



PUBLIC NOTICE
CITY OF ALAMEDA HEALTH CARE DISTRICT BOARD OF DIRECTORS

MEETING AGENDA
Monday, February 12, 2024
OPEN SESSION: 5:30PM

OPEN SESSSION: AH – CONFERENCE ROOM A
Join Zoom Meeting https://us02web.zoom.us/j/85979764812?pwd=RC81UVdEYm1iYTcvRHRFUkNYc0NUUT09
Meeting ID: 859 7976 4812 Passcode: 684116
Dial by your location • +1 669 444 9171 US • +1 669 900 6833 US

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.	Litigation	Government. Code Sec. 54956.9

- VI. Adjourn to Open Session**
- VII. Reconvene to Public Session**
- VIII. Announcements From Closed Session**
- IX. REGULAR SESSION AGENDA**

Dr. Robert Deutsch,
President



PUBLIC NOTICE

A YTD AHS Reports			
✓	1)	Alameda Health System / Alameda Hospital Update ENCLOSURE (Pages 4 - 36)	Mario Harding, CAO Alameda and San Leandro Hospitals
✓	2)	Patient Care Experience Report ENCLOSURE (Pages 37 - 46)	Chris Adams, VP Nursing Alameda and San Leandro Hospitals
✓	3)	Financial Update ENCLOSURE (Pages 47 - 77)	Kimberly Miranda, AHS CFO
	4)	Alameda Hospital Medical Staff Update	Dr. Nikita Joshi, AH Medical Staff Chief

B District & Operational Updates INFORMATIONAL			
✓	1)	A. Executive Director Report ENCLOSURE (Pages 78 - 87) B. Overview on Design Build, Design Bid Build	Debi Stebbins, Executive Director Katy Ford
	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)	Property Oversight Committee Update on RFP for Property Management Company for Jaber Properties	Jeff Cambra
✓	6)	District – AHS Joint Planning Committee Meeting Minutes from December 18, 2023 ENCLOSURE (Pages 88 - 93)	Dr. Robert Deutsch, President Gayle Codiga, 1 st Vice President

C Consent Agenda			
✓	1)	Acceptance of Minutes, December 11, 2023 ENCLOSURE (Pages 94 -99)	Dr. Robert Deutsch, President
	2)	Acceptance of November and December 2023 Financial Statements To Be Distributed Later	Dr. Robert Deutsch, President

D Action Items			
✓	1)	Engagement of Consultants for 2030 Seismic Project: A. Recommendation to Engage Brian Quint as Bond Counsel ENCLOSURE (Pages 101 -104) B. Recommendation to Engage US Bank as Trustee, Paying Agent, Transfer Agent Registrar, Depository Agent for District Certification ENCLOSURE (Pages 105 - 107)	Debi Stebbins, Executive Director Gary Hicks

City of Alameda Healthcare District, February 12, 2024



PUBLIC NOTICE

		<p>C. Recommendation to Engage Piper Sadler as Primary and Hilltop Securities as Secondary Underwriter/ Placement Agents for District Certification of Participation. ENCLOSURE (Pages 108 -168)</p> <p>D. Recommendation to Engage Best Best & Krieger as Special Project Legal Counsel for District 2030 Seismic Project. ENCLOSURE (Pages 169 - 190)</p>	
--	--	---	--

E	April 8, 2024, Agenda Preview	
	1)	Acceptance of February 12, 2024, Minutes
	2)	Acceptance of January and February 2024 Financial Statements
	3)	Goals and Objectives for FY 25
	4)	First Draft of District Operating Budget for FY 25
	5)	Review of Annual Audit Engagement

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

XI. Adjournment

<p>Next Scheduled Meeting Date</p> <p>April 8, 2024</p> <p>(2nd Monday, every other month or as scheduled)</p>	<p>Open Session</p> <p>5:30 PM</p>
--	------------------------------------



Alameda Hospital Update

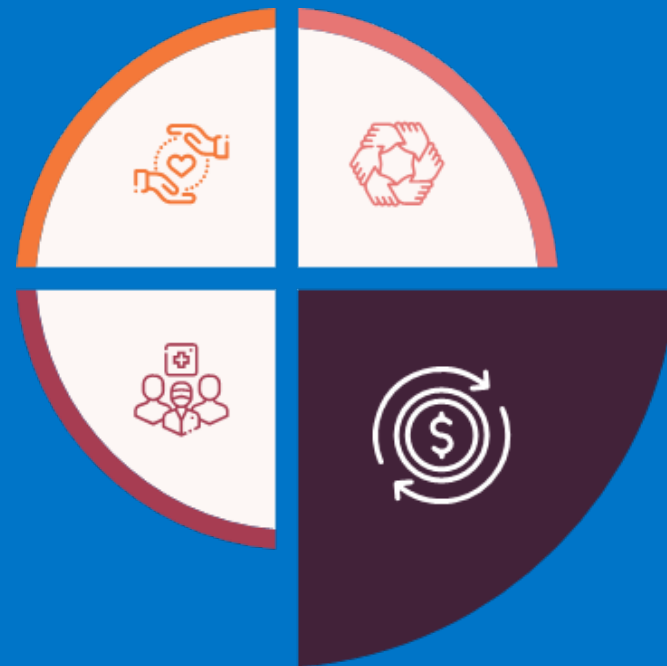
presented to Alameda Health Care District Board Meeting • February 12, 2024

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



Sustainability

AHS will pursue innovative approaches to invest in new programs while managing targeted investments in infrastructure to support the delivery of high-quality care.



Sustainability: Financials YTD December 2023

Refer to CFO Report

2024 Operational Priorities

Alameda Health System

Mark Fratzke, COO
Felicia Tornabene, CMO
January 2024

Quality & Patient Safety	Inpatient Throughput	Outpatient Access
Possible Focus Areas: FY True North Metrics, QIP, SCOR survey, RCA2 pilot	Possible Focus Areas: UM I CURE, Observation Status, ED Registration Redesign, System Bed Capacity, Doc of the Day, Eddie's Place, Case Management Redesign, Readmission Reduction, Length of Stay, leverage physician support structures for efficient practice	Possible Focus Areas: Recruitment and Retention, Template Changes, Clinic Hour Expansion, Space, Service Lines, Empanelment, TV/VV Pilot, CareTeams/Inbox, Data Automization, leverage physician support structures for efficient practice
Leaders: Felicia Tornabene, MD CMO Ana Torres, VP Quality Ro Lofton, RN CNO/CAO	Leaders: Andrea Wu, MD ACOG Ro Lofton, RN CNO/CAO	Leaders: Porshia Mack MD, ACOG Terrance Shaw, VP Nursing/CAO
Supporting Committees Monthly Operating Review Meetings, Medical Executive Committee, Physician Department Meetings	Supporting Committee Yes, Throughput Steering Committee	Supporting Committee Yes, Operations Meeting
Scorecard Yes, True North Metric Scorecard, QIP Dashboard, SCOR Survey Results	Scorecard Under Development	Scorecard Under Development
EOT Reporting Frequency Monthly	EOT Reporting Frequency Every Other Month	EOT Reporting Frequency Every Other Month
BOT Reporting Frequency Monthly to QPSC	BOT Reporting Frequency Quarterly to Finance Committee	BOT Reporting Frequency Quarterly to Finance Committee

Employee Empowerment	System Operating Room Efficiency	Alameda Hospital Operational Improvement	Care Outside Hospital
Possible Focus Areas: Leadership and staff development, involvement in decision making, advancement and growth expectations with support	Possible Focus Areas: Block-time efficiency, consolidation of specialty surgeries, system surgical placement, hybrid OR, robotics	Possible Focus Areas: Length of stay, interfacility transfers, med-surg unit efficiency, OR efficiency and clarity related to elective surgeries,	Possible Focus Areas: Remote monitoring, in-home acute care, home health, electronic visits, myChart utilization, incorporation of AI
Leaders: Elizabeth Mahler, MD ACMO Chris Adams, VP Nursing Arleen Gomez, VP HR	Leaders: Laura Lang, MD Chair Anesthesiology Theresa Cooper, RN VP Nursing Greg Victorino, MD Chair	Leaders: Felicia Tornabene, MD CMO Mark Fratzke, COO Ro Lofton, RN CNO/CAO	Leaders: Brandon Boesch, MD Chief Hospitalist Medicine Tangerine Brigham, CAO Mark Amey, CIO
Supporting Committee No (needs development)	Supporting Committee Yes, OR Operations Committee	Supporting Committee Alameda Hospital Operational Improvement Team	Supporting Committee No (needs development)
Scorecard No (needs development)	Scorecard Yes, but needs standardization	Scorecard Not Required	Scorecard No (needs development)
EOT Reporting Frequency Every Other Month	EOT Reporting Frequency Every Other Month	EOT Reporting Frequency Every Month	EOT Reporting Frequency Every Other Month
BOT Reporting Frequency Quarterly to HR Committee	BOT Reporting Frequency Quarterly to Finance Committee	BOT Reporting Frequency Quarterly to Finance Committee	BOT Reporting Frequency Quarterly to Finance Committee

Expectations of Focus Areas

01

Standard design of all scorecards across focus areas

02

Focus areas are priorities for allocation of resources, especially for FY 24-25 budget.

03

Only scorecard presented to EOT with acknowledgment of success and discussion on metrics falling short

04

Focus and make progress toward becoming “World Class” per our vision.

05

Develop robust inclusion of committees.

06

Include patient voice whenever possible and disaggregate data for health disparity discoveries and action

Few Other Things

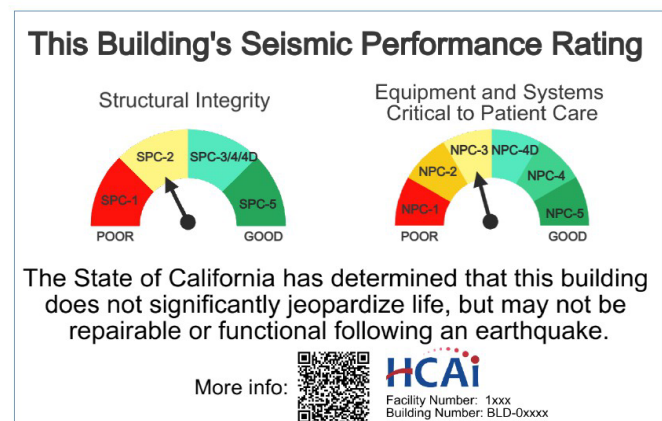
1. Master Planning
2. Alameda Hospital Status
3. Building assessments and work on County owned buildings
4. Outpatient pharmacy, Eastmont dental, San Leandro SPD
5. Hybrid OR
6. PFAC and Center for Health Equity

OPERATING BUDGET 2025 CALENDAR		
Tasks	Responsibility	Target Due Date
Review of Proposed Budget Calendar and guiding principles	Budget Oversight Committee	1/9/2024
Request Supplemental Revenue update for budget from Reimb	Finance Department	1/12/2024
Send out volume assumptions to CAOs/DYAD Partners for input → FP&A will meet with department leaders to review & finalize	Finance Department	1/19/2024
Finalize guiding principles Review of Initial Baseline Projection	Budget Oversight Committee	1/23/2024
Volume adjustments from CAOs Due	Finance Department & Chief Administrative Officers	2/2/2024
Send out existing variable labor standards to department leaders	FP&A	2/5/2024
Preliminary Supplemental Revenue	Reimbursement	2/9/2024
Labor Standards Due	All Leaders	2/9/2024
Finalize FY2025 Assumptions → Baseline → Volumes → Labor standard → CPI Labor & Benefits → CPI Non Labor	Budget Oversight Committee	2/13/2024
Review Preliminary Budget Financials w/ approved new or expansion of services that will impact the budget	Budget Oversight Committee	2/27/2024
Guiding Principles, Margin, & Targets to Executive Operations Team and Finance Committee	Chief Financial Officer	3/5/2024 & 3/6/2024
Review Preliminary Budget Financials prior to release to leaders	Budget Oversight Committee	3/12/2024
Budget Review w/ Leaders → FP&A will meet with department leaders to review & finalize	All Leaders	3/18 -4/5/2024
Incorporate Performance Initiatives, Bridge Plans & Strategies	Finance Department	4/7/2024
Preparation of Budget Financials for Review	Finance Department	4/8-4/19/2024
Review of Proposed Budget	Budget Oversight Committee	4/23/2024
Ensure Final Proposed Budget meets Target	Budget Oversight Committee	4/23/2024
Budget Update to Executive Operations Team / Finance Committee	Chief Financial Officer	4/30/2024 - 5/1/2024
Preparation of Budget Package	Finance Department	4/23-5/14/2024
Draft Presentation to Budget Oversight Committee/ Executive Operations Team / Patient Family Advisory Committee	Chief Financial Officer	5/21/2024
Post presentation slides	Finance Department	5/31/2024
Finance Committee Approval	Chief Financial Officer & Finance Committee	6/5/2024
Board of Trustees Approval	Chief Financial Officer & Board of Trustees	6/12/2024

CAPITAL BUDGET FY2025 CALENDAR		
Tasks	Responsibility	Target Due Date
Email Capital Request to AHS leaders and Physician Leaders	Finance Department	1/22/2024
Capital Requests Due to Senior Leader and Finance Department	All Leaders	2/23/2024
Senior Leaders Review and Prioritize with Leadership Teams	Senior Leaders	2/24/2024-3/19/2024
Senior Leaders submit to Finance Department	Senior Leaders	3/20/2024
Review, Prioritize, and Approve Capital Requests	Budget Oversight Committee	3/26/2024

Seismic 2030 Compliance Update

- Alameda Hospital Seismic 2030 Strategy Group established to meet compliance standards.
- HCAI/OSHPD approved Nonstructural Performance Category 2 (NPC 2) compliance on February 6, 2024, effective December 27, 2021.
- Annual status reporting and hospital signage completed (dashboard example below).
- Next step: Advancing to NPC 4 status
 - Meeting with HCAI on February 27th





Department of Health Care Access and Information

Office of Statewide Hospital Planning and Development
2020 West El Camino Avenue, Suite 800
Sacramento, CA 95833
Phone: (916) 440-8300
Fax: (916) 274-0102
www.hcai.ca.gov/construction-finance



February 06, 2024

Theresa Curtis - S5731
THORNTON TOMASETTI
650 California Street, Suite 1400
San Francisco, CA 94108

RE: Alameda Hospital - #11210
2070 Clinton Ave - Alameda, CA 94501
Application #SRU-2012-00191 - NPC 2 Upgrade

We have reviewed the amended request for upgrade to NPC 2 status dated August 13, 2012; including back check #1 received September 17, 2012; back check #2 received November 15, 2012; and back check #3 received December 20, 2023. Review of the included documentation shows the facility has met the requirements of the CAC Part 1, Chapter 6, Section 1.4.5.1.1.2 for an NPC 1 to NPC 2 upgrade. This letter constitutes an approval for the NPC 2 seismic performance rating for the hospital buildings noted below. The approval date for the NPC 2 classification is December 27, 2021.

BLD-01279	Stephens Wing
BLD-01280	West Wing
BLD-01281	South Wing
BLD-01282	Radiology Addition
BLD-01283	Medical Gas Storage
BLD-03120	Emergency Room Relocation

If you need further information regarding SB1953, you may visit our web site at <http://www.hcai.ca.gov/construction-finance> or contact me at patrick.rodgers@hcai.ca.gov or by phone at 916-440-8467.

Respectfully,

Patrick Rodgers

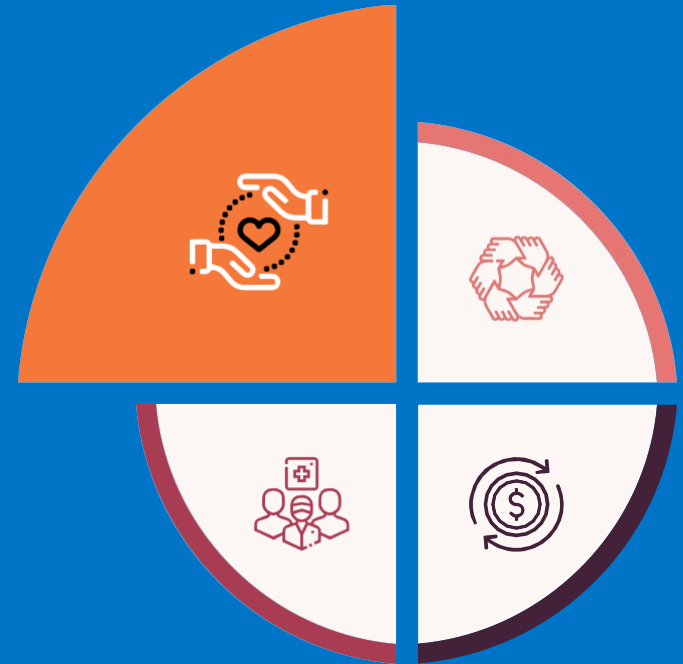
Patrick Rodgers,
Senior Structural Engineer
Seismic Compliance Unit

cc: Kerry Easthope - Alameda Hospital - Alameda Healthcare System
File

AHS Pillars

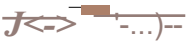






Quality Care

AHS provides Safe, Timely, Effective, Efficient, Equitable and Patient-Centered care that is accessible to all.



Jon 2024 Report DataThrough: Nov 2023

STEHP	Metric	FY23 Base line	FY24 Goal	Nov 2023 Final	Dec 2023 Prelim	FY2024			Accountable Team	Performance Trend	Action Plan
						All	Disproportionality	Rate			
Safety	Patient Harm!	24	1 Month 12 Year	1	5	16	African American/ Black Unknown	5	AnnetteJohnson ChrisAdams	AA I	Hannbave declined from the previous fiscal ye.ar, Belowfordetails.
	CIABSi# of Events/ S	1/0.46	1/0.589	0/0	0/0	0/0	All	0	AnnetteJohnson Joel<-tsko		Continuew/ daily CN roll!dingand weetly leadershiprounding.
	CAUTI# of Events/ S	2/0.81	1/0.65	0/0	0/0	0/0	All	0	AnnetteJohnson Joel<-tsko		Continuew/ daily CN roll!ding and eetly leadershiprounding.
	MRSA II of Events/ S	0/0	0/0	0/0	0/0	0/0	All	0	JohnStark Robert McCabe Li Kuo Kong		On track,no events rep.in YTD.
	C. Difficile II of Events/ S	2/1.75	1/0.52	1/3.33	0/0	4/2.21	African American/ Black	2	JohnStark RobertMcCabe Li Kuo Kong	A r---	CCU patient wh:lt was identified:is beini olonb:ed. Ta,kforoes plannedto.reinfolte and education best practices relatedto specimen collection, testingand timing of e tin .
	SSII of Events/ S	1/0.67	0/0	0/0	0/0	0/0	All	0	AnnetteJohnson Pat Reynolds LauraLang		On track,noevents ,ep,irt YTD,Continue o monitor
	Patient Foll5w Injury/I % Per 1000day	1/0.04	0/0	0/0	2/0	2/0	Asian mher	1	Annette JOOnson JessicaVinlo!lich	L	Continuesbaringdata whbstaff, encouro. ,euse ofnew hair alanns/Telesitte,r when appropri!te, reinforedaudi!putpo eful hourlyrounding
	HAPI#/%Per 1000 day	8/0.53	0.3 Month 4 Year 0.27	0/0	2./153	8/1.19	Unknown	3	AnnetteJohnson Je,ical'inkavim	af'v.. I	Working withStyker, Bedvondor, to explore thecapacity for newboos to convell tolo,wpres ure,
	Behavior Ev.ent!w/ PhysicalInjuly	9/0.32	0.4 Mon h 4.5Yeor 0.1	0/0	1/0	2/0	African American/ Black Unknown	1	AnnetteJohnson JoeLatsko	- } 6 I 00	WVP Committee,coliaborallng!V!th BETA o conduct a needs a essment. Design,of he Behavior Event ResponseTeam BERT)is unde,way.

sm.EP	Metric	M3 Base line	FY24 Goal	Nov 2023 Final	Dec 2023 Prelim	FYTD24			Accountable Team	Performance Trend	Action Plans
						All	Opportunity	Rate			
Safety	Handwashing Compliance t	85.30%	95%	90%	92%	89%	N/A	N/A	Annette Johnson DeborahEllis ChrisAdams		HandWashing Campaignempowe.ing staff, plllie-l-ltsmnd familieso speak up for hand hygiene planned for MaJ'Ch. Slogan contest launched in. Decembertopromote am))ilignand improvestaff en!!llement.
Effective	All-cause 30 day Readmissionsfor Black/African American PIS .J,	21.8%	10.70%	11%	20%	15.7%	N/A	N/A	Annette Johnson Esther Wang Kathe<inePyun		Real timedeep dive of readmissions ongoing Focusonconnecting homeless >,'ili entswithcommunity healthworbts to aid indie transition. ExploringPalliative Care se,viu.sro aide.ndoi lifeca.re readmissiotK
Efficient	ED Boarding Time Time in ED from Decisionto Admit to Inpatient Bed .J,	3:16	1:30	3:04	3:59	3:27	African American/ Blac!k	3:34	Annette Johnson Jc,eLot:sk<l NikitaJoslli		Increasedcensusw/ lele and MIS delaying transfers to admit Inpatient unitsworxing vilh charge nurses to get EDpatientson he unit timely.
Equity	Rate of Inpatients screened for health h,related social n,eds(food, housing, transportation, saret, utilities) t	N/A	90%	Pending	Pending	Pending	P,ending	Pending	AnnetteJohnson Dusty Gilleland Tangerine Brigham		Screenin!(Sinitialedin Decembe.r. Results viiii be a;ailable inthe Marth!"NMreport.
Equity	Rate of inpatient whoscr,eened positive for health-related social needs(food, housing, transportati,on, safety, utiilities) .J,	N/A	N/A	Pending	Pending	Pending	P,ending	Pending	AnnetteJohnson Dusty Gilleland Tangerine Brigham		Screenings initialedin Deecernber. Results viiibe available in the Marth!"NM report.
Patient Centered	Rate of patientswho reported that their nurses "always" communicate,d wellt	72.30%	76.53%	59.2%	64.5%	69.3%	While	57.1%	AngelaNg Chris Adams		Continue leader roundingon palientsand staff. Staffrounds audit/monitoring for GIFTuse and PHR. ConnectwillUBClo leadonnursecomm. Improvement)roiem.
Patient Centered	Acute: Rate of patientswho reported theywould "defini ely" recomme1 ld AHS 1'	66.90%	69JIO%	56.1%	60.6%	61.3%	Unknown	47.80%	Angela Ng Jessica Vinkavich I,olani-l'largavala		Sharingdata al staff meetings,working th p1 experience1eam for rounding rainingandGIFTaudits. NLRsimlab ralnfng upcoming
	Emergency: Rate ,of patients who r,eport.ed they would "definitely" recommend AHS 1'	59.50%	68.80%	52.8%	68.3%	584%	Natrv e American	S0JIO%	Angela Ng Jc,e lotsko NikitaJoshi		Continueto work w/ Patient engagement regarding thesattprovider interaction; and pe=ptions of communication. 2024 EDwillstartPatient engageme-0t/com.munica. lionclasse.s for mandatorvfor allstaff.
	Same Day Surgery:Rate of patients who reported they would "defintlty" recommend AHS1'	78.50%	86.40%	71.4%	100,0%	81.4%	Alfrican Ameritan/ Blac!k Hispanic	75.00%	Angela Ng Pa Reynolds		Continueto monitor fot GLFT11e. Dischargethankyoucard!s.Continueto share data andcommentswilhtall" during huddles andweeklyemail toall staff". Low N number- exploreotherway forreal imactient and fom.ilv feedback.

fiscal Year 2023
Irre North Metric Definitions for Acute Cascade

Metric	Definition	GOAL
Patient HARM	The number of patient days are acquired patient harms. Includes: C-ABS, CAUTI, MRSA, C-Diff, SSI, Acute Med-Su, Critical Care, and Patient Falls and Hospital Acquired Pressure Ulcers, all areas (practically, NDI includes all ambulatory).	CMS 50th percentile
CAUTI of Events / SIR	CAUTI is the number of urinary tract infections that occurred. # of Number of infection that occurred SIR: Standardized Infection Ratio (SIR) compares the actual number of infections to the predicted number, adjusted for patient risk factors. The predicted number is idealized. Results less than 1 are desirable	CMS 50th percentile
CAUTI of Events / SIR	CAUTI is the number of urinary tract infections that occurred. # of Number of infection that occurred SIR: Standardized Infection Ratio (SIR) compares the actual number of infections to the predicted number, adjusted for patient risk factors. The predicted number is idealized. Results less than 1 are desirable	CMS 50th percentile
MRSA of Events / SIR	MRSA is the number of MRSA infections that occurred. # of Number of infection that occurred SIR: Standardized Infection Ratio (SIR) compares the actual number of infections to the predicted number, adjusted for patient risk factors. The predicted number is idealized. Results less than 1 are desirable	CMS 50th percentile
C. Difficile of Events / SIR	C. Difficile is the number of C. Difficile infections that occurred. # of Number of infection that occurred SIR: Standardized Infection Ratio (SIR) compares the actual number of infections to the predicted number, adjusted for patient risk factors. The predicted number is idealized. Results less than 1 are desirable	CMS 50th percentile
SSI of Events / SIR	SSI is the number of surgical site infections that occurred. # of Number of infection that occurred SIR: Standardized Infection Ratio (SIR) compares the actual number of infections to the predicted number, adjusted for patient risk factors. The predicted number is idealized. Results less than 1 are desirable	CMS 50th percentile
Patient Falls with Injury # of Events / Rate Per 1000 days	Patient Falls with Injury is the number of patient falls with injury that occurred. # of Events / Rate : Number of events divided by number of patient days times 1000	Simulated performance, previous fiscal year
HAPI # of Events / Rate Per 1000 days	HAPI is the number of hospital-acquired pressure injuries that occurred. # of Events / Rate : Number of events divided by number of patient days times 1000	Simulated performance, previous fiscal year
Assaultive Betavial Injury # of Events / Rate Per 1000 days	Assaultive Betavial Injury is the number of assaultive betavial injuries that occurred. # of Events / Rate : Number of events divided by number of patient days times 1000	Simulated performance, previous fiscal year
Handwashing Compliance (Hospital & Peds)	Handwashing Compliance is the percentage of observed encounters where handwashing was completed.	
All-cause 30-day Readmission Rate	Readmission rate is the percentage of patients who are readmitted within 30 days of discharge. # of Events / Rate : Number of events divided by number of patient days times 1000	Overall Readmission rate for AHF, FY 2023 Overall performance gap between overall rate and African American/Black rate.
ED Boarding Time	ED Boarding Time is the median time from decision to admit to the emergency department to admission to the unit. Decision to Admit = First Admission Disposition Admission Time = Time patient admitted to the patient unit	Per 11:00 Joint Commission 10.1.1: Patients who wait more than 4 hours for an inpatient bed are considered boarders
Rate of patients who reported that their nurse-salvage-communicated well	Percentage of patients who reported that their nurse-salvage-communicated well.	
Acute: Rate of patients who reported that they were not in the hospital	Percentage of patients who reported that they were not in the hospital.	CMS 50th percentile

Fiscal Year 2023
True North Metric Definitions for Acute Cascade

Metric	Definition	GOAL
Same Day Surgery: Rate of patients who reported they would "definitely" recommend AHS	Percentage of same day surgery patients who would recommend AHS	Press Ganey 50th Percentile
Emergency: Rate of patients who reported they would "definitely" recommend AHS	Percentage of Emergency patients who would recommend AHS	Press Ganey 50th Percentile

**EAST BAY SECTION
CENSUS MONITORING REPORT
ACUTE DISCHARGES AND PATIENT DAYS
4th Quarter 2023-2022 Comparison**

	DISCHARGES				PATIENT DAYS		
	4th Qtr. 2023	4th Qtr. 2022	%CHANGE		4th Qtr. 2023	4th Qtr. 2022	%CHANGE
<u>ALAMEDA COUNTY</u>							
Alameda Hospital	728	635	14.65%		3,401	3,358	1.28%
Alta Bates Summit - Berkeley	2,912	2,856	1.96%		13,147	13,472	-2.41%
Alta Bates Summit - Oakland	3,084	2,505	23.11%		16,926	13,846	22.24%
Eden Medical Center	2,204	2,174	1.38%		10,782	11,172	-3.49%
Highland Hospital	2,252	2,341	-3.80%		13,733	14,085	-2.50%
Kaiser Permanente - Fremont	2,116	1,944	8.85%		5,889	5,519	6.70%
Kaiser Permanente - Oakland	5,646	5,632	0.25%		21,355	20,946	1.95%
Kaiser Permanente - San Leandro	4,915	5,186	-5.23%		11,903	13,030	-8.65%
Kindred Hospital - S.F. Bay Area	74	77	-3.90%		5,516	5,280	4.47%
San Leandro Hospital	931	782	19.05%		3,135	3,357	-6.61%
San Leandro Hospital Acute Rehab Unit	129	140	-7.86%		1,863	2,227	-16.34%
St. Rose Hospital	979	886	10.50%		3,241	3,530	-8.19%
Stanford Health Care TriValley	1,923	1,876	2.51%		8,653	9,526	-9.16%
UCSF Benioff Children's Hospital Oakland	1,960	1,929	1.61%		9,950	10,810	-7.96%
Washington Hospital Healthcare System	2,667	2,856	-6.62%		14,627	15,092	-3.08%
<u>CONTRA COSTA COUNTY</u>							
Contra Costa Regional Medical Center	1,597	1,543	3.50%		6,569	7,672	-14.38%
John Muir Med. Ctr. Concord Campus	3,066	2,923	4.89%		14,562	15,778	-7.71%
John Muir Med. Ctr. Walnut Creek Campus	4,980	5,224	-4.67%		27,666	28,787	-3.89%
Kaiser Permanente - Antioch	2,509	2,476	1.33%		9,248	9,485	-2.50%
Kaiser Permanente - Richmond	1,171	1,150	1.83%		3,960	4,430	-10.61%
Kaiser Permanente - Walnut Creek	3,558	3,422	3.97%		14,518	14,065	3.22%
San Ramon Regional Medical Center	837	920	-9.02%		3,527	4,325	-18.45%
Sutter Delta Medical Center	1,501	1,455	3.16%		5,990	6,019	-0.48%
<u>SOLANO COUNTY</u>							
Kaiser Permanente - Vacaville	1,653	1,636	1.04%		10,427	10,076	3.48%
Kaiser Permanente - Vallejo	2,180	2,231	-2.29%		15,959	16,088	-0.80%
NorthBay Medical Center	2,219	2,240	-0.94%		10,255	11,649	-11.97%
NorthBay VacaValley Hospital	348	361	-3.60%		1,506	1,660	-9.28%
Sutter Solano Medical Center	919	922	-0.33%		4,948	4,761	3.93%

*North Bay VacaValley Hospital ceased providing ICU and surgical services effective July 2023.

