1,653,826	5,790,611	2,976,466	1,669,459	4,645,925
Other Assets	(0)	0	(0)	(0)	0	(0)
Deferred outflows of resources	203,217		203,217	203,217	0	203,217
Total assets	4,340,002	1,653,826	5,993,828	3,179,683	1,669,459	4,849,142
<b>Liabilities and Net Position</b>						
<u>Current liabilities:</u>						
Current maturities of debt borrowings	22,624	0	22,624	23,832	0	23,832
Accounts payable and accrued expenses	53,874	0	53,874	53,874	0	53,873
Total current liabilities	76,498	0	76,498	77,706	0	77,705
Deferred revenue	203,217	0	203,217	203,217	0	203,217
Debt borrowings net of current maturities	802,462	0	802,462	797,731	0	797,731
Total liabilities	1,082,177	0	1,082,177	1,078,654	0	1,078,653
<b>Net position:</b>						
Total net position (deficit)	3,257,824	1,653,826	4,911,651	2,101,029	1,669,459	3,770,488
<b>Total liabilities and net position</b>	<b>\$4,340,002</b>	<b>\$1,653,826</b>	<b>\$5,993,828</b>	<b>\$3,179,682</b>	<b>\$1,669,459</b>	<b>\$4,849,141</b>

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

**CITY OF ALAMEDA HEALTHCARE DISTRICT**

	District 6/30/2023	Jaber 6/30/2023	Actual YTD 6/30/2023	District 8/31/2023	Jaber 8/31/2023	Actual YTD 8/31/2023
<b>Revenues and other support</b>						
District Tax Revenues	5,900,000	0	5,900,000	998,333	0	998,333
Rents	0	191,822	191,822	0	31,965	31,965
Other revenues	0	0	0	0	0	0
Total revenues	5,900,000	191,822	6,091,822	998,333	31,965	1,030,298
<b>Expenses</b>						
Professional fees - executive director	175,433	0	175,433	31,167	0	31,167
Professional fees - Assistant	84,246	0	84,246	17,391	0	17,391
Professional fees	282,128	9,651	291,779	34,883	1,574	36,457
Supplies	6,150	0	6,150	3,534	0	3,534
Purchased services	4,100	0	4,100	0	0	0
Repairs and maintenance	249	24,480	24,729	0	7,233	7,233
Rents	20,430	0	20,430	3,822	0	3,822
Utilities	2,479	12,341	14,820	379	1,292	1,671
Insurance	125,911	0	125,911	29,197	0	29,197
Depreciation and amortization	131,746	37,400	169,146	21,833	6,233	28,066
Interest	66,975	0	66,975	8,143	0	8,143
Travel, meeting and conferences	8,691	0	8,691	4,529	0	4,529
Other expenses	13,949	1,993	15,940	250	0	250
Community projects and programs	264,058	0	264,058	0	0	0
Total expenses	1,186,546	85,865	1,272,410	155,129	16,332	171,461
Operating gains	4,713,454	105,957	4,819,411	843,204	15,633	858,837
Transfers	(4,935,976)	0	(4,935,976)	(2,000,000)	0	(2,000,000)
Increase(Decrease) in net position	(222,522)	105,957	(116,565)	(1,156,796)	15,633	(1,141,163)
Net position at <i>beginning of the year</i>	3,480,346	1,547,869	5,028,216	3,257,825	1,653,826	4,911,651
Net position at the <i>end of the period</i>	3,257,824	1,653,826	4,911,651	2,101,029	1,669,459	3,770,488