**EAST BAY SECTION
CENSUS MONITORING REPORT
EMERGENCY DEPARTMENT
4th Quarter 2023-2022 Comparison**

	ED VISITS			INPATIENT ADMITS		
	4th Qtr. 2023	4th Qtr. 2022	% CHANGE	4th Qtr. 2023	4th Qtr. 2022	% CHANGE
<u>ALAMEDA COUNTY</u>						
Alameda Hospital	4,055	3,960	2.40%	633	526	20.34%
Alta Bates Summit - Berkeley	9,612	9,168	4.84%	3,514	3,297	6.58%
Alta Bates Summit - Oakland	10,241	9,561	7.11%	3,142	2,739	14.71%
Eden Medical Center	11,260	10,599	6.24%	1,784	1,687	5.75%
Highland Hospital	12,228	11,906	2.70%	1,964	2,070	-5.12%
John George Psychiatric Hospital	2,202	2,199	0.14%	617	600	2.83%
Kaiser Permanente - Fremont	11,888	11,697	1.63%	2,045	1,908	7.18%
Kaiser Permanente - Oakland	17,581	17,496	0.49%	3,337	3,355	-0.54%
Kaiser Permanente - San Leandro	19,724	20,426	-3.44%	2,768	2,708	2.22%
San Leandro Hospital	7,758	7,213	7.56%	807	730	10.55%
St. Rose Hospital	5,801	5,721	1.40%	686	885	-22.49%
Stanford Health Care Tri-Valley	10,462	10,028	4.33%	1,538	1,884	-18.37%
UCSF Benioff Children's Hospital Oakland	11,581	11,821	-2.03%	1,381	1,432	-3.56%
Washington Hospital Healthcare System	15,278	15,613	-2.15%	1,380	1,564	-11.76%
<u>CONTRA COSTA COUNTY</u>						
Contra Costa Regional Medical Center	8,518	8,232	3.47%	707	802	-11.85%
John Muir Med. Ctr. Concord Campus	15,879	16,085	-1.28%	3,060	2,957	3.48%
John Muir Med. Ctr. Walnut Creek Campus	16,316	16,485	-1.03%	5,024	5,285	-4.94%
Kaiser Permanente - Antioch	18,721	19,686	-4.90%	1,668	1,620	2.96%
Kaiser Permanente - Richmond	19,121	18,510	3.30%	1,176	1,173	0.26%
Kaiser Permanente - Walnut Creek	19,630	19,713	-0.42%	2,030	1,942	4.53%
San Ramon Regional Medical Center	5,297	5,717	-7.35%	693	753	-7.97%
Sutter Delta Medical Center	13,837	13,438	2.97%	1,370	1,323	3.55%
<u>SOLANO COUNTY</u>						
Kaiser Permanente - Vacaville	14,386	15,334	-6.18%	1,692	1,698	-0.35%
Kaiser Permanente - Vallejo	16,058	17,118	-6.19%	1,931	1,901	1.58%
NorthBay Medical Center	11,650	12,185	-4.39%	2,038	1,363	49.52%
NorthBay VacaValley Hospital	6,957	7,122	-2.32%	351	282	24.47%
Sutter Solano Medical Center	7,930	7,618	4.10%	914	792	15.40%

*North Bay VacaValley Hospital ceased providing ICU and surgical services effective July 2023.

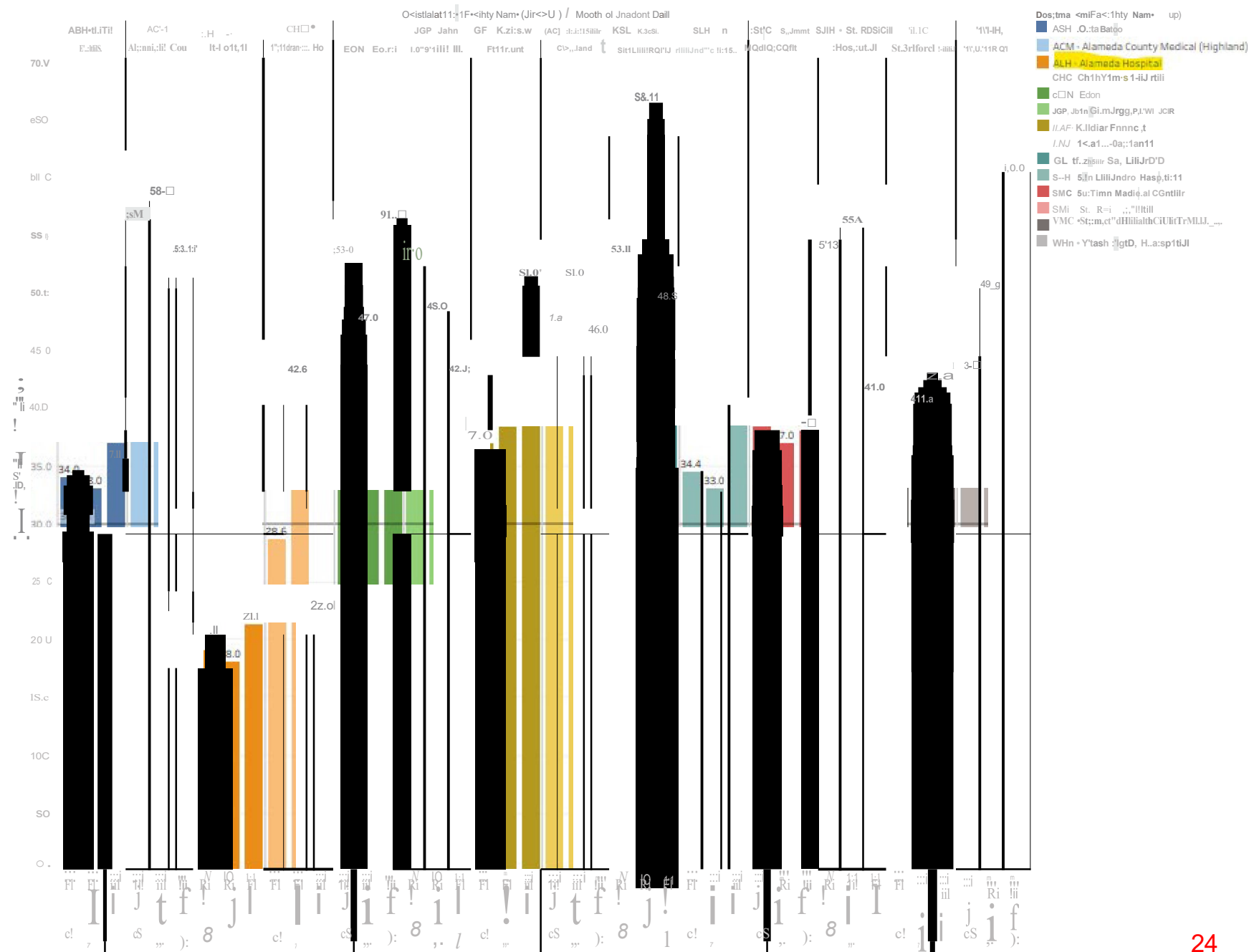
Alameda County EMS

Ambulance Patient Offload Time (APOT)

December 2023

APOT Bins

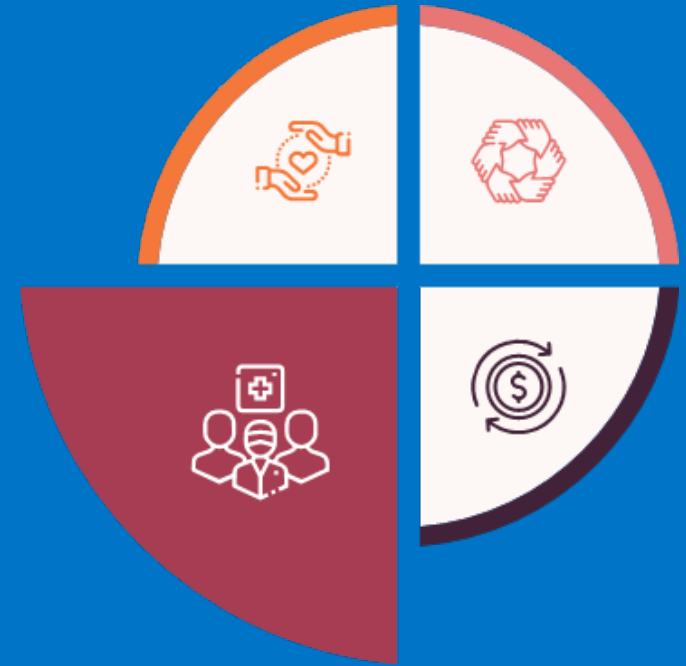
Destination Facility Name (group)	APOT Occurrence Bins					Grand Total
	20 mins or less	21 to 60 mins	61 to 120 mins	121 to 180 mins	More than 180 mins	
ABH - Alta Bates	494 68.61%	205 28.47%	21 2.92%			720 100.00%
ACM - Alameda County Medical (Highland)	857 58.10%	504 34.17%	104 7.05%	10 0.68%		1,475 100.00%
ALH - Alameda Hospital	385 89.74%	38 8.86%	6 1.40%			429 100.00%
CHO - Children's Hospital	130 88.44%	17 11.56%				147 100.00%
EDN - Eden	899 59.46%	494 32.67%	103 6.81%	16 1.06%		1,512 100.00%
JGP - John George Pavilion	158 50.16%	152 48.25%	5 1.59%			315 100.00%
KAF - Kaiser Fremont	505 69.18%	180 24.66%	31 4.25%	13 1.78%	1 0.14%	730 100.00%
KAO - Kaiser Oakland	593 56.53%	413 39.37%	42 4.00%		1 0.10%	1,049 100.00%
KSL - Kaiser San Leandro	573 52.00%	478 43.38%	43 3.90%	8 0.73%		1,102 100.00%
SLH - San Leandro Hospital	462 61.60%	272 36.27%	16 2.13%			750 100.00%
SMC - Summit Medical Center	1,290 72.11%	455 25.43%	41 2.29%	3 0.17%		1,789 100.00%
SRH - St. Rose Hospital	401 61.60%	224 34.41%	26 3.99%			651 100.00%
VMC - Stanford Health Care Tri-Valley	651 67.18%	281 29.00%	35 3.61%	2 0.21%		969 100.00%
WHH - Washington Hospital	674 51.81%	498 38.28%	111 8.53%	16 1.23%	2 0.15%	1,301 100.00%
Grand Total	8,072 62.39%	4,211 32.55%	584 4.51%	68 0.53%	4 0.03%	12,939 100.00%



AHS Pillars

Staff & Physician Experience

AHS values its physicians, clinicians, and staff and seeks to grow, engage, retain, and empower them to serve all.





1411 East 31st Street
Oakland, CA 94602

February 6, 2024

To: All AHS Staff and Physicians
From: Felicia Tornabene, MD, Chief Medical Officer
Porshia Mack, MD, Associate Chief Medical Officer, Ambulatory Services
Andrea Wu, MD, Associate Chief Medical Officer, Acute Care, Wilma Chan Highland Hospital
Re: Welcome Dr. Elizabeth (Beth) Mahler, Associate Chief Medical Officer of SLH and AH



We are pleased to announce that Dr. Elizabeth (Beth) Mahler has joined Alameda Health System as the Associate Chief Medical Officer for Acute Care at San Leandro Hospital and Alameda Hospital.

Dr. Mahler is a board-certified internist and physician leader with over 20 years of progressive experience developing medical group, physician network, and integrated healthcare system strategy, implementing innovative care models, and driving team-based care delivery transformation to provide equitable, high-value healthcare delivery and outcomes.

Dr. Mahler is expert in physician and interprofessional team engagement to achieve the highest clinical outcomes via lean quality & process improvement, safety/high-reliability culture, clinical variation reduction and clinical risk management practices. She is also a recognized leader in medical professional liability risk management and finance and medical professional liability root cause analysis. She brings extensive experience in value-based payment and incentive design and the associated care delivery transformation and population health management infrastructure needed to excel in the evolving shift to value in healthcare.

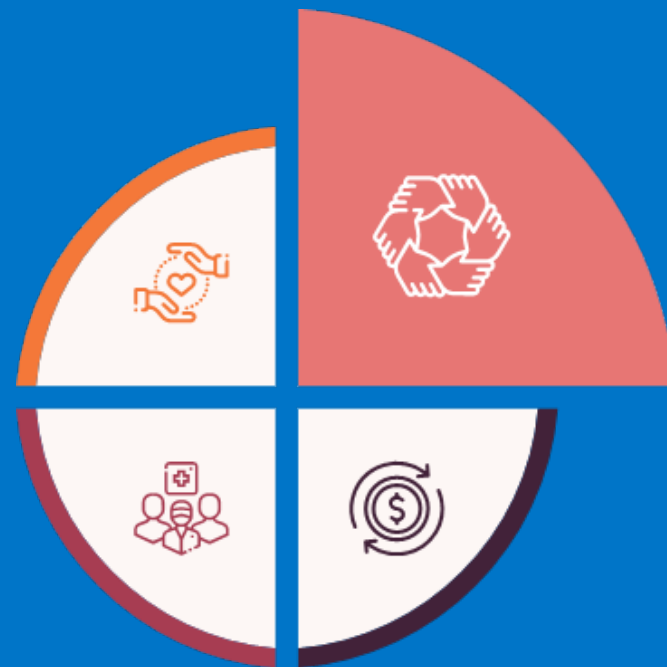
Dr. Mahler joins AHS most recently from John Muir Health where she was the Chief Clinical Officer for Value-based Care. Previously, she served nine years as the Sutter Health System VP for Clinical Integration and Transformation, with particular focus on clinical variation reduction, quality, safety, equity and comprehensive care model design and implementation for populations with advanced, serious illness and at end of life. Before joining the Sutter system leadership team, Dr. Mahler was a founding shareholder, Chief Medical Officer and interim President of Sutter East Bay Medical Group and hospitalist at Alta Bates Summit Medical Center. Dr. Mahler received her bachelor's degree in mass communication from UC Berkeley and completed her MD and Internal Medicine internship and residency at UC San Francisco.

We are excited for Dr. Mahler to join our physician leadership team at Alameda Health System! Please join us in a warm welcome for Dr. Mahler.

AlamedaHealthSystem.org

Community Connection

AHS is an anchor in its community and aligns its services to deliver a comprehensive continuum of care by providing needed services and being a trusted partner in its community at large.



IF YOU'RE SETTING YOUR SIGHTS ON BUSINESS OR PROFESSIONAL GROWTH THIS YEAR, THE ALAMEDA CHAMBER & ECONOMIC ALLIANCE IS YOUR PARTNER FOR SUCCESS AS WE BRING YOU THE STATE OF THE CITY ADDRESS.

JOIN US AS WE HEAR FROM KEY LEADERS:

MARILYN EZZY ASHCRAFT, Mayor of Alameda

JENNIFER OTT, Alameda City Manager

PLUS, CRITICAL UPDATES FROM A PANEL OF CITY DEPARTMENT LEADERS

MAKE 2024 YOUR YEAR WITH THE KNOWLEDGE YOU'LL GAIN FROM THIS VIP BRIEFING.

REGISTER TODAY:

TICKETS:

- \$175 CHAMBER MEMBER
- \$195 COMMUNITY/NON-MEMBER

TABLE (SEATS 8):

- \$1945 CHAMBER MEMBER
- \$2195 NON-MEMBER

THIS EVENT IS BROUGHT TO YOU BY THESE GREAT SPONSORS:

ALAMEDA MerloneGeier Partners EXELIXIS Penumbra PORT OF OAKLAND State Farm TEAM KELLY LUX

City of Alameda DONUT PICTT Gifts & More Brookfield Properties PACELINE INVESTORS POPPY BANK BAYEAST

CATALISS Alameda Medical Plaza SRNERNST WETA BLUE RISE The Research Hub POWER

*The Mayor's State of the City address portion of the event is free and open to the public at PENUMBRA.

ALAMEDA ALLIANCE

STATE OF THE CITY

BUSINESS ADDRESS

JOIN US!

FEBRUARY 29, 2024

PENUMBRA MAIN LOBBY
1310 HARBOR BAY PARKWAY, ALAMEDA
5:00 - 8:00 PM



girls
inc.

of the Island City

WOMEN who DARE

CELEBRATING 60 YEARS
SERVING THE ALAMEDA COMMUNITY

MARCH 9, 2024 • 5:30 PM • BLOC15

Women Who Dare 2024

Alameda Hospital Foundation 5K/10K Run Sunday, April 21, 2024

OPERATING BUDGET 2025 CALENDAR		
Tasks	Responsibility	Target Due Date
Review of Proposed Budget Calendar and guiding principles	Budget Oversight Committee	1/9/2024
Request Supplemental Revenue update for budget from Reimb	Finance Department	1/12/2024
Send out volume assumptions to CAOs/DYAD Partners for input --> FP&A will meet with department leaders to review & finalize	Finance Department	1/19/2024
Finalize guiding principles Review of Initial Baseline Projection	Budget Oversight Committee	1/23/2024
Volume adjustments from CAOs Due	Finance Department & Chief Administrative Officers	2/2/2024
Send out existing variable labor standards to department leaders	FP&A	2/5/2024
Preliminary Supplemental Revenue	Reimbursement	2/9/2024
Labor Standards Due	All Leaders	2/9/2024
Finalize FY2025 Assumptions --> Baseline --> Volumes --> Labor standard --> CPI Labor & Benefits --> CPI Non Labor	Budget Oversight Committee	2/13/2024
Review Preliminary Budget Financials w/ approved new or expansion of services that will impact the budget	Budget Oversight Committee	2/27/2024
Guiding Principles, Margin, & Targets to Executive Operations Team and Finance Committee	Chief Financial Officer	3/5/2024 & 3/6/2024
Review Preliminary Budget Financials prior to release to leaders	Budget Oversight Committee	3/12/2024
Budget Review w/ Leaders --> FP&A will meet with department leaders to review & finalize	All Leaders	3/18 -4/5/2024
Incorporate Performance Initiatives, Bridge Plans & Strategies	Finance Department	4/7/2024
Preparation of Budget Financials for Review	Finance Department	4/8-4/19/2024
Review of Proposed Budget	Budget Oversight Committee	4/23/2024
Ensure Final Proposed Budget meets Target	Budget Oversight Committee	4/23/2024
Budget Update to Executive Operations Team / Finance Committee	Chief Financial Officer	4/30/2024 - 5/1/2024
Preparation of Budget Package	Finance Department	4/23-5/14/2024
Draft Presentation to Budget Oversight Committee/ Executive Operations Team / Patient Family Advisory Committee	Chief Financial Officer	5/21/2024
Post presentation slides	Finance Department	5/31/2024
Finance Committee Approval	Chief Financial Officer & Finance Committee	6/5/2024
Board of Trustees Approval	Chief Financial Officer & Board of Trustees	6/12/2024

CAPITAL BUDGET FY2025 CALENDAR

Tasks	Responsibility	Target Due Date
Email Capital Request to AHS leaders and Physician Leaders	Finance Department	1/22/2024
Capital Requests Due to Senior Leader and Finance Department	All Leaders	2/23/2024
Senior Leaders Review and Prioritize with Leadership Teams	Senior Leaders	2/24/2024-3/19/2024
Senior Leaders submit to Finance Department	Senior Leaders	3/20/2024
Review, Prioritize, and Approve Capital Requests	Budget Oversight Committee	3/26/2024



Department of Health Care Access and Information

**Office of Statewide Hospital Planning and Development**

2020 West El Camino Avenue, Suite 800

Sacramento, CA 95833

Phone: (916) 440-8300

Fax: (916) 274-0102

www.hcai.ca.gov/construction-finance

February 06, 2024

Theresa Curtis - S5731

THORNTON TOMASETTI

650 California Street, Suite 1400

San Francisco, CA 94108

RE: Alameda Hospital - #11210
2070 Clinton Ave - Alameda, CA 94501
Application #SRU-2012-00191 - NPC 2 Upgrade

We have reviewed the amended request for upgrade to NPC 2 status dated August 13, 2012; including back check #1 received September 17, 2012; back check #2 received November 15, 2012; and back check #3 received December 20, 2023. Review of the included documentation shows the facility has met the requirements of the CAC Part 1, Chapter 6, Section 1.4.5.1.1.2 for an NPC 1 to NPC 2 upgrade. This letter constitutes an approval for the NPC 2 seismic performance rating for the hospital buildings noted below. The approval date for the NPC 2 classification is December 27, 2021.

BLD-01279	Stephens Wing
BLD-01280	West Wing
BLD-01281	South Wing
BLD-01282	Radiology Addition
BLD-01283	Medical Gas Storage
BLD-03120	Emergency Room Relocation

If you need further information regarding SB1953, you may visit our web site at <http://www.hcai.ca.gov/construction-finance> or contact me at patrick.rodgers@hcai.ca.gov or by phone at 916-440-8467.










Respectfully,

Patrick Rodgers

Patrick Rodgers,
Senior Structural Engineer
Seismic Compliance Unit

cc: Kerry Easthope - Alameda Hospital - Alameda Healthcare System
File

Jan 2024 Report Data Through: Nov 2023

STEEEP	Metric	FY23 Base line	FY24 Goal	Nov 2023 Final	Dec 2023 Prelim	FYTD 24			Accountable Team	Performance Trend	Action Plans
						All	Opportunity Race	Rate			
Safety	Patient Harm ↓	24	1 Month 12 Year	1	5	16	African American/ Black Unknown	5	Annette Johnson Chris Adams		Harm have declined from the previous fiscal year, Below for details.
	CLABSI # of Events / SIF	1/0.46	1/0.589	0/0	0/0	0/0	All	0	Annette Johnson Joe Lotsko		Continue w/ daily CN rounding and weekly leadership rounding.
	CAUTI # of Events / SIF	2/0.81	1/0.65	0/0	0/0	0/0	All	0	Annette Johnson Joe Lotsko		Continue w/ daily CN rounding and weekly leadership rounding.
	MRSA # of Events / SIF	0/0	0/0	0/0	0/0	0/0	All	0	John Stark Robert McCabe Li Kuo Kong		On track, no events report YTD.
	C. Difficile # of Events / SIF	2/1.75	1/0.52	1/3.33	0/0	4/2.21	African American/ Black	2	John Stark Robert McCabe Li Kuo Kong		CCU patient what was identified as being colonized. Taskforces planned to reinforce and education best practices related to specimen collection, testing and timing of testing.
	SSI # of Events / SIF	1/0.67	0/0	0/0	0/0	0/0	All	0	Annette Johnson Pat Reynolds Laura Lang		On track, no events report YTD. Continue to monitor
	Patient Falls w Injury # / % Per 1000 days	1/0.04	0/0	0/0	2/0	2/0	Asian Other	1	Annette Johnson Jessica Vinkavich		Continue sharing data with staff, encourage use of new chair alarms/Telesitter when appropriate, reinforce/audit purposeful hourly rounding
	HAPI # / % Per 1000 days	8/0.53	0.3 Month 4 Year 0.27	0/0	2/1.53	8/1.19	Unknown	3	Annette Johnson Jessica Vinkavich		Working with Styker, Bed vendor, to explore the capacity for new beds to convert to low pressure,
	Behavior Events w/ Physical Injury	9/0.32	0.4 Month 4.5 Year 0.1	0/0	1/0	2/0	African American/ Black Unknown	1	Annette Johnson Joe Latsko		WVP Committee collaborating with BETA to conduct a needs assessment. Design of the Behavior Event Response Team (BERT) is underway.