## Statements of Cash Flows

### CITY OF ALAMEDA HEALTHCARE DISTRICT

	District 6/30/2023	Jaber 6/30/2023	Actual YTD 6/30/2023	District 8/31/2023	Jaber 8/31/2023	Actual YTD 8/31/2023
Increase(Decrease) in net position	(222,522)	105,957	(116,565)	(1,156,796)	15,633	(1,141,163)
Add Non Cash items						
Depreciation	131,746	37,400	169,146	21,833	6,233	28,066
<b>Changes in operating assets and liabilities</b>						
Grant and other receivables	130,003	0	130,003	(692,004)	0	(692,004)
Prepaid expenses and deposits	(44,631)	0	(44,631)	22,330	0	22,330
Deferred outflows of resources						
Due To Due From	(9,113)	9,113	0	0	0	0
Accounts payable and accrued expenses	(12,807)	0	(12,807)	(1)	0	(1)
Deferred revenues	0	0	0	0	0	0
Net Cash provided(used) by operating activities	(27,324)	152,470	125,146	(1,804,637)	21,866	(1,782,771)
<b>Cash flows from investing activities</b>						
Acquisition of Property Plant and Equipment	0	0	0	(0)	0	(0)
Changes in assets limited to use	0	(152,470)	(152,470)	0	(21,866)	(21,866)
Net Cash used in investing activities	0	(152,470)	(152,470)	(0)	(21,866)	(21,866)
<b>Cash flows from financing activities</b>						
Principal payments on debt borrowings	(17,818)	0	(17,818)	(3,523)	0	(3,523)
Net cash used by financing activities	(17,818)	0	(17,818)	(3,523)	0	(3,523)
<b>Net change in cash and cash equivalents</b>	(45,142)	0	(45,142)	(1,808,161)	0	(1,808,161)
Cash at the beginning of the year	2,505,423	(0)	2,505,423	2,460,281	(0)	2,460,281
Cash at the end of the period	2,460,281	(0)	2,460,281	652,121	0	652,121



October 10, 2023

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

From: Robert Deutsch, MD  
President

Debi Stebbins  
Executive Director

RE: Recommendations to Support Option 3b to meet the 2030 Seismic Requirements and for Use of the Parcel Tax as a Financing Vehicle to Finance the Capital Requirements

**Requested Board Action:**

We are recommending that the City of Alameda Health Care District support the option for seismic retrofit of Alameda Hospital to include continued operation of a Basic Level Emergency Department, retention of 39 acute care beds, 35 Sub-acute beds and addition of 16 Medical SNF beds. (a plan known as Option 3B). Further, we recommend that the Joint Powers Agreement (JPA) be changed so that this configuration of services can be financed through the pursuit of a Certificate of Participation secured by the parcel tax collected by the District. Further, while the feasibility financial analysis of Option 3B incorporates the elimination of elective surgery, we recommend continued discussion of whether or not to continue this service line.

**Background Discussion:**

At the AHS-District Joint Planning Committee meeting of September 26, 2023, Ms. Kimberly Miranda, AHS CFO, presented a financial analysis of the impact of seven options for the configuration of Alameda Hospital after 2030. A chart summarizing the options as outlined is attached. Option 3 B as described above was a slight variation on Option 3 that had been considered for over a year by the Committee. The variation included the conversion of current 22 acute beds into 16 Medical SNF beds. We believe the addition of Medical SNF beds will allow us to better serve SNF residents who have higher needs for medical care and expedite the effective transition of patients between acute care and post-acute care. Finally, Ms. Miranda's analysis clearly demonstrates that 3B is the most financially advantageous to AHS, thereby promoting ongoing affiliation with AHS past 2030.

	Upgrade hospital, convert 27 acute beds to 16 beds											
	Option 1: 16 SNF Bed, Relocate kitchen and IT, increasing capital costs			Option 3a: 16 SNF beds			Option 3b: 16 Medical SNF beds			Option 3c: 16 IP Substance Abuse beds		
<b>KEY ASSUMPTIONS:</b>	<p><b>Eliminate all elective surgeries and transfers which would allow us to operate 39 acute beds. No plan for 2nd floor retrofit.</b></p> <ul style="list-style-type: none"> <li>• Mirror Park Bridge financials</li> </ul>											
<b>RETURN ON INVESTMENT</b>												
Capital costs	\$102M			\$75M			\$75M			\$75M		
Operating Income (Loss)	\$3,537,722			\$3,537,722			\$4,612,765			\$3,640,680		
Remove Parcel tax Revenue	(\$5,957,524)			(\$5,957,524)			(\$5,957,524)			(\$5,957,524)		
South Shore	\$400,000			\$400,000			\$400,000			\$400,000		
Supplementals	\$301,000			\$301,000			\$301,000			\$301,000		
<b>Net Operating Income (Loss)</b>	<b>(\$1,718,802)</b>			<b>(\$1,718,802)</b>			<b>(\$643,759)</b>			<b>(\$1,615,844)</b>		
<b>BED COUNTS</b>	License	Actual	OCC	License	Actual	OCC	License	Actual	OCC	License	Actual	OCC
ICU	8.0	6.0	75%	8.0	6.0	75%	8.0	6.0	75%	8.0	6.0	75%
Tel	31.0	22.9	74%	31.0	22.9	74%	31.0	22.9	74%	31.0	22.9	74%
Med/Surg	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Acute</b>	<b>39.0</b>	<b>28.9</b>	<b>74%</b>	<b>39.0</b>	<b>28.9</b>	<b>74%</b>	<b>39.0</b>	<b>28.9</b>	<b>74%</b>	<b>39.0</b>	<b>28.9</b>	<b>74%</b>
Sub-Acute	35.0	33.7	96%	35.0	33.7	96%	35.0	33.7	96%	35.0	33.7	96%
New Beds	16.0	15.0	94%	16.0	15.0	94%	16.0	13.6	85%	16.0	13.0	81%
<b>Total</b>	<b>90.0</b>	<b>77.6</b>	<b>86%</b>	<b>90.0</b>	<b>77.6</b>	<b>86%</b>	<b>90.0</b>	<b>76.2</b>	<b>85%</b>	<b>90.0</b>	<b>75.6</b>	<b>84%</b>



	Upgrade hospital, keep existing bed type the same.			Close hospital					
	Option 2a: Current state			Option 2b: 8 IP Substance Abuse			Option 4a: convert 66 acute to 35 Medical SNF beds		
<b>KEY ASSUMPTIONS:</b>	<ul style="list-style-type: none"> <li>Same services, mirror Alameda current financials</li> </ul>			<ul style="list-style-type: none"> <li><b>Retrofit 2nd floor</b></li> <li>Current state plus IP Substance Abuse Unit</li> <li>Maintaining current AHS payor mix and census of 5 ADC's (breakeven at 10 ADC's due to minimum staffing requirement)</li> <li>Assume additional payment from the County at \$724 per day.</li> <li>Licensing needs to be validated</li> </ul>			<ul style="list-style-type: none"> <li>Losing hospital-based rates for all services including Park Bridge and Sub-acute. Revenue reductions by 45%.</li> <li>35 Medical SNF beds, -shorter term stay and improve payer mix to 55% Medicare/Insurance</li> <li>-mirror option 3b expenses</li> </ul>		
<b>RETURN ON INVESTMENT</b>									
Capital costs			\$60M			\$60M + 2nd			\$120M
<b>Operating Income (Loss)</b>			<b>(\$2,771,165)</b>			<b>(\$2,992,162)</b>			<b>(\$10,764,959)</b>
Remove Parcel tax Revenue			(\$5,957,524)			(\$5,957,524)			(\$5,957,524)
South Shore			\$400,000			\$400,000			\$220,000
Supplementals			\$0			(\$105,000)			(\$4,061,000)
<b>Net Operating Income (Loss)</b>			<b>(\$8,328,689)</b>			<b>(\$8,654,686)</b>			<b>(\$23,852,283)</b>
<b>BED COUNTS</b>	License	Actual	OCC	License	Actual	OCC	License	Actual	OCC
ICU	8.0	6.0	75%	8.0	6.0	75%	-	-	-
Tel	31.0	17.0	55%	31.0	17.0	55%	-	-	-
Med/Surg	27.0	19.0	70%	27.0	19.0	70%	-	-	-
<b>Total Acute</b>	<b>66.0</b>	<b>42.0</b>	<b>64%</b>	<b>66.0</b>	<b>42.0</b>	<b>64%</b>	-	-	-
Sub-Acute	35.0	33.7	96%	35.0	33.7	96%	35.0	33.7	96%
New Beds		-		8.0	6.0	75%	35.0	33.3	95%
<b>Total</b>	<b>101.0</b>	<b>75.7</b>	<b>75%</b>	<b>109.0</b>	<b>81.7</b>	<b>75%</b>	<b>70.0</b>	<b>66.9</b>	<b>96%</b>



October 10, 2023

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

From: Debi Stebbins  
Executive Director

RE: Recommendations to Approve Next Phase of Contract with Ratcliff  
Architects

**Requested Board Action:**

To approve extending the District contract with Ratcliff Architects, including the use of their professional cost estimators to validate the projected capital costs for 2030 seismic retrofit at Alameda Hospital at a proposed cost of \$79,000.

**Discussion:**

It is essential in terms of our Financing strategy that we validate the capital cost projections of our various options to ensure the pledging the parcel tax as security for financing will be sufficient to fund the selected options. The cost estimates we have been working with are at least a year old. Much has changed in the construction marketplace in the intervening time. This project will allow us to validate capital cost projections and, if necessary, modify the scope of work as necessary.