FY 2024 Alameda True North Metric Dashboard

STEEEP	Metric	FY23 Base line	FY24 Goal	Nov 2023 Final	Dec 2023 Prelim	FYTD 24			Accountable Team	Performance Trend	Action Plans
						All	Opportunity Race	Rate			
Safety	Handwashing Compliance ↑	85.30%	95%	90%	92%	89%	N/A	N/A	Annette Johnson Deborah Ellis Chris Adams		Hand Washing Campaign empowering staff, patients and families to speak up for hand hygiene planned for March. Slogan contest launched in December to promote campaign and improve staff engagement.
Effective	All-cause 30 day Readmissions for Black/African American Pts ↓	21.8%	10.70%	11%	20%	15.7%	N/A	N/A	Annette Johnson Esther Wang Katherine Pyun		Real time deep dive of readmissions ongoing Focus on connecting homeless patients with community health workers to aid in d/c transition. Exploring Palliative Care services to aid end of life care readmissions.
Efficient	ED Boarding Time Time in ED from Decision to Admit to Inpatient Bed ↓	3:16	1:30	3:04	3:59	3:27	African American/ Black	3:34	Annette Johnson Joe Lotsko Nikita Joshi		Increased census w/ tele and M/S delaying transfers to admit. Inpatient units working with charge nurses to get ED patients on the units timely.
Equity	Rate of Inpatients screened for health-related social needs (food, housing, transportation, safety, utilities) ↑	N/A	90%	Pending	Pending	Pending	Pending	Pending	Annette Johnson Dusty Gilleland Tangerine Brigham		Screenings initiated in December. Results will be available in the March TNM report.
Equity	Rate of inpatients who screened positive for health-related social needs (food, housing, transportation, safety, utilities) ↓	N/A	N/A	Pending	Pending	Pending	Pending	Pending	Annette Johnson Dusty Gilleland Tangerine Brigham		Screenings initiated in December. Results will be available in the March TNM report.
Patient Centered	Rate of patients who reported that their nurses “always” communicated well↑	72.30%	76.53%	59.2%	64.5%	69.3%	White	57.1%	Angela Ng Chris Adams		Continue leader rounding on patients and staff. Staff rounds audit/monitoring for GIFT use and PHR. Connect with UBC to lead on nurse comm. Improvement projects.
Patient Centered	Acute: Rate of patients who reported they would “definitely” recommend AHS ↑	66.90%	69.00%	56.1%	60.6%	61.3%	Unknown	47.80%	Angela Ng Jessica Vinkavich Isolani-Nargavala		Sharing data at staff meetings, working with pt experience team for rounding training and GIFT audits. NLR sim lab training upcoming
	Emergency: Rate of patients who reported they would “definitely” recommend AHS ↑	59.50%	68.80%	52.8%	68.3%	58.4%	Native American	50.00%	Angela Ng Joe Lotsko Nikita Joshi		Continue to work w/ Patient engagement regarding the staff/provider interactions and perceptions of communication. 2024 ED will start Patient engagement/communication classes for mandatory for all staff.
	Same Day Surgery:Rate of patients who reported they would “definitely” recommend AHS ↑	78.50%	86.40%	71.4%	100.0%	81.4%	African American/ Black Hispanic	75.00%	Angela Ng Pay Reynolds		Continue to monitor for GIFT use. Discharge thank you cards. Continue to share data and comments with staff during huddles and weekly email to all staff. Low N number – explore other ways for real time patient and family feedback.

Fiscal Year 2023
True North Metric Definitions for Acute Cascade

Metric	Definition	GOAL
Patient Harm	The number of potential health-care acquired patient harms Includes: CLABSI, CAUTI, MRSA BSI, C-Diff, SSI for Acute Med-Surg/Critical Care, and Patient Falls and Hospital Acquired Pressure Injuries for all areas (practically, not inclusive of ambulatory)	CMS 50th Percentile
CLABSI # of Events / SIR	A primary bloodstream infection (that is, there is no apparent infection at another site) that develops in a patient with a central line in place . #: Number of infections that occurred SIR: Standardized Infection Ratio compares the actual number of infections to the predicted number of infections. The predicted number is risk adjusted. Results less 1 are desirable	CMS 50th Percentile
CAUTI # of Events / SIR	an infection of the urinary tract caused by a tube (urinary catheter) that has been placed to drain urine from the bladder. #: Number of infections that occurred SIR: Standardized Infection Ratio compares the actual number of infections to the predicted number of infections. The predicted number is risk adjusted. Results less 1 are desirable	CMS 50th Percentile
MRSA # of Events / SIR	Potential hospital acquired Methicillin-resistant Staphylococcus aureus (MRSA) staph infection that is difficult to treat because of resistance to some antibiotics. #: Number of infections that occurred SIR: Standardized Infection Ratio compares the actual number of infections to the predicted number of infections. The predicted number is risk adjusted. Results less 1 are desirable	CMS 50th Percentile
C. Difficile # of Events / SIR	Potential hospital acquired infection that causes diarrhea and colitis (an inflammation of the colon). #: Number of infections that occurred SIR: Standardized Infection Ratio compares the actual number of infections to the predicted number of infections. The predicted number is risk adjusted. Results less 1 are desirable	CMS 50th Percentile
SSI # of Events / SIR	an infection that occurs after surgery in the part of the body where the surgery took place. Excludes superficial infections #: Number of infections that occurred SIR: Standardized Infection Ratio compares the actual number of infections to the predicted number of infections. The predicted number is risk adjusted. Results less 1 are desirable	CMS 50th Percentile
Patient Falls with Injury # of Events / Rate Per 1000 days	Patient Fall reported via Midas Safety Alert. # of Events / Rate: Number of events divided by number of patient days times 1000	50% reduction from previous fiscal year
HAPI # of Events / Rate Per 1000 days	Hospital Acquired Pressure Ulcers reported via Midas Safety Alert. # of Events / Rate: Number of events divided by number of patient days times 1000	50% reduction from previous fiscal year
Assaultive Behavior Events w/ Physical Injury	Behavior events that resulted in physical injury via Midas Safety Alerts # of Events/Rate: Number of events divided by number of patient days times 1000	50% reduction from previous fiscal year
Handwashing Compliance (Hospital & Post-Acute)	Percentage of observed encounters where handwashing was completed	
All-cause 30 day Readmissions for Black/African American Pts ↓	Percentage of encounters, regardless of payer type, with an unplanned readmission to any AHS facility within 30 days for any cause among encounters for acute care inpatients with a principal discharge diagnosis/procedure for a clinical classification category in the Cardiorespiratory, Cardiovascular, Medicine, Neurology, or Surgery/Gynecology cohort. <i>Note:</i> This measure approximates, but likely does not match, the value of the corresponding CMS readmission measure.	Overall Readmission rate for AHS FY2023 Close the performance gap between overall rate and African American/Black rate.
ED Boarding Time Time in ED from Decision to Admit to Inpatient Bed	Median time from Decision to Admit to departure from the emergency department for admitted patients. Decision to Admit = First Admit Disposition Admit = Time patient admitted to Inpatient Unit	Per the Joint Commission ED patients who wait more than 4 hours for an inpatient bed are considered boarders
Rate of patients who reported that their nurses “always” communicated well	Percentage of patients who rated nursing communication top box. Nurse Communication is a composite composed of three questions related to nursing care, attitude, attention paid to personal needs, and how well the nurses explained the care they were providing	
Acute: Rate of patients who reported they would “definitely” recommend AHS	Percentage of discharged inpatients who would recommend AHS	CMS 50th Percentile

Fiscal Year 2023
True North Metric Definitions for Acute Cascade

Metric	Definition	GOAL
Same Day Surgery:Rate of patients who reported they would “definitely” recommend AHS	Percentage of same day surgery patients who would recommend AHS	Press Ganey 50th Percentile
Emergency: Rate of patients who reported they would “definitely” recommend AHS	Percentage of Emergency patients who would recommend AHS	Press Ganey 50th Percentile

February 6, 2024

To: All AHS Staff and Physicians
From: Felicia Tornabene, MD, Chief Medical Officer
Porshia Mack, MD, Associate Chief Medical Officer, Ambulatory Services
Andrea Wu, MD, Associate Chief Medical Officer, Acute Care, Wilma Chan Highland Hospital
Re: Welcome Dr. Elizabeth (Beth) Mahler, Associate Chief Medical Officer of SLH and AH



We are pleased to announce that Dr. Elizabeth (Beth) Mahler has joined Alameda Health System as the Associate Chief Medical Officer for Acute Care at San Leandro Hospital and Alameda Hospital.

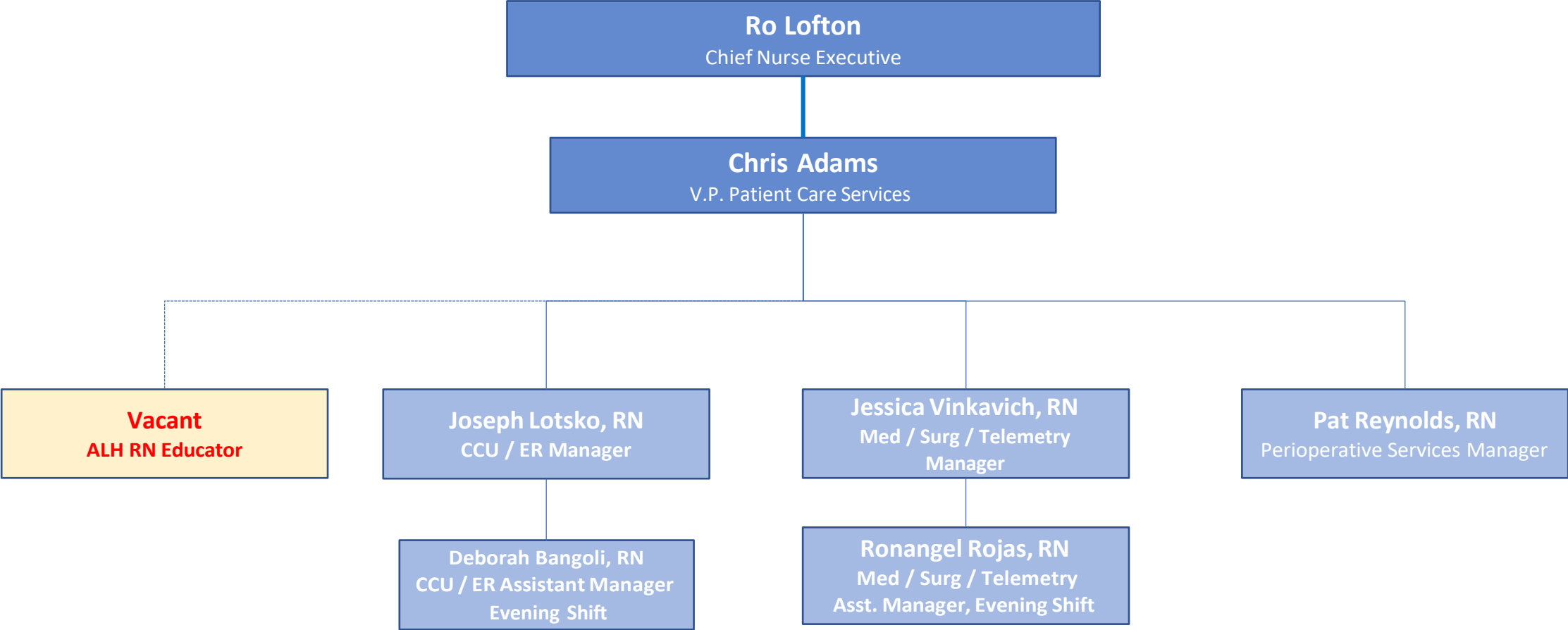
Dr. Mahler is a board-certified internist and physician leader with over 20 years of progressive experience developing medical group, physician network, and integrated healthcare system strategy, implementing innovative care models, and driving team-based care delivery transformation to provide equitable, high-value healthcare delivery and outcomes.

Dr. Mahler is expert in physician and interprofessional team engagement to achieve the highest clinical outcomes via lean quality & process improvement, safety/high-reliability culture, clinical variation reduction and clinical risk management practices. She is also a recognized leader in medical professional liability risk management and finance and medical professional liability root cause analysis. She brings extensive experience in value-based payment and incentive design and the associated care delivery transformation and population health management infrastructure needed to excel in the evolving shift to value in healthcare.

Dr. Mahler joins AHS most recently from John Muir Health where she was the Chief Clinical Officer for Value-based Care. Previously, she served nine years as the Sutter Health System VP for Clinical Integration and Transformation, with particular focus on clinical variation reduction, quality, safety, equity and comprehensive care model design and implementation for populations with advanced, serious illness and at end of life. Before joining the Sutter system leadership team, Dr. Mahler was a founding shareholder, Chief Medical Officer and interim President of Sutter East Bay Medical Group and hospitalist at Alta Bates Summit Medical Center. Dr. Mahler received her bachelor's degree in mass communication from UC Berkeley and completed her MD and Internal Medicine internship and residency at UC San Francisco.

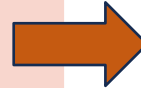
We are excited for Dr. Mahler to join our physician leadership team at Alameda Health System! Please join us in a warm welcome for Dr. Mahler.

ALH Nursing Leadership Update





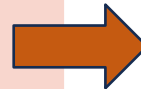
Communication



Improve bi-directional communication between leaders and front-line staff by developing a process for cascading information timely and closing the loop on issue resolution



Quality



Collaborate with Quality Management on the performance improvement, prevention of HAI's and execution on best practices while being driven by data and patient outcomes



Staff Engagement/Recognition



Implement staff led Unit Based Councils to improve patient experience, safety, quality and facilitate communication



Staffing/ Retention



Develop new staff by way of new grad programs that will decrease our vacancy rate

Alameda Hospital RN Vacancy Rate 29% vs. 35% in October

Unit	Budget RN FTE	Hired RN FTE (December)	Hired RN FTE (October)	Vacancy FTE (%)
Emergency Department	21.7	↑ 19.3	17.9	2.4 (11%)
Critical Care Unit	20.3	↑ 17.0	16.4	3.3 (16%)
Med / Surg / Telemetry	26.4	↑ 15.8	14.6	10.6 (40%)
Med / Surg	24.5	↑ 16.2	13.2	8.3 (34%)
Perioperative Services	10.0	4.8	4.8	5.2 (52%)
Total	103.0	73.1	66.9	29.9 (29%)*

*National RN Vacancy rate remains critical at 15.7%

On-going Recruitment Strategies

- Dedicated RN recruiter hired by AHS 3 mos ago – Incredible Health National RN database
- New grad RN program for M/S/T and specialty areas
- Upcoming CNA contract negotiations – align to market wages

Retention Strategies

- Hire the best staff!!! Nurses, administrators, managers, leaders
- Engage the frontline – re-introduce our Unit Based Committees
- Invest in on-going education
- Evaluate time off and alternative schedules

Incredible Health Recruitment Partnership



\$2.6M

cost savings



27



permanent
nurse hires



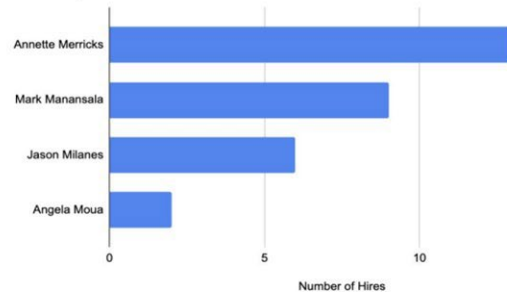
6

years of
experience

Hire Insights For 2023

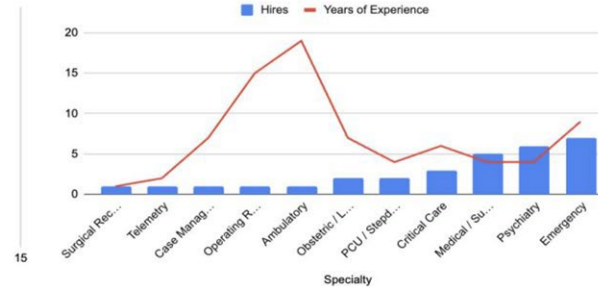
Hires by Recruiter

Hires by Recruiter



Hires by Specialty

Hires and Years of Experience



Each hire made saves over
\$70,000 for Alameda Health



Hiring speed has improved from
an average of **33 days** to **24 days**
from first quarter vs last quarter!



Hiring rate has improved from an
average of **3 hires/month** to **7
hires/month** since launch!

2024 Union Contract Negotiation Update



- Represents all Registered Nurses at both Alameda and San Leandro Hospital
 - CNA contract expired December 31, 2023
 - 60-day extension signed so nurses stay within contract
 - Meeting scheduled 2x/month with CNA
 - Overall goal is to merge Alameda Hospital CNA and San Leandro Hospital CNA contract together
 - Wage increase to align with market rates – competitive position for AHS
-



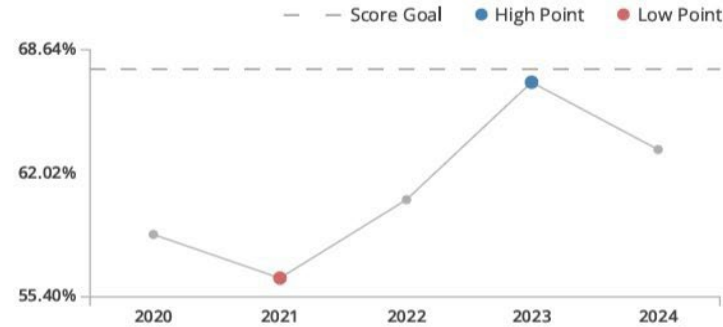
- SEIU represents RNs at HGH Hospital and OR Techs, EVS, Pharmacy, most allied staff at all 3 locations
- Negotiations are currently underway and taking place from a System perspective
- Preliminary stages of negotiations

AH Inpatient (HCAHPS) - FYTD

Service Line Performance ⓘ

CAHPS Likelihood to Recommend

● Top Box Score < 50th Percentile 75th - 89th Percentile
 | Score Goal 50th - 74th Percentile >= 90th Percentile

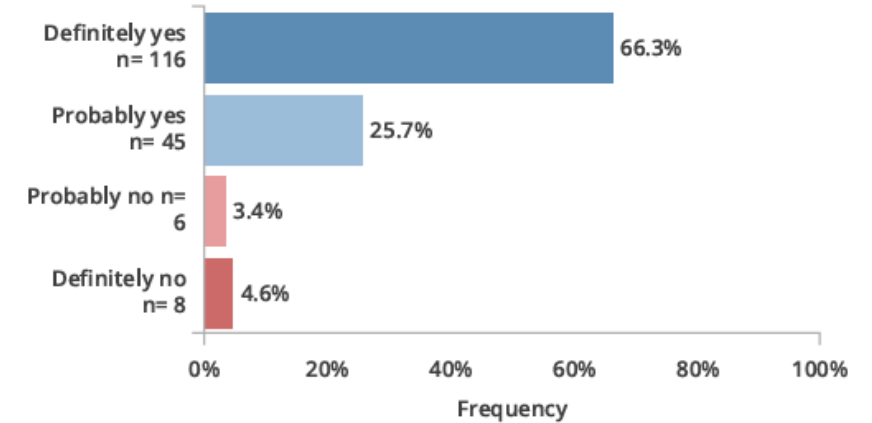


n	175
Top Box Score	63.29%
Score Goal	67.64%
Percentile Rank	29

Time Period	2020	2021	2022	2023	2024
n	143	273	312	375	175
Top Box Score	58.74%	56.40%	60.60%	66.89%	63.29%
Percentile Rank	12	9	24	41	29

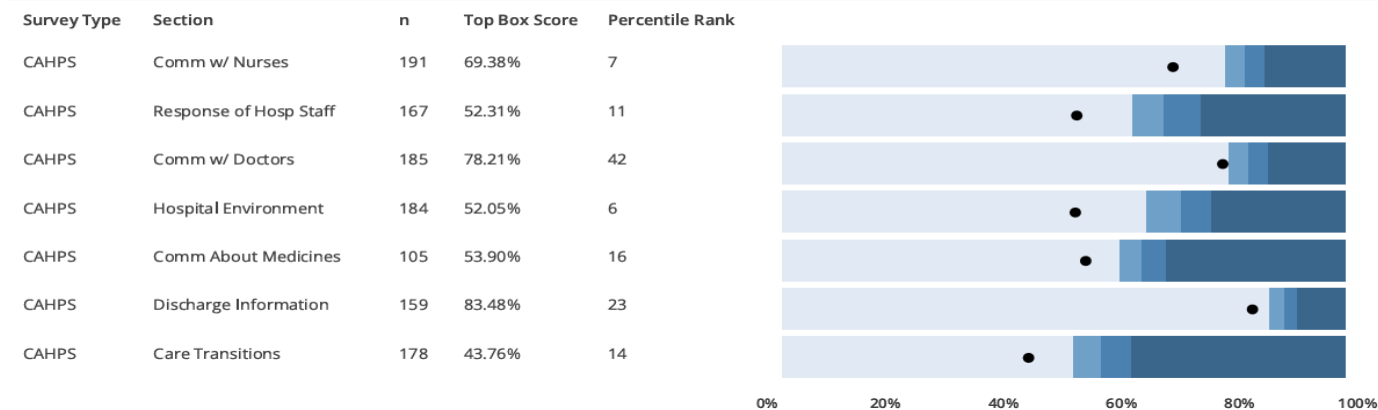
Distribution of Responses ⓘ

CAHPS Likelihood to Recommend



Peer Group: All PG Database
 CAHPS Section/Domain Level N=2360

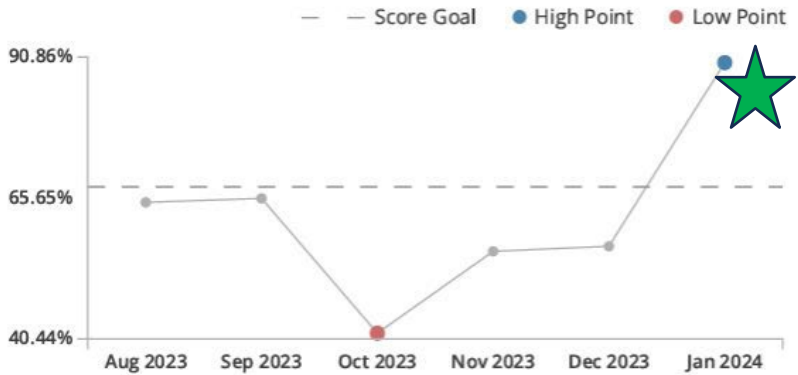
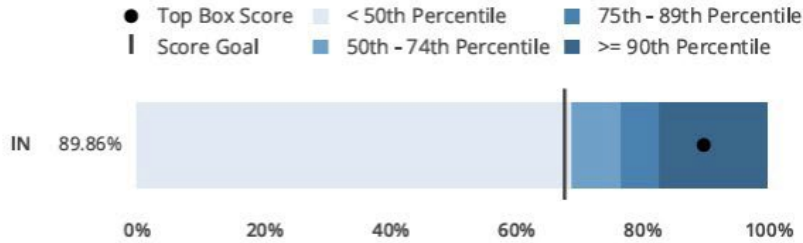
● Top Box Score < 50th Percentile 75th - 89th Percentile
 50th - 74th Percentile >= 90th Percentile



AH HCAHPS – Monthly Performance

Service Line Performance ⓘ

CAHPS Likelihood to Recommend

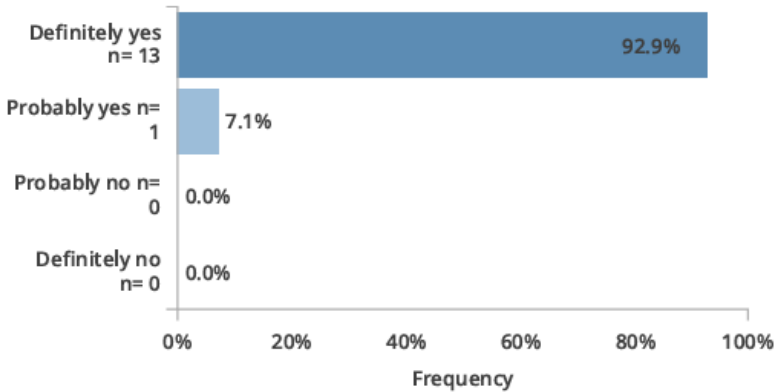


n	14
Top Box Score	89.86%
Score Goal	67.64%
Percentile Rank	97

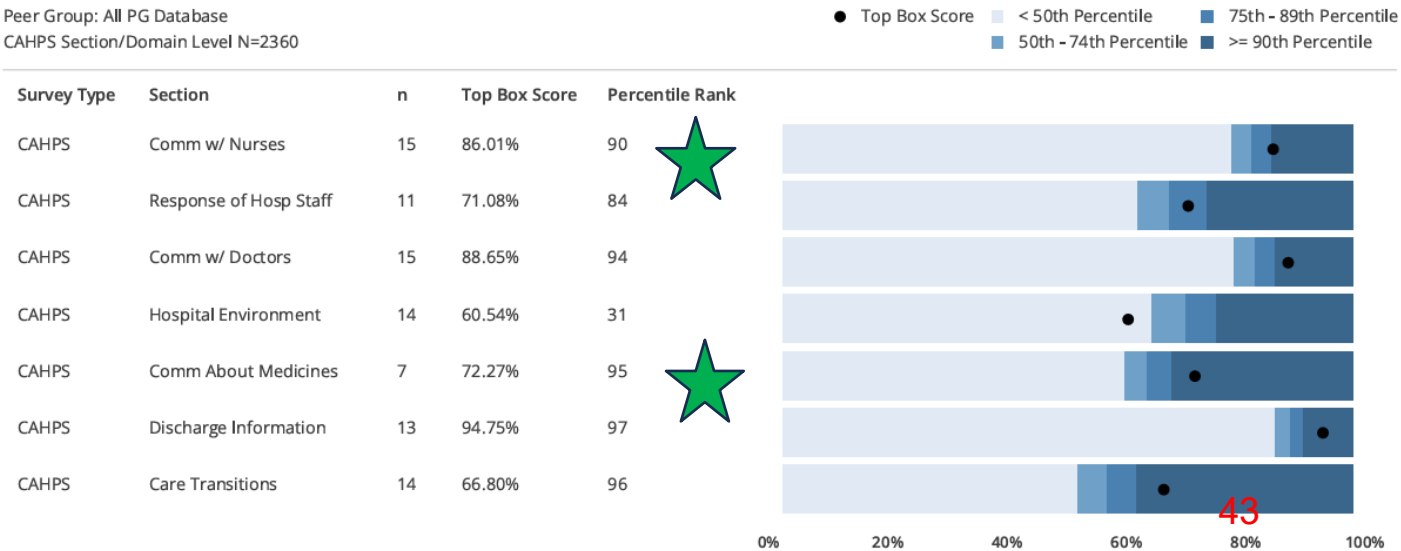
Time Period	Aug 2023	Sep 2023	Oct 2023	Nov 2023	Dec 2023	Jan 2024
n	28	35	18	22	25	14
Top Box Score	64.86%	65.57%	41.44%	56.09%	57.00%	89.86%
Percentile Rank	33	35	2	13	14	97

Distribution of Responses ⓘ

CAHPS Likelihood to Recommend



Peer Group: All PG Database
CAHPS Section/Domain Level N=2360

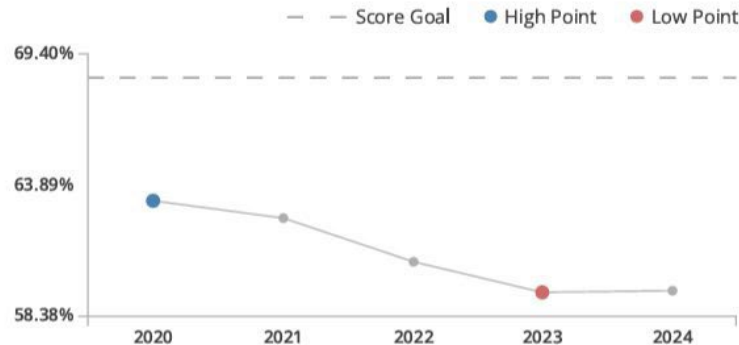
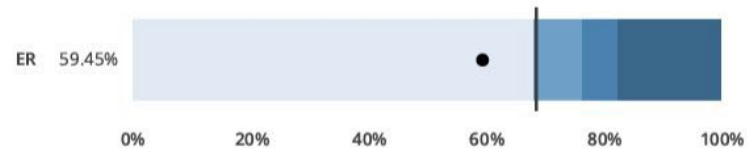