October 4 2023

Debi Stebbins, Executive Director  
Alameda Health District  
Alameda CA

Debi,

Please find the enclosed proposal to develop an official cost estimate for all the code required upgrades as well as change of use scenarios. This work will include Ratcliff time in describing anticipated scope to cost consultant and reviewing format and presentation of information.

### Scope

Scope of services for this Project includes analysis of CBC chapter 12 for Skilled Nursing Units (OSHPD 2), to prepare a diagram of anticipated work for conversion of Stephens Wing 3<sup>rd</sup> floor from Med Surg to SNF. This work will require the following steps:

1. Draft initial layout and scope of work, forward to cost consultant. Cost consultant to start itemizing project costs for the following:
  - a. Stephens Wing 3<sup>rd</sup> floor conversion to SNF.
  - b. West Wing SPC 4D shear wall project.
  - c. Stephens Wing SPC 4D shear wall project.
  - d. NPC 2, 3, 4 and 5 projects.
2. Present test fits and cost findings to AHD as well as joint AHD and AHS meetings.
3. Revise and produce final options and cost summaries.
4. Fee includes time for Ratcliff to attend up to six (6) planning meetings.

### Schedule

This proposal is based on the expectation that work is to commence and complete by November 2023.

### Fee

**Seventy Nine Thousand Dollars (\$79,000)**, invoiced lump sum per the following scope and schedule below:

Scope	estimated hours	avg rate	fee	Duration Estimate
<b><u>Ratcliff</u></b>				1 Month
Meetings (6) prep and follow up	18	\$300	\$5,400	
Revisions	24	\$180	\$4,320	
Coordinate scope with Cost consultant	36	\$250	\$9,000	
Final Options	24	\$250	\$6,000	
Sub Total	102		<b>\$24,550</b>	
<b><u>ibd Cost consultants</u></b>				
Stephens Wing Seismic Retrofit	34	\$225	\$7,650	
West Wing Seismic Retrofit	34	\$225	\$7,650	
Seismic -NPC non structural	46	\$225	\$10,350	
Seismic - NPC 5 Site	26	\$225	\$5,850	
Revisions / review	28	\$145	\$4,050	
Remodel Stephens Wing	36	\$150	\$5,400	
Remodel South Wing	36	\$150	\$5,400	
Revisions / Review	12	\$225	\$2,700	
Meetings / Site	24	\$225	\$5,400	1 Month
Sub Total			<b>\$54,450</b>	
<b>Total Fee</b>			<b>\$79,000</b>	1 month

Fee Assumptions/Exclusions

- This work does not include permit design documents for NPC or SPC upgrade or further scenario studies regarding future use of Alameda Hospital. Although general scope of work will be used to inform cost estimate.
- It is possible during the evolution of this work that more hours are needed to respond to multiple possible scenarios. Upon approval, Ratcliff would continue on an as needed, time and materials basis to cover any time beyond what is anticipated above.
- Renderings are not anticipated.



Katy Ford AIA  
 Principal  
 RATCLIFF

Debi Stebbins  
 Executive Director  
 ALAMEDA HEALTH DISTRICT

**EXHIBIT A  
RATCLIFF ARCHITECT'S STANDARD HOURLY RATES**

Principal	\$300.00
Associate Principal	\$260.00
Senior Project Architect/Designer/Manager III	\$225.00
Senior Project Architect/Designer/Manager II	\$210.00
Senior Project Architect/Designer/Manager I	\$190.00
Project Architect/Designer/Manager III	\$180.00
Project Architect/Designer/Manager II	\$170.00
Project Architect/Designer/Manager I	\$160.00
Intermediate Architect/Designer II	\$150.00
Intermediate Architect/Designer I	\$145.00
Designer II	\$124.00
Designer I	\$135.00
Intern	\$125.00
Project Administrator	\$105.00
CAD Drafter	\$100.00
Intern	\$90.00

Rates effective through December 31, 2024



August 30, 2023

Katy Taylor Ford  
Ratcliff  
5856 Doyle Street  
Emeryville, Ca 94608

6518 Lonetree Blvd. #164  
Rocklin, CA 95765

Direct 415 510 7387  
Mobile 707 628 8614  
[www.tbdconsultants.com](http://www.tbdconsultants.com)  
kdefay@tbdconsultants.com

**Re: Alameda Hospital Seismic Retrofit  
Fee Proposal for Cost Consulting Services**

Dear Katy,

We are pleased to offer Cost Consulting services for the above project located in Alameda, CA

We understand the project occurs on the existing Alameda Hospital campus in Alameda, Ca. The seismic work will be full seismic upgrades in Stephens Wing and West Sing, Non-structural seismic work to occur at all other buildings (except original hospital), and site Seismic retrofit (Utilities, holding tanks, generators, etc.). Operation/Programmatic changes will occur on one floor of Stephens Wing and 1 floor in the South Wing including a full gut/interior demolition with a remodel.