AH Emergency Dept - FYTD

Service Line Performance ⓘ

PG Likelihood to Recommend

● Top Box Score < 50th Percentile 75th - 89th Percentile
| Score Goal 50th - 74th Percentile >= 90th Percentile

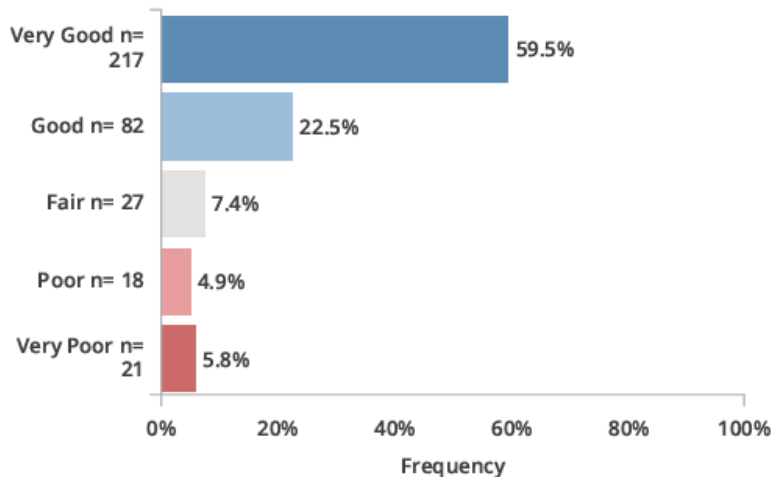


n	365
Top Box Score	59.45%
Score Goal	68.40%
Percentile Rank	25

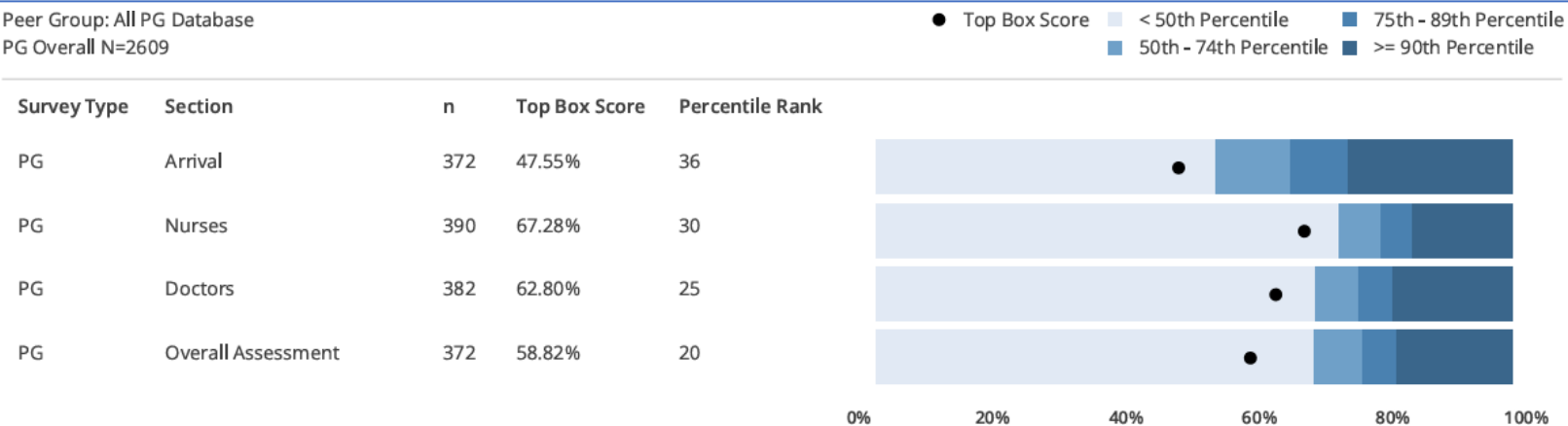
Time Period	2020	2021	2022	2023	2024
n	223	232	450	778	365
Top Box Score	63.23%	62.50%	60.67%	59.38%	59.45%
Percentile Rank	19	30	31	22	25

Distribution of Responses ⓘ

PG Likelihood to Recommend



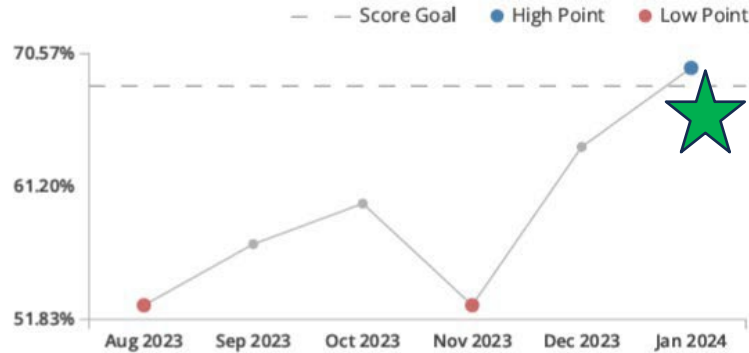
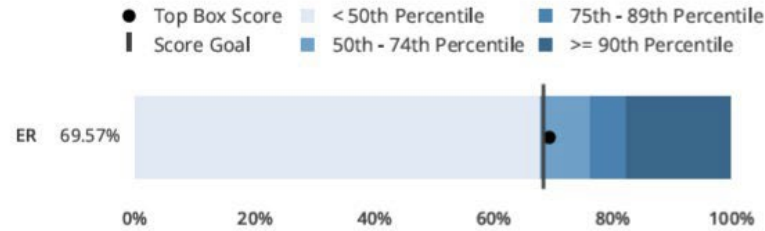
Peer Group: All PG Database
PG Overall N=2609



AH ED – Monthly Performance

Service Line Performance ⓘ

PG Likelihood to Recommend

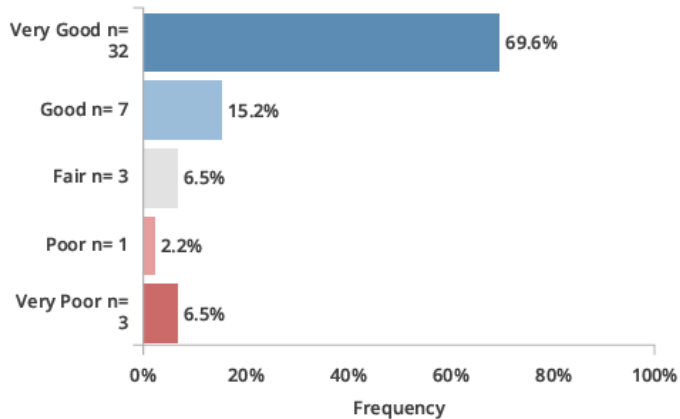


n	46
Top Box Score	69.57%
Score Goal	68.40%
Percentile Rank	54

Time Period	Aug 2023	Sep 2023	Oct 2023	Nov 2023	Dec 2023	Jan 2024
n	53	49	55	53	50	46
Top Box Score	52.83%	57.14%	60.00%	52.83%	64.00%	69.57%
Percentile Rank	9	17	24	10	35	54

Distribution of Responses ⓘ

PG Likelihood to Recommend



SORT BY

Default

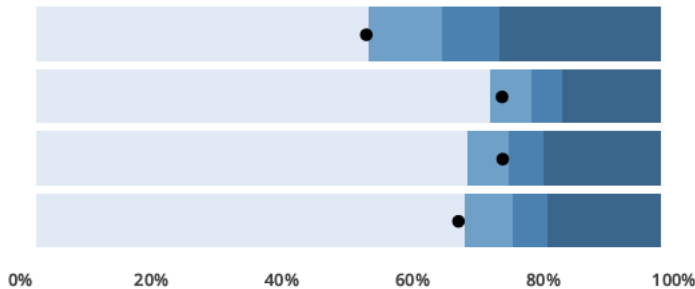
SELECT

Standard

Peer Group: All PG Database
PG Overall N=2609

Survey Type	Section	n	Top Box Score	Percentile Rank
PG	Arrival	45	52.81%	48
PG	Nurses	47	74.56%	57
PG	Doctors	46	74.67%	70
PG	Overall Assessment	46	67.58%	45

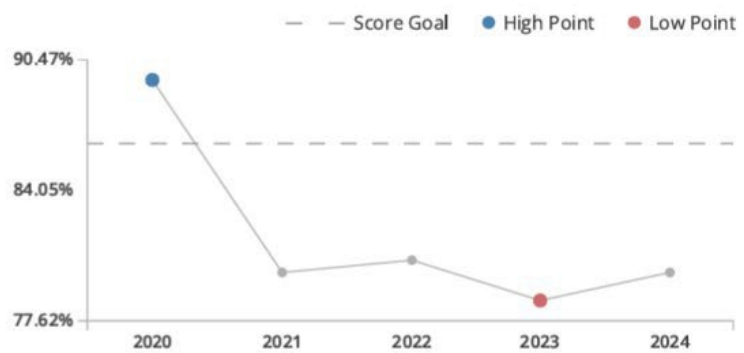
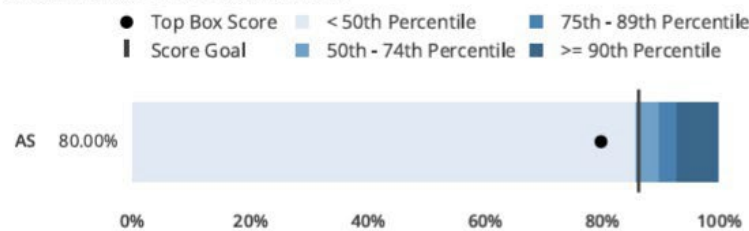
● Top Box Score ■ < 50th Percentile ■ 75th - 89th Percentile
■ 50th - 74th Percentile ■ >= 90th Percentile



AH OAS Performance - FYTD

Service Line Performance ⓘ

CAHPS Likelihood to Recommend

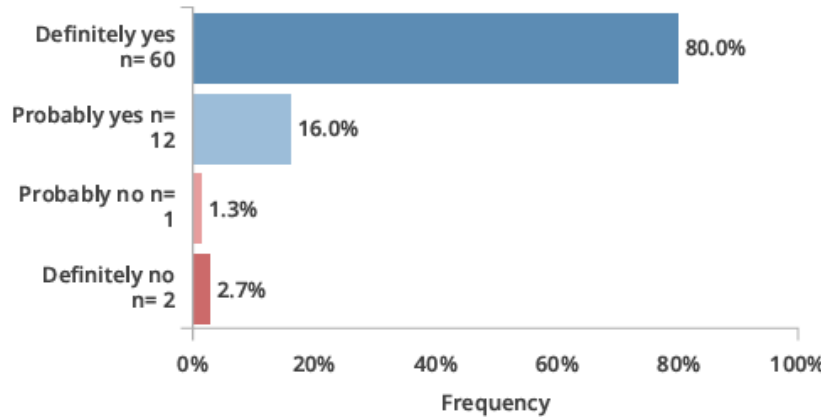


n	75
Top Box Score	80.00%
Score Goal	86.40%
Percentile Rank	21

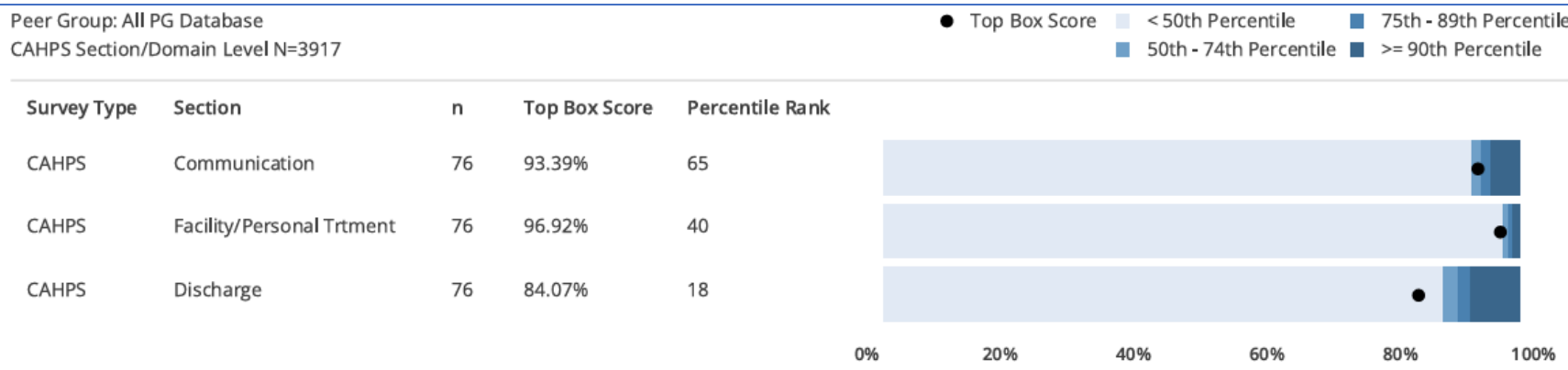
Time Period	2020	2021	2022	2023	2024
n	57	150	232	145	75
Top Box Score	89.47%	80.00%	80.60%	78.62%	80.00%
Percentile Rank	75	25	28	15	21

Distribution of Responses ⓘ

CAHPS Likelihood to Recommend



Peer Group: All PG Database
CAHPS Section/Domain Level N=3917



Due to OAS being CMS mandated effective Jan 2024, additional file to verify accurate billing code is now required (which we just discovered and submitted) so no surveys yet for CY24



Alameda District Board Presentation 2/12/2024

December 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	1,231	1,215	16	1.30%	6,715	5,965	750	12.60%	6,690	25	0.40%
General Acute Discharges	257	243	14	5.70%	1,437	1,194	243	20.40%	1,303	134	10.30%
Average Daily Census	39.7	39.2	0.5	1.30%	36.5	32.4	4.1	12.60%	36.4	0.1	0.40%
Average Length of Stay	4.8	5	0.2	4.10%	4.7	5	0.3	6.50%	5.1	0.5	9.00%
Adjusted Patient Days	1,986	2,078	-92	-4.40%	11,300	10,309	990	9.60%	11,327	-28	-0.20%
Adjusted Discharges	415	416	-1	-0.30%	2,418	2,064	355	17.20%	2,206	212	9.60%
Occupancy %	60%	59%	1%		55%	49%	6%		55%	0%	
Observation Equiv Days	19	188	-169	-90.00%	112	880	-767	-87.20%	994	-882	-88.70%
Total Paid FTE	595	605	10	1.60%	583	603	20	3.30%	591	8	1.40%
Total Productive FTE	537	507	-30	-6.00%	510	494	-16	-3.10%	511	2	0.30%
Total Adjusted Patient Days	1,986	2,078	-92	-4.40%	11,300	10,309	990	9.60%	11,327	-28	-0.20%
Total Adjusted Discharges	415	416	-1	-0.30%	2,418	2,064	355	17.20%	2,206	212	9.60%
Total Paid FTE per AOB	9.29	9.02	-0.26	-2.90%	9.49	10.76	1.27	11.80%	9.6	0.11	1.20%
Worked Hours Per APD	47.9	43.2	-4.7	-10.90%	47.4	50.4	3	5.90%	47.4	0	0.10%
Worked Hours Per AD	230	216	-14	-6.30%	222	252	30	12.00%	244	22	9.00%
Emergency Visits	1,573	1,411	162	11.50%	9,213	8,313	900	10.80%	8,467	746	8.80%
Left Without Being Seen	48	0	-48	-100.00%	245	0	-245	-100.00%	349	104	42.40%
IP Surgeries	27	31	-4	-14.20%	142	178	-36	-20.10%	185	-43	-23.20%
OP Surgeries	110	123	-13	-10.20%	824	628	196	31.30%	596	228	38.30%
Total Surgeries	137	154	-17	-11.00%	966	805	161	20.00%	781	185	23.70%
Total Clinic Visits	1,042	950	92	9.70%	6,293	6,147	146	2.40%	6,202	91	1.50%
CMI Alameda	1.425	1.493	-0.068	-4.60%	1.377	1.481	-0.104	-7.00%	1.419	-0.042	-2.90%

December Financial Report

Volume Highlights – Alameda Skilled Nursing

	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	
SNF -----												
SNF Patient Days	5,116	5,069	47	0.93%	30,718	30,598	120	0.39%	27,876	2,842	10.20%	
SNF Discharges	11	14	-3	-22.86%	61	88	-27	-30.33%	71	-10	-14.10%	
Average Daily Census	165.0	163.5	1.5	0.93%	166.95	166.29	0.70	0.42%	151.5	15.4	10.20%	
Occupancy %	91%	90%	1%		92%	92%	0%		84%	-8%		
Bed Holds	39				278				288			

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. December: 416 days which is an 23.3% month over month Increase and is a 4.92% decrease year over year for December.
- LOS Variance Dollars: The AHS additional cost of resources due to the variance days for December was \$624K (calculated at \$1,500/day). Does not include the \$2M opportunity cost of the bed being unavailable for another patient (weighted average per diem reimbursement all heads in a bed \$4,883).

December 2023 Financial Report

Alameda District Hospital Financial Statement

In Thousands

Operating Revenue -----

	MTD ACTUAL	MTD BUDGET	MTD VARIANCE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE
<i>Net Patient Revenue</i>	\$9,424	\$9,751	(\$328)	\$54,236	\$54,921	(\$685)
<i>Capitation Revenue</i>	310	310	0	1,862	1,862	0
<i>Other Government Programs</i>	1,670	1,676	(6)	9,500	10,055	(554)
<i>Other Revenues</i>	23	25	(2)	292	155	136
Total Revenue - All Sources	\$11,427	\$11,763	(\$336)	\$65,890	\$66,993	(\$1,103)

Collection %	15.8%	15.5%	0.3%	15.8%	15.6%	0.2%
---------------------	--------------	--------------	-------------	--------------	--------------	-------------

Operating Expenses -----

Salaries & Benefits	8,817	8,192	(625)	49,012	50,448	1,436
Purchased Services	1,087	867	(221)	5,268	5,023	(246)
Contracted and Allocated Physician	1,842	1,734	(108)	9,518	9,799	282
Materials and Supplies	1,123	1,260	137	6,543	6,864	320
Facilities	511	349	(162)	2,506	2,341	(166)
Depreciation	394	380	(14)	2,373	2,300	(74)
General & Administration	61	95	33	238	300	63
Total Operating Expenses	\$13,837	\$12,877	(\$960)	\$75,459	\$77,075	\$1,616

Contribution Margin	(\$2,410)	(\$1,114)	(\$1,296)	(\$9,569)	(\$10,082)	\$513
----------------------------	------------------	------------------	------------------	------------------	-------------------	--------------

- Alameda District Hospital acute average daily census was 39.7 in December which is 60% occupancy. Census is below above for the month with a YTD of 36.5
- Acute Volume and Revenue Highlights:
 - CMI is at 1.43, 4.6% below budget for the month and 7% below budget YTD. Generally, a higher CMI increases the expected LOS
 - LOS was below budget for the month at 4.8; below budget of 5.0. YTD LOS is 4.7 and PY was 5.1
 - Surgeries decreased to 137 in December below budget of 154 due to not utilizing full block time and changes in the block schedule. Unfavorable variance mainly due to OP Surgery as related to GYN, Ortho, Opth offset in pain that started July 2023
 - OP Surgery is below budget by 13 and 10.2%; YTD above budget by 31.3%
 - IP Surgery is below budget by 4 and 14.2%; YTD below budget by 20.1%
- Expenses
 - Registry and Overtime are above budget due to staffing shortages and difficulty recruiting
 - 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
 - Dedicated RN recruiter
 - Working on filling CAN positions and requesting approval for OT
 - Registry covering all open positions/LOAs, as well as increased registry for winter surge planning. Will be able to decrease contract renewals as they come due in February and March.

- Skilled Nursing Volume and Revenue Highlights:
 - Patient days were above budget by 47 days or 0.93%
 - Discharges were below budget by 3
 - Daily Census was above budget by 1.5 or 0.93% with continued efforts to increase census
 - Occupancy is at 91%
- Expenses
 - Overtime was over budget due to COVID outbreaks at all sites
 - 25 open positions and 9 employees on LOA at PB
 - OT rates were below budget
 - Registry was over budget including old invoices and were offset by open positions

Alameda SNF's/SA Quality Measures



Care Compare Five-Star Ratings of Nursing Homes Provider Rating Report for November/December 2023

Ratings for Alameda Hospital D/P SNF (555381) Alameda, California			
Overall Quality	Health Inspection	Quality Measures	Staffing
★★★★★	★★★★★	★★★★★	★★★★

- Alameda District Hospital acute average daily census runs approximately 55% occupancy; mostly admissions coming through the ED. YTD census is 36.5.
 - Med surg and Tele (58 beds)
 - ICU census (8 Beds)
 - Clinics include Wound Care Clinic & Marina Wellness Center

- Skilled Nursing runs at approximately 92% capacity; mostly admissions from AHS hospitals.
 - Hospital (Subacute 35 beds)
 - Park Bridge (120 beds)
 - South Shore (26 Beds)


Appendix

AHS Finance Committee Presentation



December 2023 Financial Report Finance Committee 2/7/2024

December Dashboard (in Thousands)

	Metric	FY2024 Target	YTD	Trend Lines	Why Important
Volume					
	Total Adjusted Discharges	30,003			Reflects overall volumes; scaled to OP equivalent volumes
	Total Adjusted Patient Days	326,779			Reflects overall volumes; scaled to OP equivalent volumes
Revenue Cycle					
	Collection Ratio	18.9%			Measures percent of charges collected
	Cash as % of Net Revenue	100.0%			Validation of net revenue estimate by ensuring cash is collected
	Gross Days in Patient Receivable	60.0			Financial management starts with collecting money efficiently
Labor					
	Productivity %	100.0%			Efficient use of labor resources; productive hours per Unit of Services
	Registry as % of Total FTEs	4.1%			Reduce registry usage; maintain use of internal staff
	Total FTEs	4,881			Manage FTE growth over time
	*Labor Cost/FTE w/o GASB	\$208,080			Key driver of financial performance; consumes >70% revenues
Profitability					
	Total Cost per Adj Discharges	\$46,491			Key driver of financial performance and efficiency
	Total cost per Adj Days	\$4,269			Key driver of financial performance and efficiency
	Net Income*	(4,941)K			Indicator of financial solvency
	EBIDA Margin	2.3%			Indicator of Cash flow from Operations
	NNB (Net Negative Balance)	<\$105M 			Line of credit from the County does not exceed contractual limit
	Net Position	>\$0			Fund balance is positive after assets used for outstanding liabilities
Capital					
	% of Capital Spent	\$30.5M			Timely completion of capital projects measured by % of spend
Q1 Performance Improvement (GRIT)*					
	Revenue Cycle	9,468			Various initiatives focussed on revenue cycle improvements,i.e. claims, Various improvement efforts, i.e. Physician wRVU, schedule utilization Various operational initiatives to optimize operations, i.e. overtime reduction Optimize throughput and appropriate use of care sites Additional programs such as Stroke certification, HGH Dialysis
	Ambulatory	4,849			
	Operations	7,258			
	Length of Stay	10,440			
	Additional Programs	2,372			

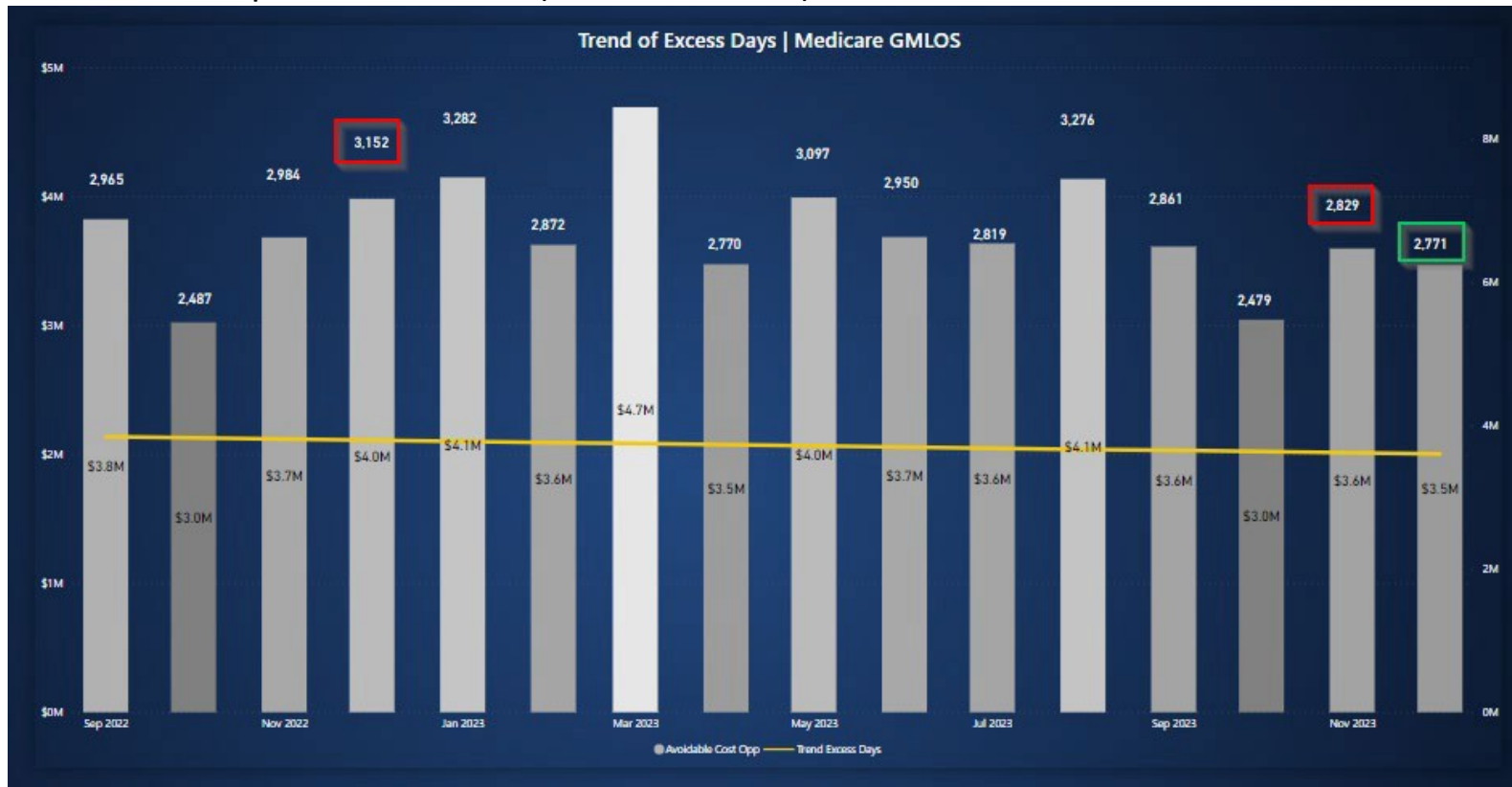
*Labor costs excludes contracted physicians; Includes Registry travel & housing costs

December 2023 Financial Report

Volume Highlights

	Actual	Budget	Variance	% Var	YTD Actual	YTD Budget	Variance	% Var	PY YTD Actual	Variance	% Var
ACUTE											
Patient Days	9,635	9,950	(315)	-3.2%	56,307	56,987	(680)	-1.2%	57,528	(1,221)	-2.1%
Discharges	1,588	1,674	(86)	-5.1%	9,429	9,475	(46)	-0.5%	8,932	497	5.6%
Average Daily Census	310.8	321.0	(10.2)	-3.2%	306.0	309.7	(3.7)	-1.2%	312.7	(6.7)	-2.1%
Average Length of Stay	6.1	5.9	(0.2)	-3.4%	6.0	6.0	-	0.0%	6.4	(0.4)	-6.3%
Adjusted Patient Days	15,558	15,593	(35)	-0.2%	91,552	90,016	1,536	1.7%	90,373	1,179	1.3%
Adjusted Discharges	2,564	2,623	(59)	-2.2%	15,331	14,967	364	2.4%	14,032	1,299	9.3%
CMI	1.519	1.548	(0.029)	-1.9%	1.515	1.535	(0.020)	-1.3%	1.534	(0.019)	-1.2%
Emergency Visits											
Emergency Visits	8,759	7,848	911	11.6%	50,797	48,288	2,509	5.2%	47,991	2,806	5.8%
Left Without Being Seen (LWBS)	7.0%	8.7%	1.8%	25.3%	7.7%	7.8%	0.1%	1.6%	9.0%	1.3%	16.3%
Trauma Cases	250	259	(9)	-3.5%	1,792	1,679	113	6.7%	1,616	176	10.9%
Observation Equivalent Days	235	257	(22)	-8.6%	854	1,444	(590)	-40.9%	1,468	(614)	-41.8%
PES Equivalent Days	524	691	(167)	-24.2%	3,958	4,121	(163)	-4.0%	3,837	121	3.2%
Surgeries	699	813	(114)	-14.0%	4,490	4,658	(168)	-3.6%	4,337	153	3.5%
IP Surgeries	309	347	(38)	-11.0%	2,012	2,257	(245)	-10.9%	2,093	(81)	-3.9%
OP Surgeries	390	466	(76)	-16.3%	2,478	2,401	77	3.2%	2,244	234	10.4%
Deliveries	135	116	19	16.4%	765	743	22	3.0%	725	40	5.5%
SNF											
Patient Days	8,378	8,235	143	1.7%	50,057	49,708	349	0.7%	47,747	2,310	4.8%
Discharges	26	25	1	4.0%	138	150	(12)	-8.0%	124	14	11.3%
Average Daily Census	270.3	265.6	4.7	1.8%	272.0	270.2	1.8	0.7%	259.5	12.5	4.8%
Average Length of Stay	322.2	331.7	9.5	2.9%	362.7	331.7	(31.0)	-9.3%	385.1	(22.4)	-5.8%
Bed Holds	77	93	(16)	-17.2%	533	499	34	6.8%	489	44	9.0%
CLINIC VISITS											
Clinic Visits	31,753	32,484	(731)	-2.3%	194,368	186,676	7,692	4.1%	182,297	12,071	6.6%
Clinic Visits	26,628	27,650	(1,022)	-3.7%	164,331	156,351	7,980	5.1%	153,049	11,282	7.4%
Telehealth Visits	5,125	4,834	291	6.0%	30,037	30,325	(288)	-0.9%	29,248	789	2.7%
Physician wRVU	107,637	105,321	2,316	2.2%	671,440	635,106	36,334	5.7%	582,243	89,197	15.3%
Total Adjusted Patient Days	27,867	27,257	610	2.2%	165,476	161,511	3,965	2.5%	159,027	6,449	4.1%
Total Adjusted Discharges	2,497	2,525	(28)	-1.1%	14,885	14,549	337	2.3%	13,680	1,205	8.8%
PAYOR MIX											
Insurance %	7.7%	6.8%	0.9%	12.5%	7.6%	6.9%	0.7%	10.3%	6.9%	0.7%	9.7%
Medi-Cal %	19.9%	26.4%	-6.5%	-24.5%	20.6%	26.5%	-5.8%	-22.0%	25.7%	-5.1%	-19.7%
Medi-Cal MC %	39.2%	33.3%	5.9%	17.7%	38.2%	33.3%	4.9%	14.6%	33.0%	5.2%	15.9%
Medicare %	20.4%	20.8%	-0.5%	-2.3%	19.9%	20.6%	-0.8%	-3.8%	20.9%	-1.0%	-4.9%
Medicare MC %	6.7%	7.0%	-0.3%	-4.3%	6.9%	7.0%	-0.1%	-1.1%	7.1%	-0.2%	-2.4%
Other Govt %	4.0%	2.8%	1.2%	41.3%	3.7%	2.8%	0.9%	30.3%	3.8%	-0.1%	-3.1%
Self-Pay %	2.2%	2.8%	-0.7%	-23.7%	3.1%	2.9%	0.3%	8.7%	2.7%	0.5%	16.8%
Total Payor Mix %	100%	100%	0.0%	0.0%	100%	100%	0.0%	0.0%	100%	0.0%	0.0%

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



- LOS Variance Days: December: 2,771 days which is a 2.07% month over month decrease and is a 12.87% decrease year over year. The total # of actual days in a bed in excess of the allowed # of days compared to the Medicare acuity model benchmark.
- LOS Variance Dollars: The AHS estimated additional cost of resources due to the variance days for December was \$4.1 M (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).

- Operating revenue exceeded budget primarily due to net patient revenue and GME. YTD, positive variances include net patient service revenue (\$7.0M), GPP for non-recurring COVID relief (\$4.5M) and supplemental programs reflecting 3-year pick up for ACA population under GME (FY20-FY23, total \$6.1M).
- Operating expenses above budget primarily due to correction of the benefit budget spread. YTD, Labor costs, transitional housing, outside medical services, pharmaceuticals, minor equipment, and business insurance are exceeding budget.

	December 2023				Year-To-Date				FY 2023	
	Actual	Budget	Variance	% Var	Actual	Budget	Variance	% Var	YTD	% Var
Operating revenue	\$ 119,605	\$ 115,465	\$ 4,140	3.6%	\$ 709,002	\$ 689,013	\$ 19,989	2.9%	\$ 657,392	7.9%
Operating expense	119,280	109,639	(9,641)	(8.8)%	703,360	687,341	(16,019)	(2.3)%	643,731	(9.3)%
Operating income (loss)	325	5,826	(5,501)	(94.4)%	5,642	1,672	3,970	237.4%	13,661	(58.7)%
Other non-operating activity	(110)	(31)	(79)	(254.8)%	(506)	(257)	(249)	(96.9)%	(604)	16.2%
Net Income (loss)	\$ 215	\$ 5,795	\$ (5,580)	(96.3)%	\$ 5,136	\$ 1,415	\$ 3,721	263.0%	\$ 13,057	(60.7)%
EBIDA adjustments	3,356	3,071	285		20,060	18,697	1,363		18,761	
EBIDA	\$ 3,571	\$ 8,866	\$ (5,295)		\$ 25,196	\$ 20,112	\$ 5,084		\$ 31,818	
Operating Margin	0.3%	5.0%	(4.7)%		0.8%	0.2%	0.6%		2.1%	
EBIDA Margin	3.0%	7.7%	(4.7)%		3.6%	2.9%	0.7%		4.8%	

- Gross patient service revenue is favorable with mixed results.
 - Inpatient days were 3.2% under budget and the average LOS is 6.1; reflecting an increase over the LOS trend.
 - CMI is below budget by 1.9% indicating lower complexity of patients and services. Trauma cases below budget by 3.5%. Inpatient surgery below budget by 11.0%.
 - ED visits favorable to budget by 11.6%. Outpatient surgery unfavorable to budget by 16.3%.
 - SNF census is favorable and discharges at budget.
- NPSR Collection ratio was 19.2% which is higher than budget and consistent with YTD trend driven by higher commercial payer mix at 7.7%, 12.5% over budget.

	December 2023				Year-To-Date				FY 2023	
	Actual	Budget	Variance	% Var	Actual	Budget	Variance	% Var	YTD	% Var
Inpatient service revenue	\$ 212,447	\$ 215,024	\$ (2,577)	(1.2)%	\$ 1,251,674	\$ 1,276,544	\$ (24,870)	(1.9)%	\$ 1,228,948	1.8%
Outpatient service revenue	116,232	108,500	7,732	7.1%	695,656	658,102	37,554	5.7%	627,337	10.9%
Professional service revenue	32,722	35,212	(2,491)	(7.1)%	200,516	201,473	(957)	(0.5)%	179,175	11.9%
Gross patient service revenue	361,400	358,736	2,664	0.7%	2,147,846	2,136,119	11,727	0.5%	2,035,460	5.5%
Deductions from revenue	(292,038)	(290,897)	(1,141)	(0.4)%	(1,736,919)	(1,732,165)	(4,754)	(0.3)%	(1,660,971)	4.6%
Net patient service revenue	69,362	67,839	1,523	2.2%	410,927	403,954	6,974	1.7%	374,489	(9.7)%
Collection % - NPSR	19.2%	18.9%	0.3%		19.1%	18.9%	0.2%		18.4%	
Capitation and HPAC	4,004	4,024	(21)	(0.5)%	24,063	24,118	(54)	(0.2)%	23,528	2.3%
Other government programs	41,458	39,619	1,839	4.6%	246,132	238,069	8,063	3.4%	237,511	3.6%
Other operating revenue	4,781	3,983	797	20.0%	27,879	22,872	5,007	21.9%	21,864	27.5%
Total operating revenue	\$ 119,605	\$ 115,466	\$ 4,139	3.6%	\$ 709,001	\$ 689,012	\$ 19,989	2.9%	\$ 657,392	7.9%

- Other government programs favorable driven by FY22 GME adjustment (\$1.3M) and higher Prop56 receipts (\$0.5M). YTD is favorable as follows.
 - Medi-Cal Waiver CY22 increased from 10% pandemic threshold reduction (\$4.8M).
 - GME increased from ACA population for FY20 (\$2.2M), FY21 (\$2.6M), and FY22 (\$1.3M).
 - EPP increased for CY23 adjustment based on payment for January to June 2023 (\$0.6M).
 - Prop 56 (Tobacco Tax Act 2016) increased from higher receipts (\$0.5M).
 - Physician SPA decreased for FY22 interim settlement (\$2.6M).
 - SNF Supplemental decreased for FY19 settlement (\$1.2M).
- Other operating revenue favorable driven by higher retail pharmacy (\$0.7M). YTD, favorable from higher retail pharmacy (\$4.2M), Anthem settlement (\$1.1M), and offset by timing of grant and other revenues.

	December 2023				Year-To-Date				FY 2023	
	Actual	Budget	Variance	% Var	Actual	Budget	Variance	% Var	YTD	% Var
Net patient service revenue	69,362	67,839	1,523	2.2%	410,927	403,954	6,974	1.7%	374,489	(9.7)%
Capitation and HPAC	4,004	4,024	(21)	(0.5)%	24,063	24,118	(54)	(0.2)%	23,528	2.3%
Medi-Cal Waiver	7,639	7,697	(57)	(0.7)%	50,599	46,180	4,419	9.6%	53,759	(5.9)%
Measure A and parcel tax	13,868	13,868	0	0.0%	83,206	83,206	0	0.0%	72,936	14.1%
Supplemental Programs	19,951	18,055	1,896	10.5%	112,327	108,683	3,644	3.4%	110,815	1.4%
Other government programs	41,458	39,619	1,839	4.6%	246,133	238,069	8,063	3.4%	237,511	3.6%
Grant Revenue	1,378	1,182	196	16.6%	7,457	7,299	158	2.2%	6,823	9.3%
Other Operating Revenue	3,402	2,801	601	21.5%	20,422	15,573	4,849	31.1%	15,041	35.8%
Other operating revenue	4,781	3,983	797	20.0%	27,879	22,872	5,007	21.9%	21,864	27.5%
Total operating revenue	\$ 119,605	\$ 115,466	\$ 4,139	3.6%	\$ 709,002	\$ 689,012	\$ 19,989	2.9%	\$ 657,392	7.9%

- Physician contract services unfavorable with the largest negative variance in Hospitalists (\$0.2M). YTD, unfavorable with the largest negative variances in Rehabilitation, Anesthesiology, and Medical Oncology (grouped under “other”).
- Purchased services favorable from management consultants/services (\$0.5M), security services (\$0.3M), and parking services (\$0.2M). YTD, Purchased services unfavorable from transitional housing (\$1.4M), outside medical services (\$1.3M), HIS coding fees (\$1.2M) offset by favorable variances in parking services (\$0.8M), security services (\$0.5M), software licenses/hosting fees (\$0.4M), and clinical services (\$0.4M).
- Material and supplies unfavorable from medical equipment (\$0.6M), retail pharmaceuticals (\$0.3M) offset by lower repair supplies (\$0.4M) and surgical/medical supplies (\$0.2M). YTD, unfavorable from retail pharmaceuticals (\$2.0M), other pharmaceuticals (\$1.2M), minor equipment (\$1.3M), surgery/implant supplies (\$0.8M), medical supplies (\$0.4M) offset by lower non-medical supplies (\$0.4M). The retail pharmacy has a positive margin.

	December 2023				Year-To-Date				FY 2023	
	Actual	Budget	Variance	% Var	Actual	Budget	Variance	% Var	YTD	% Var
Labor costs	\$ 86,827	\$ 77,849	\$ (8,978)	(11.5)%	\$ 507,933	\$ 502,105	\$ (5,828)	(1.2)%	\$ 468,624	(8.4)%
Physician contract services	3,803	3,479	(324)	(9.3)%	21,779	20,901	(878)	(4.2)%	20,016	(8.8)%
Purchased services	7,908	8,912	1,004	11.3%	51,523	50,646	(877)	(1.7)%	49,154	(4.8)%
Materials and supplies	11,955	10,951	(1,004)	(9.2)%	69,607	64,297	(5,310)	(8.3)%	59,131	(17.7)%
Facilities	3,197	3,106	(91)	(2.9)%	19,445	18,656	(789)	(4.2)%	16,547	(17.5)%
Depreciation and amortization	3,233	3,027	(206)	(6.8)%	19,477	18,326	(1,151)	(6.3)%	18,043	(7.9)%
General and administrative	2,357	2,315	(42)	(1.8)%	13,596	12,410	(1,186)	(9.6)%	12,216	(11.3)%
Total operating expense	\$ 119,280	\$ 109,639	\$ (9,641)	(8.8)%	\$ 703,360	\$ 687,341	\$ (16,019)	(2.3)%	\$ 643,731	(9.3)%

- Facilities approximated budget for the month. YTD, unfavorable from higher building repairs (\$1.3M) and offset by lower utilities (\$0.3M) and rental equipment (\$0.5M).
- Depreciation and amortization unfavorable for the month and year due to capital projects closed at the end of the fiscal year that were not picked up in the budget and timing of lease.
- General and administrative unfavorable from business insurance (\$0.1M). YTD, unfavorable from business insurance (\$1.2M).

	December 2023				Year-To-Date				FY 2023	
	Actual	Budget	Variance	% Var	Actual	Budget	Variance	% Var	YTD	% Var
Labor costs	\$ 86,827	\$ 77,849	\$ (8,978)	(11.5)%	\$ 507,933	\$ 502,105	\$ (5,828)	(1.2)%	\$ 468,624	(8.4)%
Physician contract services	3,803	3,479	(324)	(9.3)%	21,779	20,901	(878)	(4.2)%	20,016	(8.8)%
Purchased services	7,908	8,912	1,004	11.3%	51,523	50,646	(877)	(1.7)%	49,154	(4.8)%
Materials and supplies	11,955	10,951	(1,004)	(9.2)%	69,607	64,297	(5,310)	(8.3)%	59,131	(17.7)%
Facilities	3,197	3,106	(91)	(2.9)%	19,445	18,656	(789)	(4.2)%	16,547	(17.5)%
Depreciation and amortization	3,233	3,027	(206)	(6.8)%	19,477	18,326	(1,151)	(6.3)%	18,043	(7.9)%
General and administrative	2,357	2,315	(42)	(1.8)%	13,596	12,410	(1,186)	(9.6)%	12,216	(11.3)%
Total operating expense	\$ 119,280	\$ 109,639	\$ (9,641)	(8.8)%	\$ 703,360	\$ 687,341	\$ (16,019)	(2.3)%	\$ 643,731	(9.3)%

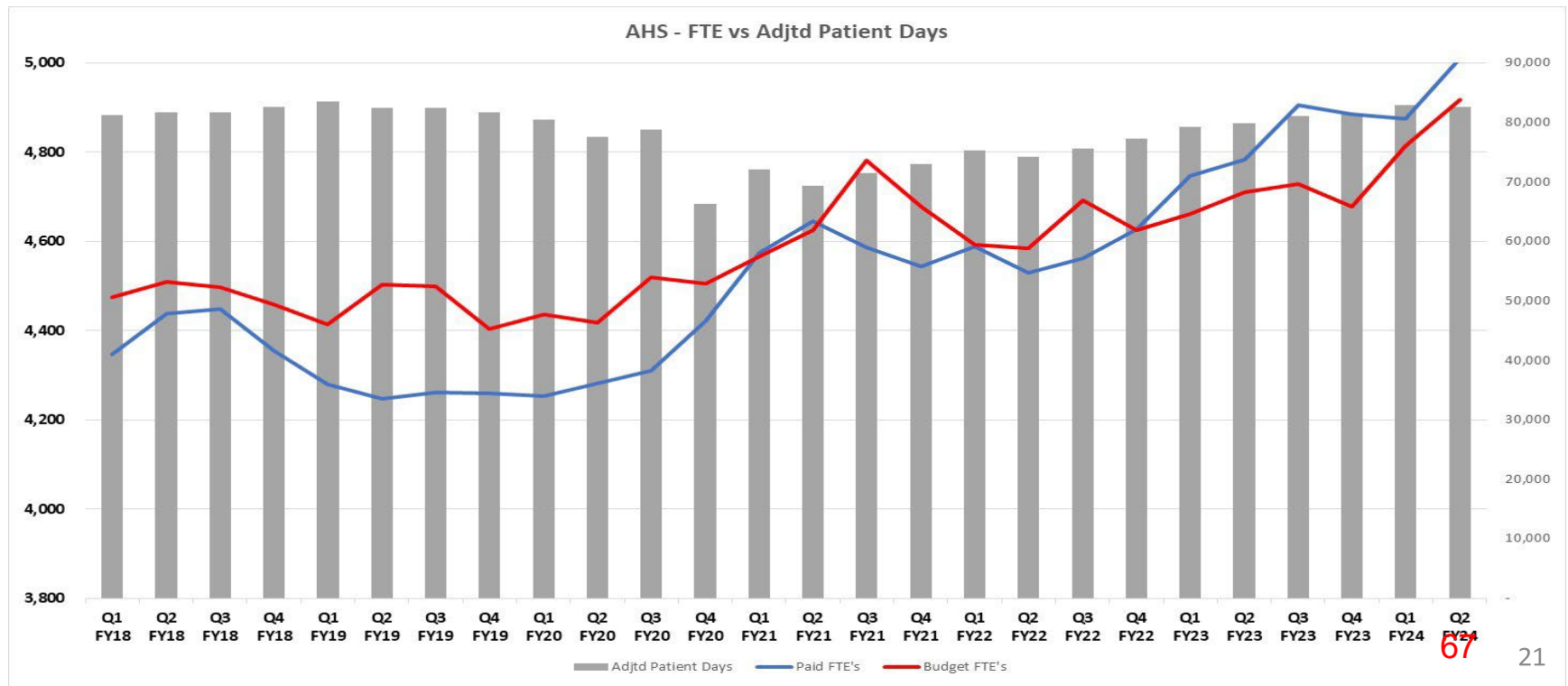
- Salaries and wages (staff) unfavorable for the month and YTD. See table to right variance detail. Shift Differential represent COVID extra shift pay which has been eliminated.
- Physician Salaries were unfavorable for month and favorable YTD with the variances spread across multiple specialties. Budget includes funds authorized to settle SEIU contract that have not been paid.
- Registry unfavorable for month and YTD. Higher utilization (113 FTEs \$2.8M/month, 67 FTEs and \$9.8M/YTD) offset by lower rates (\$1.3M/month, \$7.4M/YTD). Expense is trending lower

Non-physician Salaries and Wage Variance

	December	YTD
<u>Rate Variance to Budget</u>		
Salaries/PTO/Holiday/Sick	\$ (672)	\$ (4,000)
Overtime (60 FTE, YTD 56 FTE)	(96)	(3,826)
On-Call	130	333
Shift Differential	720	2,623
Other	248	1,093
Subtotal - Rate Variance	331	(3,777)
<u>Volume Variance to Budget</u>		
89 FTE and 8 FTE	(1,041)	(546)
Total Variance	\$ (711)	\$ (4,323)

	December 2023					Year-To-Date					FY 2023	
	Actual	Budget	Variance	% Var		Actual	Budget	Variance	% Var		YTD	% Var
Salaries and wages (staff)	\$ 51,158	\$ 50,447	\$ (711)	(1.4)%		\$ 309,594	\$ 305,271	\$ (4,323)	(1.4)%		\$ 286,491	(8.1)%
Salaries and wages (physicians)	9,178	8,806	(372)	(4.2)%		51,319	52,229	910	1.7%		47,004	(9.2)%
Registry	6,320	4,830	(1,490)	(30.8)%		31,628	29,227	(2,401)	(8.2)%		46,977	32.7%
Employee benefits (taxes, insurance)	13,273	10,485	(2,788)	(26.6)%		75,871	75,857	(14)	(0.0)%		67,958	(11.6)%
Retirement	6,898	3,281	(3,617)	(110.2)%		39,521	39,521	-	0.0%		36,904	(7.1)%
Retirement (deferred)	-	-	-	0.0%		-	-	-	0.0%		(16,710)	(100.0)%
Total labor costs	\$ 86,827	\$ 77,849	\$ (8,978)	(11.5)%		\$ 507,933	\$ 502,105	\$ (5,828)	(1.2)%		\$ 468,624	(8.4)%
Compensation ratio	72.6%	67.4%	-5.2%			71.6%	72.9%	1.3%			71.3%	
Paid FTEs	4,970	4,759	(211)	(4.4)%		4,943	4,865	(78)	(1.6)%		4,769	(3.6)%

- FTE trend includes Registry and compares staffing to adjusted patient days (Gross Patient Revenue divided by Inpatient Revenue equals Outpatient Factor, then multiplied by Total Patient Days).
 - Volumes are near pre-pandemic levels and staffing levels have increased.
- COVID leave of absence benefits:
 - AHS provided 12 weeks COVID-related leave effective mid-April 2020 through 12/30/20; total cost \$16.7M.
 - COVID-related legislation, Senate Bill 95, was effective 1/01/21 and ended 9/30/21; total cost \$2.1M.
 - COVID-related legislation, Senate Bill 114 was effective 1/01/22 and ends 12/31/22; total cost \$4.9M.
- Capitalized FTEs (average of 84 FTE) used for the SAPPHIRE implementation during July through December 2019 are not included in the Paid FTE trend line.



- Employee Benefits and Retirement budgets were realigned in December; creating large one-time variances in the month and eliminating variances YTD.

	December 2023				Year-To-Date				FY 2023	
	Actual	Budget	Variance	% Var	Actual	Budget	Variance	% Var	YTD	% Var
Salaries and wages (staff)	\$ 51,158	\$ 50,447	\$ (711)	(1.4)%	\$ 309,594	\$ 305,271	\$ (4,323)	(1.4)%	\$ 286,491	(8.1)%
Salaries and wages (physicians)	9,178	8,806	(372)	(4.2)%	51,319	52,229	910	1.7%	47,004	(9.2)%
Registry	6,320	4,830	(1,490)	(30.8)%	31,628	29,227	(2,401)	(8.2)%	46,977	32.7%
Employee benefits (taxes, insurance)	13,273	10,485	(2,788)	(26.6)%	75,871	75,857	(14)	(0.0)%	67,958	(11.6)%
Retirement	6,898	3,281	(3,617)	(110.2)%	39,521	39,521	-	0.0%	36,904	(7.1)%
Retirement (deferred)	-	-	-	0.0%	-	-	-	0.0%	(16,710)	(100.0)%
Total labor costs	\$ 86,827	\$ 77,849	\$ (8,978)	(11.5)%	\$ 507,933	\$ 502,105	\$ (5,828)	(1.2)%	\$ 468,624	(8.4)%
Compensation ratio	72.6%	67.4%	-5.2%		71.6%	72.9%	1.3%		71.3%	
Paid FTEs	4,970	4,759	(211)	(4.4)%	4,943	4,865	(78)	(1.6)%	4,769	(3.6)%

- Days in Cash are 5.9 and higher than year-end; typically, below 5.0 days.
- Gross AR Days decreased 1.6 days and Net AR Days decreased 0.4 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 \$78.9M and improved \$5.1M from June 30, 2023 reflecting YTD Net Income.
- Net Negative Balance is a payable \$63.6M. NNB consists of the liquidity facility (loan) of \$89.0M offset by restricted cash of \$25.4M; and is below the June 30, 2024 credit ceiling of \$105.0M.

	<u>Dec-23</u>	<u>Nov-23</u>	<u>FY 2023</u>
Days in cash	5.9	6.3	2.5
Gross days in patient receivable	62.9	64.5	62.4
Net days in patient receivable	43.6	44.0	39.1
Due from/(to) third-party payors	114,588	99,497	73,263
Due from/(to) County	78,300	63,223	21,022
Days in accounts payable	29.2	30.0	35.1
% of AP over 60 days	2.3%	2.2%	2.2%
Net position - fund balance/(deficit)	\$ (78,937)	\$ (79,153)	\$ (84,071)
Net negative balance - receivable/(payable)	\$ (63,559)	\$ (35,040)	\$ 58,174

AR Summary - Total AR - Days

Min: 65.3 Max: 72.3 Most Recent: 72.3

Hospital RCM

AR Days Target (Huron) = 57.0

December 2023 AR Days = 68.0



Hospital Revenue Cycle Key Indicators

- HB AR Days decreased 1.1 days from prior month.
- HB payments posted (collections) were \$54.2M for the month above the YTD trend at \$52.3M.
- Continue to experience Medicare and Medi-Cal claim delays from enrollment and NPI corrections. All claims are released that met billing criteria and cash is starting to improve.
- Candidate for Billing (CFB) increased 0.3 days to 9.3 days. Target is <4 CFB days.
- DNFB Task Force activity
 - High risk, trauma, and high dollar review
 - Development of a Denials Management Committee to go-live in February 2024.