**Scope of Services**

Our fee proposal is based on providing the following base scope:

- Seismic Retrofit
  - o Conceptual Cost Estimate – Full Seismic Retrofit Stephens and West Wings (34 hrs each)
  - o Conceptual Cost Estimate – Non- structural Seismic Retrofit of remaining buildings (46 hrs)
  - o Conceptual Cost Estimate – Site Seismic Retrofit
- Operations/Programmatic Changes – Full Gut and Remodel
  - o Conceptual Cost Estimate draft- Stephens Wing and West Wing (22 hours each)
- Estimate revision (@4- 6 hrs per Estimate)
- 1 site visit (8 hrs)
- Design Review Meetings (Virtual) (2 each) – Sr. Estimator & MEP (8 hours)

The cost estimates will identify the total cost of construction based on the quantities or allowances with composite unit rates where applicable reflecting the scope of work and the current market conditions. Ratcliff Architects, and any other design consultants will provide project design documents, including relevant existing building design documents and site and bldg. photos, if applicable, for our use. **We also assume that estimating any of the other buildings on site will be excluded from this effort.** We also understand that reconciliation of our estimate with other cost opinions will not be required, and that ‘soft costs’ are excluded. We will not obtain any bids nor opinions of cost from subcontractors or vendors unless the work is of such a unique nature that no other cost information is available. The cost estimates will be provided using a standard TBD Consultants estimate template utilizing Unifomat II component format (a systems format). **Each of the options are assumed to be estimated separately.**

**Notable Exclusions:**

The following items are excluded from the scope in this fee proposal:

- Estimating extensive site improvements. (minimal site improvement scope estimating is included).
- In-person attendance at meetings (web-based meetings are included in the fee).
- Soft cost estimating.
- Reconciliation with estimates by others.
- Value analysis/engineering, life cycle cost studies.

**Fees**

We propose to provide the above services based on a **Lump Sum basis:**

Conceptual Estimate:

Scope 1:

Seismic Retrofit - Stephens Wing (34 hr).....	\$	7,650.00
Seismic Retrofit - West Wing (34 hr).....	\$	7,650.00
Seismic (non-structural) - Remaining Buildings (46 hr) .....	\$	10,350.00
Seismic Retrofit - Site (26 hr).....	\$	5,850.00
Revisions/Review (28hr.).....	\$	4,050.00

Scope 2:

Remodel: Stephens Wing (36 hr).....	\$	5,400.00
Remodel: West Wing (36 hr).....	\$	5,400.00
Revisions/Review (12hr.).....	\$	2,700.00

Meetings/Site Visit (24 hr.).....	\$	5,400.00
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**TOTAL (248 hrs) ..... \$ 54,450.00**

**Optional Add Alternates**

Additional online meetings (2 hour meeting x2 people) - \$900

Provide cost estimating of additional options – fee can be provided upon request.

Additional work beyond the above shall be per our standard wage rate for senior cost consultants of \$225/hr for work performed in 2023.

The fees include expenses incurred in preparation and distribution of any required documentation and reports.

Expenses such as drawing reproduction, courier services, special mailing services (Federal Express, Express Mail etc.), and other abnormal costs are excluded and will be charged at cost plus 0% administration.

Our fees exclude travel costs outside the San Francisco Bay Areas, any such travel costs as incurred will be billed separately.



**Payment and Terms**

We will issue a monthly invoice. Payment will be due thirty (30) calendar days after the date of invoice.

Our proposal remains open for a period of ninety (90) days. After this time, we will be pleased to review the proposal, make any required amendments and re-submit for your review and approval.

Work will be completed under the direction of Kathryn DeFay and Niall Durkin.

We trust that we have interpreted your requirements correctly, if you have any questions or suggested amendments please do not hesitate to contact the undersigned. If you would like to proceed with the above services, please complete and return the authorization below.

We look forward to working with you on this project.

On behalf of TBD Consultants

Kathryn DeFay  
Senior Cost Consultant

On behalf of Ratcliff

Accepted by: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_