Total Active AR - Days

Min: 28.2 Max: 34.4 Most Recent: 33.3

Professional RCM

AR Days Target (Huron) = 33.0

November 2023 AR Days = 28.6



Professional Revenue Cycle Key Indicators

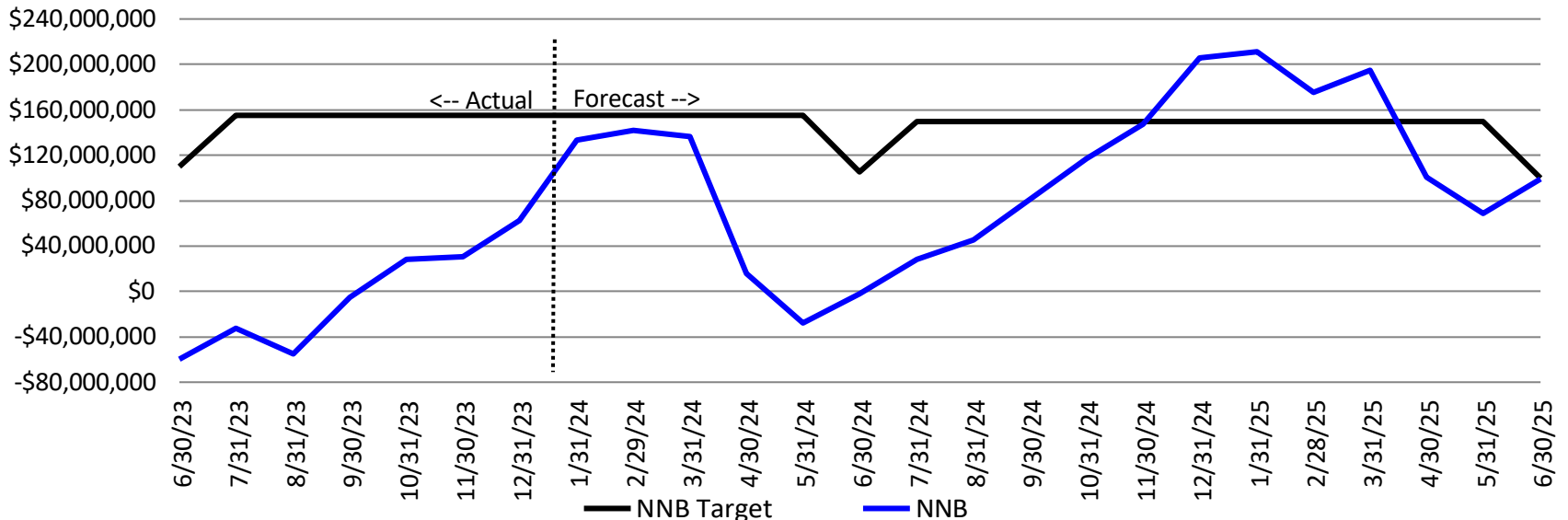
- PB AR Days decreased 1.3 days from prior month.
- PB payments posted (collections) were \$9.6M for the month above the YTD trend of \$8.4M.
- Continuous process improvement is underway in denial prevention.
 - Denial trending by visit and procedure
 - Department Denial Task Force for prevention
 - Provider coding education design and implementation in progress

- FY24 Patient collections are running approximately 1.1% higher than the same time period in FY23.
- No payments yet under Cal Aim for JGP. EPIC report developed to bill County under interim agreement. July facility fee invoice submitted to County. Professional fees a work in progress.
- New County billing system is expected to be on-line in February to begin billing the State.

PATIENT COLLECTIONS (in thousands)							
	Legacy	Behavioral Health	Epic	Total FY 2024	FY 2023	FY 2022	FY 2021
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	5	5,928	57,389	63,322	76,063	61,968	64,484
Oct	3	-	63,119	63,122	59,796	49,923	51,514
Nov	31	-	57,750	57,781	56,939	52,057	49,499
Dec	2	-	63,865	63,867	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
Total	43	22,708	374,246	396,997	776,453	705,637	600,099
% change between fiscal years				1.1%	10.0%	17.6%	

- Expanded projection through FY25 for planning purposes. AHS will meet the NNB target at 6/30/24 and hits the limit at 6/30/25. Below are the key assumptions for FY25 cashflows:
 - Patient receipts increased by 3%.
 - Supplementals forecast based on best information available. See chart on next page.
 - Payroll based on timing of union agreements (2%). AHMG based on current PSA projection. Accounts payable based on CPI (3%).
 - FY24 capital budget \$30.5M; forecast assumes \$25.0M for the year. FY25 forecast \$25.0M.
- Forecast will be update as changes in cashflow occur and once the FY25 Budget is approved.

NNB Forecast - Line of Credit Balance



- BHCS (JGP payments for services from County) added to table.
 - Paid interim contract in FY24
 - Finalize FY24 at \$60M, and FY 25 at \$70M
- HPAC Base contract added as timing important for managing NNB
- Interim Realignment assumed at \$40M to offset prior year take back.
- Supplemental funding represents approximately 40% of AHS revenues.
 - State has moved most supplemental payments to calendar year basis, often paying out for a whole year around April, causing spikes in NNB, and this recent change in timing may require amended terms on our line of credit with the County.

Material Items Included in NNB Forecast (in thousands)

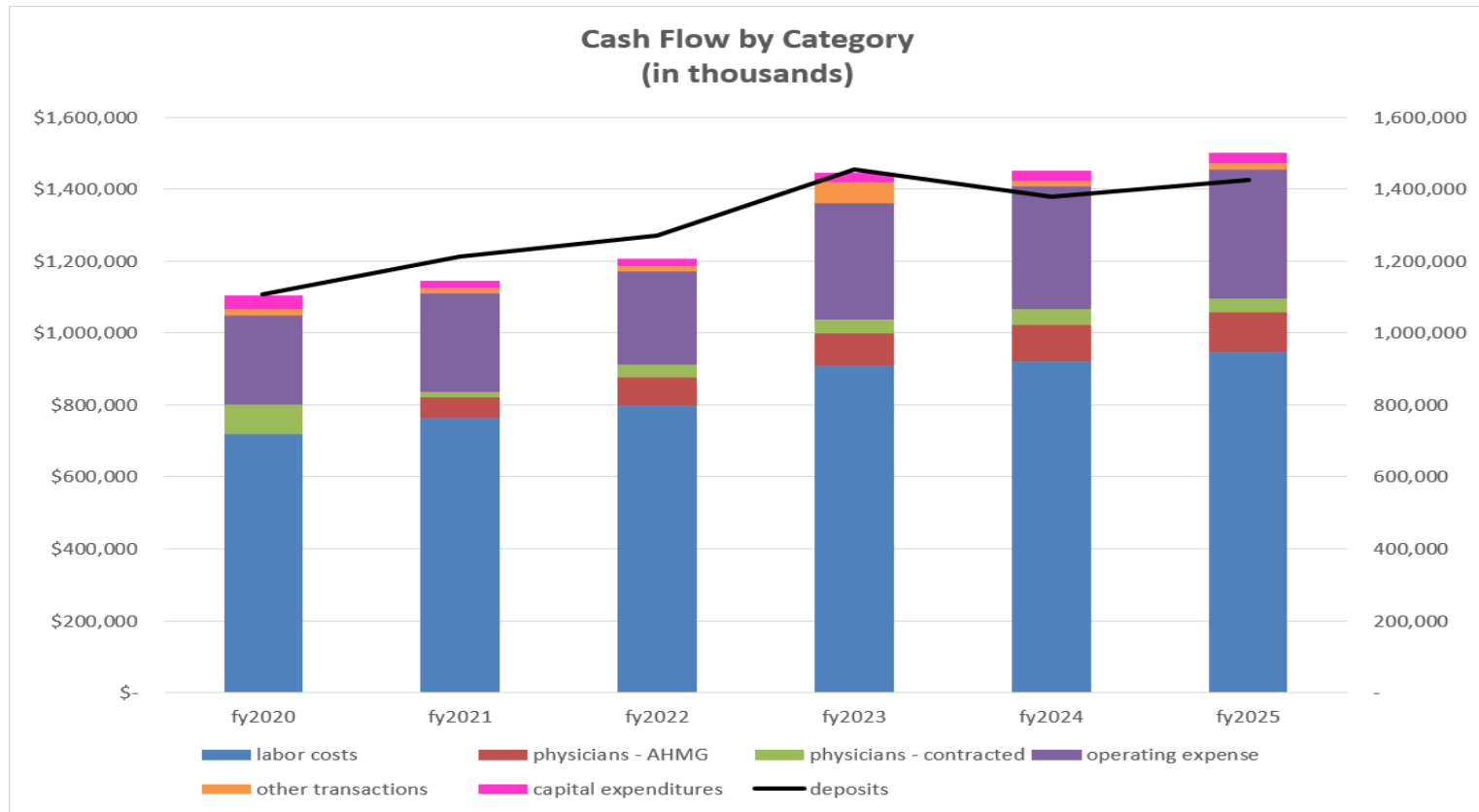
	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul/Aug-24	Sep/Oct-24	Jan/Feb-25	Mar/Apr-25	May/Jun-25
GPP (quarterly)	\$ -	\$ 20,700	\$ 25,400	\$ -	\$ -	\$ 25,400	\$ 25,400	\$ 25,400	\$ 25,700	\$ -
EPP (semi-annual)			32,997				21,000			21,000
QIP			77,955							68,728
Medi-Cal Rate Range				38,300						42,700
BHCS		10,000	10,000	10,000	10,000	30,000	10,000	20,000	20,000	10,000
HPAC	20,763		7,916		13,500			18,000	10,750	10,750
AB85 Realignment							(48,780)	40,000		
	\$ 20,763	\$ 30,700	\$ 154,268	\$ 48,300	\$ 23,500	\$ 55,400	\$ 7,620	\$ 103,400	\$ 56,450	\$ 153,178

Prior Year Reimbursement Settlements

Waiver recoupment (fy10, fy11, fy14, fy15)	\$ (16,190)	TBD
Medi-Cal FQHC recoupment (fy08 - fy13)	\$ (40,000)	TBD
Physician SPA (fy08 - fy13)	\$ (25,000)	TBD

- For FY2024, the following changes occurred from prior month.
 - EPP (Jan-Jun 2024) increased \$13.0M based on signed agreements.
 - QIP CY22 increased \$3.0M based on latest calculations.
 - Medi-Cal Rate Range CY22 decreased \$6.7M based on latest calculations.
 - BHCS delayed from January to March 2024 and later due to new County billing system.
 - HPAC delayed from January 2024 to February 2024 as invoices are processed by County.
 - AB85 Realignment (HPAC Amendment) not received in FY24, \$40.0M
- Prior year activity for the old Waiver, Medi-Cal FQHC and Physician SPA settlements are reflected in a separate table as the final settlement and timing are unknown.

- Supplemental funding impacted by elimination of pandemic relief funding, next slide.
- Net Patient Revenue grew 45% with revenue cycle/EPIC improvements (FY20 to FY23).
- Expenses grew significantly in FY23 in all areas.



	<u>fy2020</u>	<u>fy2021</u>	<u>fy2022</u>	<u>fy2023</u>	<u>fy2024</u>	<u>fy2025</u>
FTEs	4,318	4,586	4,577	4,831	4,943	TBD
Note: FTEs include registry but exclude contracted physicians						

- Supplemental funding is decreasing because:
 - Almost all programs had increased proportional to federal matching rate (FMAP)—with end of declared emergency, California FMAP has reverted from 56.2% to pre-pandemic 50%
 - AB85 settles two years in arrears based on complex legal formula, difficult to predict, but best estimates of AB85 revenue are down due to higher calculated costs FY22, which the formula penalizes
 - Biggest, QIP and GPP, were both made easier to earn on grounds of COVID—flexibilities now gone
- GME increased temporarily with catch-up payments back to FY18 after CMS approved paying some at 90% FMAP (ACA expansion population)
- COVID-related emergency funding from FY20 to FY23 totaled \$74.4M

	Deposits by Fiscal Year (in thousands)					
	fy2020	fy2021	fy2022	fy2023	fy2024	fy2025
GPP & Prime	106,325	115,633	133,886	99,303	109,818	101,900
HPAC/AB85 Realignment	23,177	55,528	17,732	52,108	(8,395)	1,219
Medi-Cal Rate Range	31,238	38,701	20,425	42,894	38,300	42,700
EPP	42,098	39,177	42,811	40,017	52,420	42,000
QIP	29,711	62,015	32,317	76,676	77,955	68,728
GME	9,504	21,234	9,988	18,793	18,050	13,820
Physician SPA	-	8,228	28,896	3,516	3,600	5,000
AB915 Supplemental	14,414	13,036	12,261	13,155	10,000	12,000
SNF Supplemental	8,578	-	23,612	6,190	6,000	1,300
Covid-19, ARPA	14,363	31,804	22,326	5,903	-	-
Key Supplementals	279,408	385,356	344,254	358,555	307,748	288,667
Patient Receipts	496,547	557,942	660,048	721,926	732,001	754,000
Measure A	117,802	121,160	143,584	151,011	153,424	156,000
County Capital Designation	-	-	-	28,000	7,000	7,000
Other Income	214,082	148,435	123,503	193,969	178,991	220,516
Total Deposits	1,107,839	1,212,893	1,271,389	1,453,461	1,379,164	1,426,183

- Deposits exceeded withdrawals from FY20-FY23; allowing for reductions to the NNB
- FY23 Operating expenses and Labor costs increased significantly
 - FY23 Labor costs increased due to more FTE, overtime and high registry utilization and rates.
 - Inflation was 7.0% and 6.5% % in 2022 and 2023, respectively

Withdrawals by Fiscal Year (in thousands)						
	fy2020	fy2021	fy2022	fy2023	fy2024	fy2025
Capital Designation	7,000	7,000	7,000	7,000	7,000	7,000
County Capital Cost	-	1,242	-	33,952	9,202	9,200
POB payment	11,612	7,156	-	-	-	-
Huron	-	-	7,072	11,626	-	-
Inventory adjustment	-	-	-	6,000	-	-
Other Transactions	18,612	15,398	14,072	58,577	16,202	16,200
Capital Expenditures	38,950	20,637	19,091	24,463	30,000	30,000
Labor costs	719,733	762,699	797,720	909,585	919,937	946,700
Physicians - AHMG	-	58,436	78,756	91,013	104,267	112,200
Physicians - contracted	81,773	14,495	35,328	37,318	41,288	36,800
Operating expense	246,510	274,353	260,850	324,677	341,239	360,325
Total Withdrawals	1,105,578	1,146,018	1,205,816	1,445,632	1,452,933	1,502,225
<i>Withdrawals as % of Deposits</i>	99.8%	94.5%	94.8%	99.5%	104.1%	105.3%
<i>Growth in Op Expense</i>		11.3%	-4.9%	24.5%	5.1%	5.6%
<i>Growth in Labor and Phys costs</i>		4.3%	9.1%	13.8%	2.7%	2.8%
<i>Cost growth per FTE</i>		7.4%	6.9%	8.2%	0.0%	-
<i>FTE Growth</i>		6.2%	-0.2%	5.5%	2.3%	-



February 12, 2024

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

**From: Debi Stebbins
Executive Director**

RE: Executive Director Report – February 2024

1. Great News !

Assemblymember Mia Bonta has agreed to introduce the statutory lien legislation which will support an improved rating for our Certificate of Participation financing of the 2030 seismic renovation of Alameda Hospital. The bill is AB 2157 and our hope is that it will be ushered through the legislature and to the Governor for signature as an urgency measure. I will distribute a copy of the bill once language is finalized. This should result in more favorable interest rates for the District.

Last week, Gary Hicks, Dr. Deutsch and I had a chance to explain the purpose of the legislation and our financing strategy to comply with the 2030 seismic standards to a group of six leaders of SEIU – UHW on an hour long zoom call. They included the regional director and legislative analyst for the bargaining unit. There is no doubt that bringing them into our planning early on and indicating the commitment of the District to making our buildings safe for patients and staff has led to their support of the bill and Assemblymember Bonta's sponsorship.

2. Congratulations to David Sayen

Congratulations to Dave Sayen, who was unanimously elected as the new President of the AHS Board of Trustees at their January Board meeting. Of course, Dave will also continue as the liaison from the District to the AHS Board.

Also, at the January AHS Finance Committee and Board meeting, the Board approved moving ahead to amend the JPA thereby enabling the parcel tax to be used to secure the Certificate of Participation necessary to finance the seismic renovation. Tom Driscoll and Ahmad Azizi, in house counsel to AHS, will be collaborating on a draft of revised JPA language which be brought back to both Boards for review and approval.

The AHS Board also expressed a desire to identify a "transition" plan to improve financial performance of Alameda Hospital. Toward that end, at the last Joint AHS-



District Planning Committee, Transition Planning meeting was appointed to identify ways to improve the financial performance at the hospital, including:

Chairs: Felicia Tornabene - MD CMO, Ro Lofton - CNO/CAO, Mark Fratzke – COO

Members : Chris Adams – VP Nursing, Mario Harding – CAO, Dusty Gilleland – VP Nursing, Nicki Joshi – MD, Laura Lang – MD, Indu Subramanian – MD, Tamina Isolani – MD, Kim Miranda – CFO, Grace Mesina – Director, Alice Kinner – PACE, Richard Espinoza, Elizabeth Mahler – MD ACHO, Robert Deutsch – MD, Tze-Ming Chen – MD, Charlotte Wills – MD

3. More Good News !

We finally received word that our HARPP insurance coverage for the District buildings will award us \$131,392 (or \$106,392 net of our \$25,000 deductible) to cover the water damage and recovery expenses for the “flood” that occurred at South Shore in late 2022. While this is certainly less than the costs incurred by AHS to restore the building to operation and prevent future damage, this was the portion the insurance company determined was outside the scope of normal wear and tear as a result of the incursion of roots under the building, which was not covered under the District policy. As soon as we receive the payment from the insurance company, we will transfer that money to AHS.

4. Invitation to State of the City Address:

The Chamber of Commerce sponsored annual State of the City address by Mayor Marilyn Ezzy Ashcraft and City Manager, Jennifer Ott, on February 29, 2024 at 5-8 pm at the Penumbra Main Lobby. The District has purchased a table for the event. Please let Alix or me know if you and a guest plan to attend.

5. Schedule for Seismic Renovation and Financing:

Attached is a schedule developed by Katy Ford at Ratcliff for the seismic renovation process as well as a schedule for financing the project developed by Gary Hicks. It is projected that the first round (“tranche”) of financing will occur in August 2024 for approximately \$13.3 million to finance the soft costs and Project 1 (NPC 4 Upgrades) and the second larger tranche of \$40.8 million in December 2025 for the remaining projects.

6. Proposed Special March Board Meeting

At the February Board meeting the Board will review different proposals to engage specialized consultants for the Financing project.



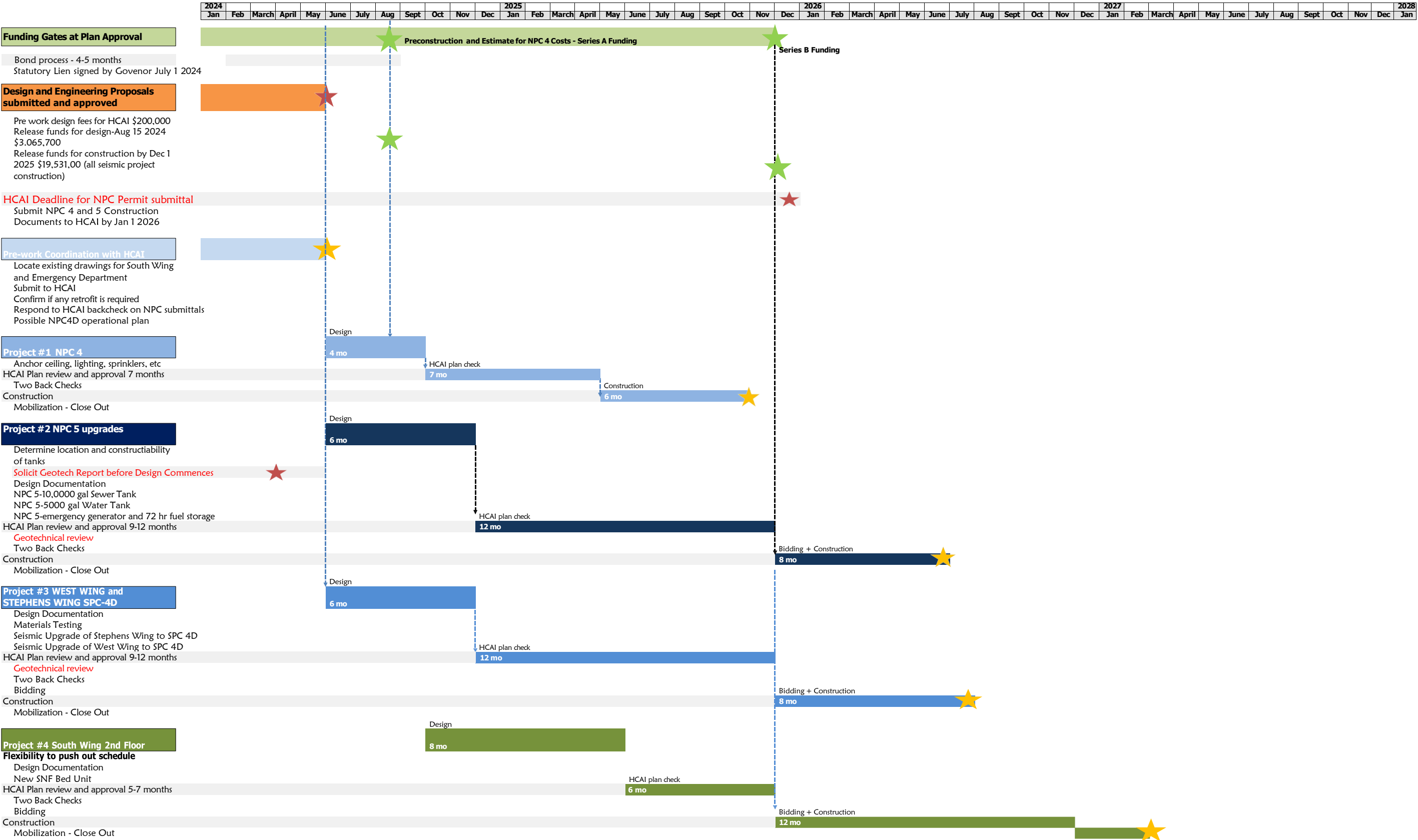
There are two other proposals that need review by the Board sooner than the April meeting: Design Development Proposal from Katy Ford of Ratcliff Architects and Proposal to serve as Owner's Representative for the Project from Porter. At the time of this agenda distribution, these proposals were still under development.

Both Ratcliff and Porter have a long and successful history of working with the District and AHS. Porter served as the Owner's Representative for the AHS 2020 project alongside Kristen Thorson as the lead liaison with AHS. Kristen went on to serve in the same role in another organization and is partnering with Porter to propose providing the same services on the District project. Not only was Porter very well regarded by Ratcliff and AHS, but they have a comprehensive understanding of the older buildings that comprise the Alameda campus. I have interviewed Kristen and the Porter principals, but I am proposing they be interviewed as soon as possible by a subcommittee of the Board along with our Special Projects counsel.

Following this interview, I will schedule a brief special meeting of the District Board to review and hopefully approve proposals from Ratcliff and Porter.

7. RFP for Property Management Support of Jaber Properties

Jeff Cambra and I will be issuing an RFP to several local firms for the management of the two Jaber properties on Pearl Street and Encinal following the February Board meeting. The roof replacement at Pearl Street will be completed in March 2024 hopefully after the rainy season calms down.



TO: INTERESTED PARTIES

FROM: GARY HICKS

DATE: JANUARY 22, 2024

**RE: CITY OF ALAMEDA HEALTH CARE DISTRICT (THE “DISTRICT”)
PARCEL TAX CERTIFICATES OF PARTICIPATION (THE “CERTIFICATES”)
FINANCE SCHEDULE**

The following is a revised finance schedule for the above-referenced issue to assist financing team members in planning for critical dates and events. Please contact me at your earliest convenience should any of the dates indicated present a problem for any interested party. All times indicated below are Pacific Time.

<u>DATE</u>	<u>TASK TO BE COMPLETED</u>
November 15, 2023	* District Board Meeting - authorization to plan for a COP financing, proceed with statutory lien legislation, amend JPA agreement and continue with planning & design process.
December 8, 2023	* Finalize draft of proposed statutory lien legislation and meet with lobbyists re. legislation.
January 2, 2024	* Discuss plan of finance and review preliminary finance schedule with District & architect.
January 10, 2024	* AHS Board Meeting – authorization to proceed with COP plan of finance, to use parcel tax as security for COPs, decide on project plan and proceed with planning & design work.
February 2, 2024	Request proposals and receive, review and analyze finance team proposals for remaining finance team members (Bond Counsel, Trustee, Underwriter/Placement Agent, etc.)
February 12, 2024 5:30 p.m.	District Board Meeting – authorize engaging of finance & project team members, move forward with the plan of finance and approval of design & engineering proposals.
February 12, 2024	District Architect submits design & engineering proposals to District for approval and authorization to proceed. Proceed with pre-work coordination with HCAi.
February 14, 2024	AHS Board Meeting – agreement to amend JPA with needed revisions, and support of project plan and to secure statutory lien legislation from AHS & Alameda County.
February 20, 2024	Work commences on the Series A COP financing to fund all pre-construction costs associated with Projects 1, 2, 3 and 4 (design, HCAi plan check and any other pre-construction soft costs).
February 20, 2024 12:00 noon	Meeting with finance team re. objectives, debt structure and timing of finance plan and concurrence of strategy concerning project cost, debt capacity and flow of financing.
February 29, 2024	Request proposals and execute letters of agreements for remaining project team members. (Project Legal Counsel, Owners Representative/Project Manager, etc.)
March 15, 2024	Meet with AHS and Alameda County re. parcel tax revenue flow and lock box system.

**CITY OF ALAMEDA HEALTH CARE DISTRICT
FINANCING SCHEDULE
PAGE 2**

March 29, 2024	Finalize amendments for JPA and both District and AHS execute amended JPA.
April 8, 2024	Negotiate and execute design & engineering agreements. Engage design team.
April 10, 2024	Preparation of Request for Terms and Appendix A for COP private placement.
April 23, 2024 10:00 a.m.	Finance team call to discuss Request for Terms and Appendix A.
April 26, 2024	Revised Request for Terms and Appendix A sent to finance team for review and comment.
April 30, 2024	Send Request for Terms, Appendix A and credit package to prospective purchasers.
May 10, 2024	Bond Counsel to prepare & send initial draft of COP documents to finance team.
May 16, 2024	Term Sheets received from prospective purchasers.
May 20, 2024 10:00 a.m.	Evaluate Term Sheets received and decide on private placement or public offering. Finance team meeting to discuss options and move forward with preferred option.
May 22, 2024 10:00 a.m.	Finance team update and document review call to discuss COP documents.
May 24, 2024	Revised COP documents sent to finance team for review and comment.
May 30, 2024	First distribution of POS sent to working group by Disclosure Counsel, if needed.
June 1, 2024	Architect begins design of Project #1 NPC 4 upgrades & solicit Geotech report. Anchor ceiling, lights, sprinklers, etc. (4 mos.).
June 1, 2024	Architect begins design of Project #2 NPC 5 upgrades & solicit Geotech report (6 mos.).
June 1, 2024	Architect begins design of Project #3 West Wing & Stephens Wing SPC 4D materials testing, Geotech report & seismic updates (6 mos.).
June 1, 2024	Architect begins design of Project #4 South Wing 2 nd Floor – Acute to SNF (8 mos.)
June 6, 2024 10:00 a.m.	Finance team update and document review conference call.
June 7, 2024	Revised COP documents and POS (if applicable) sent to the finance team members.
June 13, 2024	Send Initial Resolution and Ordinance to District for inclusion in Board member packets.
June 20, 2024 10:00 a.m.	Finance team update and document review conference call.
June 20, 2024 5:30 p.m.	District Special Board meeting – approve Initial Resolution and Ordinance, and authorization to proceed with a private placement or public offering.

**CITY OF ALAMEDA HEALTH CARE DISTRICT
FINANCING SCHEDULE
PAGE 3**

June 21, 2024	Final draft financing documents and POS sent to finance team members.
June 21, 2024 12:00 noon	Conference call with Moody's Investors Service, if needed.
June 28, 2024 10:00 a.m.	Financing update and document review call. Due diligence call.
July 1, 2024	Statutory lien provision approved by legislature and signed by Governor.
July 3, 2024	Submit materials to District for inclusion in packets for upcoming Board meeting.
July 5, 2024	Last day to complete due diligence work.
July 8, 2024	Bond rating provided by Moody's Investors Service, if applicable.
July 10, 2024	Release of executed 15(c)(2)-12 certificate and auditor's consent letter, if applicable.
July 11, 2024 5:30 p.m.	District Special Board meeting – approve POS for mailing & approve Final Resolution.
July 12, 2024	Mail preliminary Official Statement.
July 22, 2024 12:00 noon	Market update conference call.
July 23, 2024 2:00 p.m.	Pre-pricing conference call.
July 24, 2024	Order period from 7:00 a.m. to 8:30 a.m.
July 24, 2024 9:30 a.m.	Pricing conference call and execution of Certificate Purchase Agreement.
July 26, 2024	Send draft of closing documents and certificates for final review.
July 31, 2024	Print and mail final Official Statement.
August 1, 2024	Comments to Bond Counsel on draft closing documents and certificates.
August 2, 2024	Final financing documents and certificates sent to the finance team for signature.
August 9, 2024	Final date for all parties to execute financing documents and certificates.
August 12, 2024	All executed documents, certificates and opinions must be returned to Bond Counsel.
August 14, 2024 1:00 p.m.	Pre-closing via conference call for Series A COPs.
August 15, 2024	Closing of Series A COPs, fund Project Fund and Trustee pays Costs of Issuance.

**CITY OF ALAMEDA HEALTH CARE DISTRICT
FINANCING SCHEDULE
PAGE 4**

October 1, 2024	Architect begins HCAi plan review & approval on Project #1 NPC 4 (7 mos.).
December 1, 2024	Architect begins HCAi plan review & approval on Project #2 NPC 5 (12 mos.).
December 1, 2024	Architect begins HCAi plan review & approval on Project #3 (12 mos.).
May 1, 2025	Commence construction on Project #1 NPC 4 (6 mos.).
June 1, 2025	Architect begins HCAi plan review & approval on Project #4 (6 mos.).
September 8, 2025	Work commences on the Series B COP financing to fund all construction costs associated with Projects 2, 3 and 4, all commencing on December 1, 2025, and to fund any shortfall on Project 1 financed with the proceeds of the Series A COPs.
September 8, 2025	Send Request for Terms, Appendix A and credit package to prospective purchasers.
September 23, 2025	Term Sheets received from prospective purchasers.
September 25, 2025 10:00 a.m.	Evaluate Term Sheets and decide on private placement or public offering. Finance team conference call to discuss options and move forward with optimal option.
October 1, 2025	Bond Counsel sends COP documents to finance team.
October 2, 2025	Send Initial Resolution and Ordinance to District for inclusion in packets to Board meeting.
October 2, 2025	First distribution of POS sent to working group by Disclosure Counsel, if needed.
October 9, 2025 10:00 a.m.	Finance team update and document review conference call.
October 9, 2025 5:30 p.m.	District Special Board meeting – approval of Initial Resolution and Ordinance and authorization to proceed with a private placement or public offering.
October 10, 2025	Revised COP documents and POS sent to the working group.
October 10, 2025 12:00 noon	Conference call with Moody's Investors Service, if needed.
October 15, 2025 10:00 a.m.	Finance team update and document review conference call. Due diligence call.
October 16, 2025	Final draft financing documents and POS sent to finance team.
October 16, 2025	Submit Final Resolution to District for inclusion in packets for upcoming Board meeting.
October 22, 2025	Bond rating provided by Moody's Investors Service, if applicable.
October 22, 2025	Release of executed 15(c)(2)-12 certificate and auditor's consent letter, if applicable.
October 23, 2025	Last day to complete due diligence work.

**CITY OF ALAMEDA HEALTH CARE DISTRICT
FINANCING SCHEDULE
PAGE 5**

October 23, 2025 5:30 p.m.	District Special Board meeting – approve Final Resolution.
October 24, 2025	Mail preliminary Official Statement.
November 1, 2025	Complete construction of Project #1 NPC 4.
November 3, 2025	Send draft of closing documents and certificates for final review.
November 3, 2025 12:00 noon	Market update conference call.
November 4, 2025 2:00 p.m.	Pre-pricing conference call.
November 5, 2025	Order period from 7:00 a.m. to 8:30 a.m.
November 5, 2025 9:30 a.m.	Pricing conference call and execution of Certificate Purchase Agreement.
November 10, 2025	Comments to Bond Counsel on draft closing documents and certificates.
November 11, 2025	Print and mail final Official Statement.
November 12, 2025	Final financing documents and certificates sent to the finance team for signature.
November 19, 2025	Final date for all parties to execute financing documents and certificates.
November 20, 2025	All executed documents, certificates and opinions must be returned to Bond Counsel.
November 24, 2025 1:00 p.m.	Pre-closing via conference call for Series B COPs.
November 26, 2025	Closing of Series B COPs, fund Project Fund and Trustee pays Costs of Issuance.
December 1, 2025	Commence construction on Project #2 NPC 5 (8 mos.).
December 1, 2025	Commence construction on Project #3 (8 mos.).
December 1, 2025	Commence construction on Project #4 (15 mos.).
August 1, 2026	Complete construction of Project #2 NPC 5.
August 1, 2026	Complete construction of Project #3.
March 1, 2027	Complete construction of Project #4.

I look forward to working with all those involved with this financing. Should any of the scheduled dates established above for the completion of tasks cause difficulty for any participant, please contact me immediately at (801) 225-0731 to resolve any potential problem areas.

* Tasks completed.

CITY OF ALAMEDA HEALTH CARE DISTRICT
Estimated Project Sources and Uses of Funds Summary - January 16, 2024

	Sources & Uses		Construction Draw and Capitalized Interest			
	of Funds	%	Month	Monthly	Cumulative	Interest
Estimated Total Project & Financing Costs (Uses of Funds):			1			
Estimated Total Hard Construction Costs ⁽¹⁾	\$ 32,265,722		2			<i>(Interest accruing during construction will be paid from parcel tax revenues.)</i>
Construction Contingency	8,066,432	25%	3			
Total Estimated Construction Costs	40,332,154		4			
Total Soft Costs	7,905,102	25%	5			
Furniture, Fixtures and Equipment	4,908,860		6			
			7			
Total Project Costs	53,146,116		8			
Debt Service Reserve Fund (not anticipated at this time)	-		9			
Capitalized Interest (to be paid from parcel tax revenues)	-		10			
Costs of Issuance (Series A & Series B COPs)	953,884	1.8%	11			
			12			
Total Uses	\$ 54,100,000		13			
			14			
			15			
Estimated Total Funding Sources (Sources of Funds):						
District Cash Reserves - Equity Contribution	\$ -					
Capital Campaign & Grant Funds	-					
Total District Equity, Capital Campaign & Grant Funds	-					
Municipal Equipment Lease Financing ⁽²⁾	-					
Series A COPs (Total Soft Costs & Project 1 Const. & Contingency)	\$ 13,300,000	25%			Total Project Costs	Costs of Issuance
Series B COPs (Total Project Costs & Contingency for Projects 2, 3 & 4)	40,800,000	75%			\$ 12,905,102	\$ 394,898
					40,241,014	558,986
Total Sources	\$ 54,100,000 ⁽³⁾				\$ 53,146,116	\$ 953,884

	Total Costs*	Construction			
		Hard Costs	Contingency	Soft Costs**	Equipment
⁽¹⁾ Estimated Total Construction Costs:					
Project 1 - NPC 4 Upgrades to Anchor Ceiling, Lighting, Sprinklers, etc.	\$ 5,980,000	\$ 4,000,000	\$ 1,000,000	\$ 980,000	\$ -
Project 2 - NPC 5 Upgrades to Water, Sewer & Fuel Tanks	8,253,952	5,521,038	1,380,260	1,352,654	-
Project 3a - Seismic Upgrades to Stephens Wing up to SPC 4D	8,504,809	5,688,835	1,422,209	1,393,765	-
Project 3b - Seismic Upgrades to West Wing up to SPC 4D	5,668,225	3,791,455	947,864	928,906	-
Project 4 - Renovate South Wing 2nd Floor to 18 Medi-SNF Beds	24,739,130	13,264,394	3,316,099	3,249,777	4,908,860
Total Design-Build Contract	\$ 53,146,116	\$ 32,265,722	\$ 8,066,432	\$ 7,905,102	\$ 4,908,860

⁽²⁾ Equipment Municipal Lease Financing - not applicable

⁽³⁾ Estimated Debt Service & Excess Parcel Taxes (assumes Baa2 rating):	
Annual Debt Service Payments (\$54,100,000 @ 5.30% over 30 yrs.)	\$ 3,640,540
Assumed Annual Parcel Tax Revenues (actual FY 2022/23)	6,036,813
Excess Parcel Tax Revenues	\$ 2,396,273
Parcel Tax Coverage Ratio	1.66x

* Includes all costs associated with the planning, design, construction and equipping of improvements to Alameda Hospital, including architectural, engineering, demolition & removal, project management, legal, inspector of record, permits, testing, etc., and a 25% construction contingency needed to complete the Project.

** Soft Costs include A&E, demo and removal, project manager, legal, inspector of record, permits testing, etc. required to plan, design and oversee the Project.

Red Joint Planning Committee Minutes
AHS - City of Alameda Health Care District
 Date: December 18, 2023
 Time: 4 - 6 p.m.

District Board	District Board / AHS Liaison	Alameda Hospital Medical Staff	AHS	Other's
Robert Deutsch M.D. - President Gayle Codiga - Vice President Debi Stebbins - Executive Director	David Sayen	Dr. Nikita Joshi - Chief of Staff and Medical Director of AH ED Dr. Tamina Isolani- Nagarvala AH Hospitalist Medical Director Dr. Indu Subramanian – Chair of Internal Medicine	Jeanette Dong – Chief Strategy Officer Richard Espinoza CAO Post Acute Services Mark Fratzke - COO Mark Friedman - Board of Trustees Mario Harding - CAO Community Hospitals James Helena - Director of Facilities Kimberly Miranda – CFO Grace Mesina – Director of Financial Planning Christy Tho Vo – Manager of Strategic Planning Alice Kinner – Administrative Director Renato Beltran	Katy Ford – Ratcliff Architects Madelyn McClellan –Smith Karng Architects Gary Hick – Financial Bond Advisor Rowena Manlapaz – Community Member

Agenda Item/Topic	Presentation and Discussion Notes	Action Items/ Follow-Up
Call to Order	The meeting was called to order at 4 p.m. by Dr. Robert Deutsch.	
Approval of Meeting Minutes from November, 7 2023	A motion to accept the meeting minutes from November 7, 2023 was made by Ms. Codiga and seconded by Mr. Fratzke. The motion unanimously approved.	Motion Approved
Summary of Alternate Options for Seismic Retrofit and Projected Capital Costs	Ms. Stebbins provided an overview of cost comparisons for Option 3B. Option 1: Estimated at \$58 million. Option 2: Estimated at \$58 million. This will maintain the current 27 acute care beds and convert 2 South to have 18 Medi-SNF beds. Occupational therapy will need to be relocated. Option 3: Estimated at \$78 million. It will convert the third floor to 16 Medi-SNF beds and convert 18 Medi-SNF beds on 2 South.	

Red Joint Planning Committee Minutes

AHS - City of Alameda Health Care District

Date: December 18, 2023

Time: 4 - 6 p.m.

<p>Updated Financial Analysis Options for 3B</p>	<p>Ms. Miranda reviewed the baseline options and key assumptions for Option 3B with the group.</p> <p>Option 1: Converts 27 acute care beds to 16 Medi-SNF beds. The reduction in acute beds required a change in services to lower the census, thereby eliminating transfers/elective surgeries and reducing length of stay (LOS).</p> <p>Option 2: Maintains the 27 acute care beds, same as baseline. Renovates 2 South into 18 Medi-SNF beds. Assumes transfers and elective surgery continue. LOS reduction consistent with other options.</p> <p>Option 3: Converts 27 acute care beds to 16 Medi-SNF beds. Renovates 2 South into 18 Medi-SNF beds. The reduction in acute beds required a change in services, eliminating transfers/elective surgeries, and reducing LOS.</p> <p>The average daily census (ADC) with 39 acute beds is 74%. Industry generally considers 80% optimized.</p> <p>The supplemental reimbursement makes up 40% of revenue system-wide. The most significant change will be in the realignment, which is very unpredictable and can fluctuate year to year. For the presentation given, there was an average of six years taken.</p> <p>There are no system overhead costs included in the analysis Ms. Miranda provided only direct costs.</p> <p><u>Key Points:</u></p> <ul style="list-style-type: none">• The ED is used by Alameda residents (50%).• 40% of the ED payer mix comes from Medicare.• The current SNF payer mix is unfavorable due to referring patterns from Highland.• The current acute care license is for 66 beds, with an Average Daily Census (ADC) of 38 beds, and occupancy is at 58%." <p>LOS is currently 1.5 days above the expected budget, presenting an opportunity to improve throughput and financial performance.</p> <p>Ms. Stebbins asked if it would be valuable for AHS to increase the acute care census at Alameda Hospital. Dr. Joshi noted that a system-wide increase would be beneficial because the Highland ED often boards a high number of patients, including ICU patients, creating a backlog for the system. Additionally, once Doc of the Day is implemented, it would streamline transfers more effectively.</p>	<p>Motion Approved</p>
--	--	------------------------

Red Joint Planning Committee Minutes

AHS - City of Alameda Health Care District

Date: December 18, 2023

Time: 4 - 6 p.m.

Dr. Isolani added that although the ADC is 38 beds, the number of daily patient encounters can be in the mid-50s due to the census not being collected until midnight. This means a bed can be turned over if a patient is admitted and discharged on the same day before midnight, and those patients are not included in the census. By choosing an option with fewer acute bed configurations, there will be a significant decrease in the number of patients seen in a day. Additionally, it would make Alameda Hospital less favorable for physicians to work in. System-wide, physicians have been working aggressively on the Doc of the Day initiative, which will streamline transfers. There is physician staffing to see 66 patients in Alameda every day. The shortage of nursing staff has been a barrier and a significant reason why the ADC has been as low as it's been

Mr. Fratzke noted that if the LOS was reduced by 1 day, it would cut 11,000 patient days. Also, San Leandro Hospital has 22 med-surge beds that can be used for transfers.

Ms. Stebbins asked what is the major reason for LOS not being reduced. Ms. Miranda noted that COVID created a huge uptick through May of 2023.

Discussion ensued on the cost of elective surgery and transfers in relation to Option 2. Dr. Deutsch noted that Option 2 seems to be the best financial choice given the services it will provide. While Option 3 seems unaffordable for the District. Mr. Fratzke added that, regardless of the configuration, it would be beneficial to do all the work upfront, as it might be several years before anything is updated again.

Another consideration Dr. Deutsch noted is that the remodeling of 2 South might not be the sole responsibility of the District since it is not required under the 2030 retrofit options. The District board has not yet agreed on a financial option among the presented choices.

Baseline Financials:

There is a starting loss of \$5.2 million, including parcel tax revenue. There is a change to the baseline, with an increase of \$2.5 million from \$7.5 million to \$9.9 million due to the realignment. Realigning is the formula that determines how much supplemental funding AHS gets to keep. AHS allocates the portion that goes to Alameda; however, it does change year to year. This realignment is based on 1991, which involves a transfer of state revenue to the county to use for healthcare work. It comes from state sales tax and vehicle license fee revenues. There is always a cap on how much it could be; out of the cap, the state takes back the greater or lesser amount.

Key Assumptions used for Options:

Red Joint Planning Committee Minutes

AHS - City of Alameda Health Care District

Date: December 18, 2023

Time: 4 - 6 p.m.

	<p>Option 1 and 3 share the same assumptions regarding no elective surgeries or transfers.</p> <p>Option 1: Reduces the LOS by 0.26 per day, resulting in 558 days at \$2750 per day, which would improve profitability. There are minimum OR requirements for emergency cases. With a projected 269 OR cases from the ED annually, this adds \$1.6 million or 4.77 FTEs in on-call, callback, and support staff.</p> <p>Option 2: Adds 2 additional SNF beds for a total of 18 Medi – SNF beds and reduces the LOS, assuming a performance improvement.</p> <p>Option 3: Combines aspects of both Option 1 and 2 while adding a second medical SNF unit.</p> <p>Ms. Miranda believes the assumed wages for the SNF unit(s) will be equal to the existing Park Bridge salary structure. There are no additional requirements needed to fill the SNF beds; Alameda would simply admit more clinically complex, commercial, and Medicare patients. Many patients currently go to SNFs outside of AHS due to the requested volume being greater than the beds available.</p> <p>Dr. Joshi asked how it benefits AHS to remove elective surgeries in Alameda for Options 1 and 3, and what is the cost differential for minimum versus full-time staffing for emergency Operating Room (OR) cases. Mr. Fratzke noted that the transitional task force will be looking system-wide at how elective surgery may or may not be impacted. Dr. Subramanian noted that with the options that eliminate elective surgery, it could affect the quality of work, as they are not being performed on a routine basis and prevent the ability to be nimble should a patient come through the Emergency Department (ED) needing one of those services.</p> <p>There was additional discussion on how elective surgery plays a role in each option. Some of the reasons elective surgeries end up in a loss are because of the payer mix, inefficiencies, and overall high costs. Mr. Fratzke noted that if Alameda could collectively work on reducing the Length of Stay (LOS), improving efficiencies, and adjusting the surgery mix, then the system can consider closing the \$5 million gap. Dr. Joshi noted that the staff at Alameda would be willing to work on minimizing the losses.</p> <p><u>Average LOS by Campus:</u></p> <ul style="list-style-type: none">• Highland LOS is 6.0• Alameda LOS is 4.6• San Leandro LOS is 4.8 <p>Dr. Deutch noted that the District would like to move forward with consideration and get on the AHS Finance Committee and Board of Trustees agenda for January 3rd and January 10th respectively. The</p>	
--	--	--

Red Joint Planning Committee Minutes

AHS - City of Alameda Health Care District

Date: December 18, 2023

Time: 4 - 6 p.m.

	<p>next step would be a collaborative agreement on one of the three options. Option 2 seems to be the best choice and would offer a return on parcel tax revenue for what is left over.</p> <p>Ms. Dong asked about the deadline for making a decision. Mr. Hicks noted that most of the other District Hospitals he is working with have already begun their plans for architectural designs. The sooner the decision is made, the better, and the increase in construction costs/materials should be taken into consideration, as it can escalate beyond the scope and ability to finance the project. Additionally, there will be an expected delay with HCAI reviewing the proposals, as many hospitals are simultaneously trying to meet the 2030 requirements.</p> <p>Legislative approval for the statutory lien using the parcel tax as the security for bond has to be in place before the debt is issued. Mr. Hicks mentioned there is a discussion on issuing a smaller lien amount to cover the planning costs for consultants before the construction phase. When construction is ready to commence, a larger lien would be issued. Ms. Stebbins informed the group that the statutory lien language had already been submitted to Assemblymember Mia Bonta's office. Ms. Ford added there are two years of inflationary costs added to the cost projections, assuming construction will be taking place in 2026.</p> <p>Ms. Codiga made a motion to move forward with option 2.</p> <p>A discussion ensued on the willingness of the AHS Finance Committee to accept Option 2 with the large loss presented. Mr. Fratzke suggested recommending Option 2 to the AHS Finance Committee with the caveat that the transition team will be charged with closing the \$5 million gap. The group can provide the AHS Finance Committee with ideas, such as the configuration of elective surgeries and putting any leftover parcel tax money back into operations. Mr. Fratzke emphasized that there is a year to figure out how to close the \$5 million gap, and with everyone's help, it can be done. Additionally, Mr. Fratzke noted that the Finance Committee does not approve things; they recommend them to the full board. Ms. Miranda will have a conversation with the Finance Committee Chair to ask what level of detail he would like to see in the presentation.</p> <p>Mr. Fratzke made a revised motion to approve Option 2 as a recommendation to the Finance Committee and also propose a revision to the JPA, allowing the parcel tax to be used as security for the purpose of the seismic upgrades at Alameda Hospital. Mr. Friedman seconded the motion, and it was unanimously carried.</p>	<p>Action: Ms. Stebbins will send Ms. Miranda the Kaufman Hall Study</p> <p>Motion Approved</p>
--	---	--

Red Joint Planning Committee Minutes

AHS - City of Alameda Health Care District

Date: December 18, 2023

Time: 4 - 6 p.m.

Update on Financing Strategy	Ms. Ford informed the group that we are in the final stages of completing the NPC 4 evaluation for anchors required throughout the hospital. Additionally, the NPC 5 report, which deals with the storage tanks that need to be in place by 2030, is also underway. The goal is to submit these reports by the end of the year. Notifications required under AB 1882 are also being worked on. During the HCAI meeting tomorrow, Ms. Ford will ask if Alameda Hospital can be moved to NPC 2, as it appears the work has been completed with one last project that was not properly closed out. HCAI may not get to the review until January due to the high volume of submittals at this time.	
HVAC Update	Mr. Helena informed the group that the contract with SKA has been executed to initiate the design work for temporary readiness, humidification placement, air separators, and the expansion tank. The work is scheduled to commence in the first week of January.	
Other Business	The next meeting will be on Monday, January 29, 2024.	
Adjournment	Dr. Deutsch adjourned the meeting at 5:40 pm	

Minutes submitted by: Alixandria Williams, Executive Assistant

Approved: _____



City of Alameda
HEALTH CARE DISTRICT

Meeting Minutes for December 11, 2023, Open Session
Location: AH Hospital Executive Boardroom

Board Members Present	Legal Counsel Present	Also Present	Absent
Robert Deutsch, MD Gayle Codiga, - Zoom Stewart Chen, DC – Excused Absence David Sayen Jeff Cambra	Tom Driscoll	Debi Stebbins Alixandria Williams Mario Harding Kim Miranda Chris Adams 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.	
Review of 2023 District Audit	<p>Rick Jackson, the district's CPA, reviewed the financial audit for FY 2023. Mr. Jackson noted that the total assets for 2022 were \$6.1 million, compared to just over \$6 million for 2023. The total liabilities for 2022 were \$875,340, as opposed to \$850,160 for 2023. Overall, there were not many changes between the 2022 and 2023 balance sheets, making them fairly comparable to each other.</p> <p>The operating revenues for 2022 were \$177,909, compared to \$184,057 for 2023. Total operating expenses for 2022 were \$1,015,014, rising to \$1,210,644 in 2023. The increase is mainly due to a rise in professional fees. The District tax for 2022 was \$5,938,515, increasing to \$6,036,813 for 2023. Transfers to AHS increased from \$3,546,494 in 2022 to \$4,935,976 in 2023. The total increase in net position for 2023 was \$15,042. Mr. Jackson noted that on pages 7 and 8 of the audit, the cash flow</p>	

	<p>statement explains where the cash comes from and how it is used for District operations. Page 9 starts the footnotes and breaks down more details on the policies.</p> <p>Mr. Jackson pointed out that the General Operating Account for the Bank of Marin is just a general checking account and is, therefore, not interest-bearing. However, many districts in California invest in The Local Agency Investment Fund. The fund is very flexible and allows you to transfer funds at will, and Mr. Jackson suggested that the District look into something like this.</p> <p>A motion to accept the FY 22-23 Financial Audit was made by Ms. Codiga and seconded by Mr. Cambra. The motion was unanimously approved.</p>	Motion Approved
AHS/ AH update	<p>Seismic 2030 Compliance Update:</p> <p>Mr. Harding noted that all acute care hospitals are required to submit an annual report to HCAI regarding their standing on the Seismic Performance Categories (SPC) requirements, dealing with the structural integrity of the building, and Nonstructural Performance Categories (NPC) requirements, which encompass nonstructural elements such as telecommunications and the anchoring of objects to the walls. Currently, Alameda Hospital has been at NPC 1 for a few years, and HCAI is requesting it be moved up to NPC 2. AHS management, the District, and Katy Ford from Ratcliff Architects have been meeting to work towards an NPC 2 rating. Mr. Harding noted that there is a hold-up in validating the work that has been done. Contractors are supposed to sign off once a project is complete so it can be uploaded to the HCAI portal. In some instances, that has not happened, causing delays in backtracking and submitting the necessary paperwork to HCAI for final approval. The goal is to have all buildings at an NPC 5 rating by 2030.</p> <p>In addition to the annual report being sent to HCAI, it will also be sent to 8–10 other labor unions reviewing the scope of work that will be done to achieve the NPC 2 status. Effective January 1, 2024, all hospitals will have to have SPC and NPC status signage publicly posted within the hospital.</p> <p>Month Operating Report (MOR):</p> <p>Mr. Harding noted that AHS management has added another category for Diversity, Health Equity, and Inclusion to their True North Metric Dashboard. The focus is on opportunity race to identify which patient populations are more impacted in various areas compared to others. For example, incidence of C - Difficile, the patient population impacted the most is African Americans/Blacks. This initiative is driven by expectations from CMS Joint Commission, which requires hospitals to demonstrate evidence of addressing social determinants of health and their efforts to promote health equity.</p>	

	<p>Mr. Harding mentioned that action plans to improve performance are created for areas that fall in the red. The quality team will collaborate with various hospital personnel, such as Nurse Managers and the ED Staff, to understand why there is a significant difference in factors like ED boarding time among different racial populations of patients. Additionally, starting July 2024, a law will mandate that patients be offloaded from Ambulance Rigs into the Emergency Department within 30 minutes.</p> <p><u>Leap Frog Hospital Safety Grading:</u></p> <p>Mr. Harding informed the group that the Leap Frog Grades are released twice a year in the Spring and Fall. Alameda Hospital received a C grade for the fall of 2023. There is a lot of metrics and information that go into the grade received. However, there is a time lap for the information collected and when the grade is received.</p> <p>Mr. Cambra noted that the Leap Frog Hospital rating was highlighted in the Alameda Patch Publication. The data is sent to Leap Frog from the quality team.</p>	
Financial Update	<p>Ms. Miranda informed the group that there is no formal report as AHS does not hold committee meetings in December. Ms. Miranda will provide a inwritten report during the February 2024 meeting. Notably, AHS finances are ahead of budget for the first quarter of FY 2024</p> <p>There was discussion about the additional option for the second floor that Ms. Ford provided to the District and AHS. Ms. Miranda will meet with Ms. Stebbins and Ms. Ford this week to discuss the option and better understand the financial implications.</p>	
Patient Care Experience Update	<p>Mr. Adams noted that there is a vacant Nurse Educator position at Alameda Hospital. Additionally, he aims to advocate for more assistant nurse managers in 2024 for the Critical Care Unit, ED, and Med Surg Telemetry.</p> <p>Mr. Adams also mentioned that Jessica Vinkavich filled the Nurse Manager position, and Ron Rojas filled the Assistant Nurse Manager position.</p> <p><u>Nurse Vacancy Rate:</u></p> <p>The vacancy rate dropped from 35% in October to 29% in December due to filling open positions. However, there has not been progress in recruitment for nurses in perioperative services due to a limited supply of nurses with specialized skills. Mr. Adams is working with Teresa Cooper and AHS to create a Perioperative 101 course for new grad nurses. Alameda Hospital has successfully offered new grad positions for Med Surg, Telemetry, the ED, and ICU. Although there are still open positions, they are currently being filled by traveling nurses until full-time nurses can be hired.</p> <p><u>California Nurses Association Contract:</u></p> <p>Mr. Adams reminded the group that the California Nurses Association contract ends on December 31, 2023. Management has been in contact with CNA regarding negotiations and will have the first meeting at the beginning of January 2024. The goal is to establish a single contract covering both San Leandro and Alameda Hospitals, enabling nurses to work at both campuses and minimizing staffing issues.</p>	

	<p>It's important to note that Highland Hospital is not under the same license and will continue to have a separate contract from Alameda and San Leandro.</p> <p><u>Rover:</u></p> <p>An iPhone is now available for nurses to use as a scanner to document patient information, eliminating the need for rolling in computers as done before. This also enables easier contact with nurses, as they can be called directly on the phone.</p> <p><u>Telesitter:</u></p> <p>This is a monitor in patients' rooms designed to track their movements. These machines are monitored by live humans who promptly alert the appropriate personnel when they observe someone getting out of bed or requiring assistance. There are specific criteria determining when a patient can use Telesitter versus having a person present.</p>	
Alameda Medical Staff Updated	Dr. Deutsch briefly summarized the Medical Staff report submitted by Dr. Joshi. Dr. Bhuket has been appointed as the Medical Staff Representative to the AHS Board of Trustees, pending approval by the Board of Supervisors.	
Presidents Report Update	Dr. Deutsch reminded the group that the conflict-of-interest forms are due by the end of December 2023.	
AHS Liaison Report	<p>Mr. Sayen informed the group that the Board of Supervisors is seeking recommendations for the Board of Trustees, as Jennifer Astine's term has not been renewed.</p> <p>Ms. Stebbins noted that Jennifer Ong, an optometrist from San Leandro and past member of Alameda Community Advisory Committees would be a good candidate to recommend to the Board of Supervisors.</p>	
Property Oversight Committee	<p>Mr. Cambra informed the group that Unit E for the Pearl Street property has been rented out.</p> <p>Regarding the Request for Proposal (RFP) for a property management company, Mr. Cambra noted that it is not straightforward as they provide a service. Most companies will offer a packet of their services based on a percentage of the monthly rent. Due to property management companies working with outside contractors for repairs, the District will have to ensure the property management company follows independent contractor/employee requirements.</p>	
JPC Update	Dr. Deutsch informed the group that the focus now is to choose a specific option among those provided for Option 3B. This will allow Ms. Ford and Ms. Miranda to provide a clear budget, enabling the issuance of a Certificate of Participation (COP) for funding. Additionally, lobbying has begun to allow the parcel tax to be used as security for the COP.	
Executive Director Report	Ms. Stebbins informed the group that there was a preliminary meeting with some AHS Trustees to explain the COP financing process. The goal is to be on the AHS Finance Committee meeting agenda in January 2024, as well as the AHS Board meetings agenda, to seek approval for amending the JPA	

	and allowing the parcel tax to be used as security for the COP. The language for the statutory lien has been drafted and presented to Assemblymember Mia Bonta's office.	
--	--	--

Consent Agenda		
	<p>A. Acceptance of Minutes from October 10, 2023</p> <p>B. Acceptance of Financial Statements, from September 2023</p> <p>C. Acceptance of Financial Statements, from October 2023</p> <p>A motion to accept the Consent Agenda was made by Mr. Sayen and seconded by Mr. Cambra The motion was unanimously approved.</p>	Motion Approved
Action Items		
Recommendation to Approve True Up Tax Distribution to AHS	A motion to approve an additional \$657,453 for Fiscal year 2022- 2023 as the parcel tax true-up transfer to AHS was made Mr. Cambra and seconded by Ms. Codiga. The motion was unanimously approved.	Motion Approved.
2024 District Board Meeting Dates	A motion to approve the meeting dates presented for 2024 was made by Ms. Codiga and seconded by Mr. Cambra. The Motion was unanimously approved.	Motion Approved
Board Officer and Liaison Positions.	<p>A motion to continue the same officer/liaison positions for 2023 in 2024 was made by Ms. Codiga and seconded by Mr. Cambra. The motion was unanimously approved.</p> <p>President / Representative #1 to City of Alameda Liaison Committee Robert Deutsch, MD 1st Vice President Gayle Codiga 2nd Vice President Stewart Chen, DC Secretary Jeff Cambra Treasurer David Sayen Alameda Health System Liaison David Sayen Community Health Liaison Stewart Chen, DC Alameda Hospital Liaison Robert Deutsch, MD Representative #2 on City of Alameda Liaison Committee Jeff Cambra</p>	Motion Approved
Recommendation on Roofing Contractor	A motion to engage Central Bay Roofing and Restoration to replace the Pearl Street apartments roofs was made by Mr. Cambra and seconded by Mr. Sayen. The Motion was unanimously approved	Motion Approved

Property Management RFP	Mr. Cambra provided the group with general language for vetting future property management companies. He will provide an update during the February Board Meeting on prospective companies and the services they offer. Additionally, Mr. Cambra will look into the length of notice required to terminate the contract with the current property management team.	
-------------------------	--	--

Minutes submitted by: Alixandria Williams, Executive Assistant

Approved: _____

FINANCIAL STATEMENTS TO BE DISTRIBUTED UNDER SEPARATE COVER



February 12, 2024

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

From: **Debi Stebbins
Executive Director**

RE: **Recommendation to Engage Brian Quint as Bond Counsel**

Recommendation: That the Board of Directors of the City of Alameda Health Care District engage Brian Quint of the firm Quint & Thimmig as bond counsel for the issuance of the Certificate of Participation to finance the 2030 seismic upgrade of Alameda Hospital at the proposed fee of \$95,000.

Agreement for Legal Services

CITY OF ALAMEDA HEALTH CARE DISTRICT CERTIFICATES OF PARTICIPATION



THIS AGREEMENT FOR LEGAL SERVICES is made and entered into this _____ day of _____, 2024, by and between the CITY OF ALAMEDA HEALTH CARE DISTRICT (the "District"), and QUINT & THIMMIG LLP, Larkspur, California ("Attorneys").

WITNESSETH:

WHEREAS, the District proposes to issue two tax-exempt, publicly offered, parcel tax-secured certificates of participation issues (the "COPs") to fund various projects for the District;

WHEREAS, the District requires the services of bond counsel in connection with the authorization, issuance and sale of the COPs;

WHEREAS, the District has determined that Attorneys are qualified by training and experience to perform the services of bond counsel and Attorneys are willing to provide such services; and

WHEREAS, the public interest, economy and general welfare will be served by this Agreement for Legal Services;

NOW, THEREFORE, IT IS HEREBY AGREED, as follows:

Section 1. Duties of Attorneys. Attorneys shall provide legal services, as bond counsel, in connection with the authorization, issuance and consummation of the financing proceedings relating to the COPs. Such services shall include the following:

- (a) Consult and cooperate with officials of the District, District legal counsel, financing consultants, underwriters and other consultants, staff and employees of the District, and assisting such consultants, staff and employees in the formulation of coordinated financial and legal proceedings;
- (b) Attend all meetings of the District at which the financing is to be discussed, as deemed necessary by for the proper planning of the financing proceedings or when specifically requested to attend;
- (c) Prepare any required indentures, ordinances, agreements and all resolutions, notices and legal documents necessary for the proper conduct of the financing proceedings;
- (d) Review all financial documents for legal sufficiency;

(e) Review, without undertaking an independent investigation, any official statement or other disclosure document prepared in connection with the financing proceedings to assure correctness of disclosure relating to the legal documents;

(f) Prepare and provide a signature and no-litigation certificate, an arbitration certificate and any and all other closing documents required to accompany delivery of the securities;

(g) Prepare and provide a complete transcript of the proceedings necessary to accompany delivery of the securities;

(h) Subject to the completion of proceedings provide a legal opinion that (if tax-exempt) the interest due with respect to the securities is excluded from gross income for purposes of federal income taxation and that such interest is exempt from California personal income taxation;

(i) Subject to the completion of proceedings, provide a legal opinion approving in all regards the legality of all proceedings relating to the securities;

(j) Confer and consult with the District officials and agents with regard to problems which may arise during the servicing and payment of principal of and interest on the securities; and

(k) Such other and further services as are normally performed by bond counsel in connection with the issuance of securities.

Section 2. Compensation.

(a) For the services set forth under Section 1. above, Attorneys shall be paid a legal fee, inclusive of all out-of-pocket expenses, as follow:

For the first issue, a fee of \$40,000

For the second issue, a fee of \$55,000

Payment of said fees shall be entirely contingent, shall be due and payable upon the delivery of each issue of the COPs and shall be payable solely from the proceeds of the COPs and from no other funds of the District.

Section 3. Responsibilities of District. The District shall cooperate with Attorneys and shall furnish Attorneys with certified copies of all proceedings taken by the District and deemed necessary by Attorneys to render an opinion on the validity of the COPs. All costs and expenses incurred incidental to the financing, including the cost and expense of preparing certified copies of proceedings required by Attorneys in connection with the financing, the cost of all printing and publication costs, fees and expenses of parties other than Attorneys, costs and expenses of legal advertising and all other expenses incurred in connection with the financing, shall be paid by the District from the proceeds of the financing and shall not be the responsibility of Attorneys.

Section 4. Non-Legal Services. In performing their services as bond counsel pursuant to this Agreement for Legal Services, it is understood and acknowledged by the District that Attorneys will not be providing financial advisory, placement agent, investment banking or other similar services. It is expected that the District will engage other consultants to provide any such services with respect to the financing.

Agreement for Legal Services
Quint & Thimmig LLP

Section 5. Termination of Agreement. This Agreement for Legal Services may be terminated at any time by the District, with or without cause, upon written notice to Attorneys. In the event of such termination, all finished and unfinished documents shall, at the option of the District, become its property and shall be delivered by Attorneys to the District.

Section 6. Amendment or Modification. No amendment, modification, or other alteration of this Agreement shall be valid unless in writing and signed by both of the parties hereto.

Section 7. Transfer of Legal Representation. On March 31, 2024, the firm of Quint & Thimmig LLP will be dissolved. Beginning on April 1, 2024, the firm of Stradling Yocca Carlson & Rauth LLP will succeed Quint & Thimmig LLP as Attorneys hereunder and the District hereby agrees to such succession. Brian D. Quint will represent the Attorneys before and after the succession.

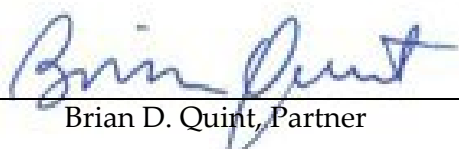
Section 8. Entire Agreement. This Agreement contains the entire agreement of the parties hereto. No other agreement, statement, or promise made on or before the effective date of this Agreement will be binding on the parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed by their respective officers thereunto duly authorized as of the day and year first above written.

CITY OF ALAMEDA HEALTH CARE
DISTRICT

By _____
Name _____
Title _____

QUINT & THIMMIG LLP

By  _____
Brian D. Quint, Partner



February 12, 2024

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

From: **Debi Stebbins
Executive Director**

RE: Engagement of US Bank as Agent for Certificate of Participation

Recommendation: That the City of Alameda Health Care District engage US Bank as the Trustee, Paying Agent, Transfer Agent, Registrar and Depository Agent for the Certificate of Participation to Finance the 2030 Seismic Upgrade of Alameda Hospital at a proposed fee totaling \$11,000.



Schedule of Fees for Services as
Trustee, Paying Agent, Transfer Agent, Registrar, Depository Agent
For
City of Alameda Health Care District
Certificates of Participation 2024
and Deposit Account

CTS01010 A	Acceptance Fee - The acceptance fee includes the administrative review of documents, initial set-up of the account, and other reasonably required services up to and including the closing. This is a one-time, non-refundable fee, payable at closing. Does not include legal fees.	Amount \$2,500.00
CTS04200	Trustee - Annual fee for the standard trustee services associated with the administration of the account. Administration fees are payable in advance.	Amount \$2,500.00
CTS16156 B	Legal Expenses - Includes fees and expenses of legal counsel as well as the rendering of a standard legal opinion if required.	Amount \$3,000.00
CTS01010 B	Acceptance Fee - The acceptance fee includes the administrative review of documents, initial set-up of the account, and other reasonably required services up to and including the closing. This is a one-time, non-refundable fee, payable at closing. Includes fees and expenses, if any, of legal counsel (except for the fees associated with rendering a standard legal opinion).	Amount \$1,500.00
CTS04060	Depository - Annual fee for standard depository services associated with the administration of the account. Administration fees are payable in advance.	Amount \$1,500.00

Direct Out of Pocket Expenses. Reimbursement of expenses associated with the performance of our duties, including but not limited to publications, legal counsel's fees and expenses after the initial closing, travel expenses, and filing fees will be billed at cost.

Extraordinary Administration Services. Extraordinary Administration Services ("EAS") are duties, responsibilities or activities not expected to be provided by the trustee or agent at the outset of the transaction, not routine or customary, and/or not incurred in the ordinary course of business, and may require analysis or interpretation. Billing for fees and expenses related to EAS is appropriate in instances where particular inquiries, events or developments are unexpected, even if the possibility of such circumstances could have been identified at the inception of the transaction, or as changes in law, procedures, or the cost of doing business demand. At our option, EAS may be charged on an hourly (time expended multiplied by current hourly rate), flat or special fee basis at such rates or in such amounts in effect at the time of such services, which may be modified by us in our sole and reasonable discretion from time to time. In addition, all fees and expenses incurred by the trustee or agent, in connection with the trustee's or agent's EAS and ordinary administration services and including without limitation the fees and expenses of legal counsel, financial advisors and other professionals, charges for wire transfers, checks, internal transfers and securities transactions, travel expenses, communication costs, postage (including express mail and overnight delivery charges), copying charges and the like will be payable, at cost, to the trustee or agent. EAS fees are due and payable in addition to annual or ordinary administration fees. Failure to pay for EAS owed to U.S. Bank when due may result in interest being charged on amounts owed to U.S. Bank for extraordinary administration services fees and expenses at the prevailing market rate.

General. Your obligation to pay under this Fee Schedule shall govern the matters described herein and shall not be superseded or modified by the terms of the governing documents, and survive any termination of the transaction or governing documents and the resignation or removal of the trustee or agent. This Fee Schedule shall be construed and interpreted in accordance with the laws of the state identified in the governing documents without giving effect to the conflict of laws principles thereof. You agree to the sole and exclusive jurisdiction of the state and federal courts of the state identified in the governing documents over any proceeding relating to or arising regarding the matters described herein. Payment of fees constitutes acceptance of the terms and conditions described herein.

Account approval is subject to review and qualification. Fees are subject to change at our discretion and upon written notice. Fees paid in advance will not be prorated. The fees set forth above and any subsequent modifications thereof are part of your agreement. Finalization of the transaction constitutes agreement to the above fee schedule, including agreement to any subsequent changes upon proper written



notice. In the event your transaction is not finalized, any related out-of-pocket expenses will be billed to you directly. Absent your written instructions to sweep or otherwise invest, all sums in your account will remain uninvested and no accrued interest or other compensation will be credited to the account. Payment of fees constitutes acceptance of the terms and conditions set forth.

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT:

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account.

For a non-individual person such as a business entity, a charity, a Trust or other legal entity we will ask for documentation to verify its formation and existence as a legal entity. We may also ask to see financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

February 12, 2024

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

From: Debi Stebbins
Executive Director

RE: **Engagement of Piper Sandler as Senior Managing Underwriter and Hilltop Securities as Co-Managing Underwriter and Piper Sandler as Placement Agent for the District's proposed Certificate of Participation financing to fund the 2030 Seismic Renovation at Alameda Hospital**

Recommendation: That the City of Alameda Health Care District engage the firms of Piper Sandler as Senior Managing Underwriter and Hilltop Securities as Co-Managing Underwriter and Piper Sandler as Placement Agent for the Certificate of Participation financing to fund the 2030 Seismic Upgrade of Alameda Hospital.

Background: Gary Hicks prepared and distributed an RFP for the combined underwriter/placement agency role for the District Certificate of Participation financing to three firms. All three firms, Hilltop Securities, Piper Sandler and DA Davidson responded with proposals. Mr. Hicks and I reviewed all three proposals and were particularly impressed with the proposals from Piper Sandler and Hilltop Securities (see attached full proposals).

We are recommending that Piper Sandler be engaged in the Senior Managing Underwriter (having 80% liability) role and Hilltop Securities in the Co-Managing Underwriter role (with 20% liability). It is not unusual to engage the services of two firms, which in this case bring complementary backgrounds. Piper Sandler has been the underwriter and placement agent for multiple District issuances, was the underwriter for the West Contra Costa Healthcare District Parcel Tax Certificate of Participation financing has a strong working relationship with Moody's, the likely rating agency we will use. Hilltop Securities has also been the underwriter and placement agent for multiple District issuances, including the Palm Drive Health Care District Parcel Tax Revenue Bonds. Piper Sandler notably was the underwriter for a bond financing completed for the City of Alameda just last year. The costs of their two proposals were comparable and will be prorated based on their relative participation. Attached is a side by side comparison of the proposals as well as the company responses to the RFP.

**CITY OF ALAMEDA HEALTH CARE DISTRICT
ANALYSIS OF UNDERWRITER'S PROPOSALS**

	Piper Sandler	Hilltop Securities	DA Davidson
Total Capital (in millions)	\$1,034	\$422	\$350
Net Capital (in millions)	\$157	\$298	\$136
Excess Net Capital (in millions)	\$156	\$291	\$133
Investment Banker - Primary	Todd Van Deventer (50%)	Mike Cavanaugh & Josh Lentz (55%)	Richard Han (55%)
Investment Banker - Support	Frank Kaul (15%)	Michelle Vobach & Jim Towne (10%)	Dana Cojocaru-Ivoska (20%)
Financial Analyst	Mickey Mendoza (15%)	Andy Kuo (10%)	Dana Cojocaru-Ivoska (5%)
Trader/Underwriter	Matt Morell & Chris Bessette (20%)	William Evans & John Pellicci (25%)	Brian Courtney & Justin Sheldon (20%)
L-T Underwritings Nationwide:			
Dollar Size (in millions)	\$101,288	\$23,016	\$24,326
Number	3,209	635	1,934
L-T Underwritings in CA:			
Dollar Size (in millions)	\$20,201	\$2,648	\$907
Number	518	114	78
L-T Privately Placed Nationwide:			
Dollar Size (in millions)	\$14,495	\$453	\$6,719
Number	1,313	18	851
L-T Privately Placed in CA:			
Dollar Size (in millions)	\$1,007	\$453	\$155
Number	68	18	35
Number of Institutional Brokers	110	37	70
Number of Retail Brokers	5	286	370
Number of California Brokers	6	50	66
California Trading Desk	Yes	Yes	Yes
Underwriter's Counsel Required	Yes	Yes	Yes
Underwriter's Counsel Cost	\$9,000/\$7,500	\$7,500/\$10,000	\$10,000 / \$20,000
Litigation	See Proposal	See Proposal	See Proposal
<u>\$13.3M ISSUE SIZE (\$/\$1,000):</u>			
Public Offering T-E Fixed Rate:			
Takedown	\$3.75	\$3.50	\$4.75
Management Fee	0.25	0.00	0.00
Expenses	<u>0.50</u>	<u>0.57</u>	<u>0.59</u>
Total	<u>\$4.50</u>	<u>\$4.07</u>	<u>\$5.34</u>
Private Placement T-E Fixed Rate:			
Takedown	\$2.50	\$3.00	\$1.50
Management Fee	\$0.00	\$0.00	\$0.00
Expenses	<u>\$0.25</u>	<u>\$0.00</u>	<u>\$0.00</u>
Total	<u>\$2.75</u>	<u>\$3.00</u>	<u>\$1.50</u>
Underwriting Discount (Public Offering)	\$59,850	\$54,131	\$71,022
Placement Agent Fee	\$36,575	\$39,900	\$19,950
<u>\$40.8M ISSUE SIZE (\$/\$1,000):</u>			
Public Offering T-E Fixed Rate:			
Takedown	\$3.75	\$3.50	\$3.75
Management Fee	0.25	0.00	0.00
Expenses	<u>0.27</u>	<u>0.57</u>	<u>0.25</u>
Total	<u>\$4.27</u>	<u>\$4.07</u>	<u>\$4.00</u>
Private Placement T-E Fixed Rate:			
Takedown	\$2.50	\$3.00	\$1.50
Management Fee	\$0.00	\$0.00	\$0.00
Expenses	<u>\$0.17</u>	<u>\$0.00</u>	<u>\$0.00</u>
Total	<u>\$2.67</u>	<u>\$3.00</u>	<u>\$1.50</u>
Liable for Fees & Exp. if Terminated	No	No	No
Underwriting Discount (Public Offering)	\$174,237	\$166,076	\$163,220
Placement Agent Fee	\$108,949	\$122,415	\$61,208
All-Inclusive Rate 30-year	4.68%	4.31%	4.66%
All-Inclusive Rate 35-year	4.81%	N/A	4.75%
Rating Assumed	A3	Aa3	Baa2
Marketing & Pricing Performance	Excellent	Excellent	Very Good
Structure Ideas Included in Proposal	Excellent	Very Good	Good
Recommendation:			
Underwriting Role	Senior Manager	Co-Manager	
Liability	80%	20%	
Management Fee	100%		
Placement Agent Role	Placement Agent		

February 6, 2024

Ms. Debi Stebbins, Executive Director
City of Alameda Health Care District
Via e-mail: dstebbins@alamedahealthcaredistrict.org

Re: Underwriter/Placement Agent Engagement Letter
City of Alameda Health Care District Parcel Tax Certificates of Participation, Series 2024 & Series 2025, (the "Securities")

Dear Ms. Stebbins:

This letter confirms the agreement (the "Agreement") between Piper Sandler & Co. ("Piper Sandler" or "we" or "us") and the City of Alameda Health Care District (the "Issuer" or "you") as follows:

1. **Engagement.** The Issuer hereby engages Piper Sandler to serve as an underwriter or placement agent for the Securities. As currently contemplated, the transaction will be an underwriting or private placement of the Securities in one or multiple series with gross proceeds of approximately \$55,000,000. Sale and delivery of the Securities by the Issuer will occur on the day of closing (the "Closing Date").
2. **Scope of Services.** We understand that the decision to either conduct a public sale of the Securities or sell the Securities as a private placement to a single or limited number of investors will be made by you sometime in the future. As a preliminary matter, we can assist you in determining whether to pursue a public sale or a private placement to a bank or other financial institution, based upon the facts and circumstances in evidence at that time. Depending on the capacity in which we would be acting, Piper Sandler agrees, as appropriate and directed by you, to provide the following services.

As Senior Managing Underwriter:

- (a) Develop a financing plan for the Securities and assist you in determining the economic impact of the Securities;
- (b) Provide advice concerning structure, timing, terms and other similar matters concerning the Securities, including recommendations as to maturities, interest rates, structure, security, timing, and amount of proceeds needed to implement your plan of finance;
- (c) Review and make comments with respect to sale documents, as applicable, including Explanatory Statements, Authorizing Bond Resolutions, bond declarations and Indentures and other underlying documents relating to the Securities;
- (d) Develop a sale schedule that incorporates all aspects of bringing the Securities to market and arranging for a successful closing of the transaction;
- (e) Assist in the preparation of the preliminary and final Official Statements to be issued by you relating to the Securities for final approval by you and your agents, including Special Counsel and Issuer Counsel;
- (f) Assist in making presentations to rating agencies with respect to the Securities;
- (g) Evaluate and make recommendations concerning the use of bond insurance and any other available credit enhancements;

- (h) Distribute preliminary and final Official Statements and other documents to a broad list of institutions, banks, trusts, insurance companies, professional investment advisors, and other prospective investors in the Securities;
- (i) Develop a marketing plan for the offering, including identification of potential investors;
- (j) Negotiate the pricing, including the interest rate, and other terms of the Securities;
- (k) Obtain CUSIP number(s) for the Securities and arranging for their DTC book-entry eligibility as required;
- (l) Provide a final schedule of debt service payments for the Securities;
- (m) Review and make comments with respect to closing documents prepared by Special Counsel;
- (n) For a public sale, form, if deemed appropriate by you, an underwriting group for the purpose of underwriting the Securities, and inform you as to the membership of any group so formed;
- (o) Plan and arrange for the closing and settlement of the issuance and delivery of the Securities; and
- (p) Other activities that are integral to the purchase and distribution of the Securities and activities integral to fulfilling the role of a placement agent or underwriter including under the antifraud provisions of the federal securities laws and the obligations of Piper Sandler under MSRB rules.

As a Placement Agent:

- (a) consult with you in planning and implementing the placement of the Securities;
- (b) assist you in reviewing any transaction materials (the "Transaction Materials") we mutually agree are beneficial or necessary to the consummation of the transaction;
- (c) assist you in preparing for due diligence conducted by potential investors;
- (d) identify potential investors and use our reasonable commercial efforts to assist in arranging sales of the Securities to investors; and
- (e) assist you in negotiating definitive documentation.

3. Fees and Expenses.

- (a) For our services, you agree to pay us:

Private Placement*:	\$2.50/\$1,000
Public Offering ⁽¹⁾ :	\$4.00/\$1,000

*These fees do not include expenses including Underwriter's Counsel, CDIA, DTC, CUSIP, Ipreo for which Piper Sandler expects the District to pay or reimburse Piper Sandler for at closing.

⁽¹⁾The Public Offering fee consists of a takedown of \$3.75/\$1,000 and a management's fee of \$0.25/\$1,000. If the Issuer elects to have Piper Sandler serve as the Senior Manager

of an underwriting syndicate, Piper Sandler would split the takedown among the other syndicate members as later determined but would receive 100% of the management's fee.

For avoidance of doubt, the underwriter's discount or placement agent fee are not payable in the event a closing of the Securities does not occur.

4. ***Representations, Warranties and Agreements of the Issuer.***

You represent and warrant to, and agree with us, that:

- (a) the Securities will be sold by you in compliance with the requirements for exemptions from registration or qualification of, and otherwise in accordance with, all federal and state securities laws and regulations;
- (b) you will make available to us and each purchaser such documents and other information which we and each purchaser reasonably deem (the "Transaction Materials") appropriate and will provide access to your officers, directors, employees, accountants, counsel and other representatives and will provide each purchaser and us opportunities to ask questions and receive answers from these persons; it being understood that we and each purchaser will rely solely upon such information supplied by you and your representatives without assuming any responsibility for independent investigation or verification thereof;
- (c) you agree to be responsible for the accuracy and completeness of any Transaction Materials to the extent of federal securities laws applicable to the transaction. You agree to notify us promptly of any material adverse changes, or development that may lead to any material adverse change, in your business, properties, operations, financial condition or prospects and concerning any statement contained in any Transaction Materials, or in any other information provided to us, which is not accurate or which is incomplete or misleading in any material respect;
- (d) all financial projections that have or will be made available to Piper Sandler by you or any of your representatives in connection with the Transaction (the "Projections") have been and will be prepared in good faith and will be based upon assumptions believed by you to be reasonable (it being understood that projections by their nature are inherently uncertain and no assurances are being given that the results reflected in the Projections will be achieved); and
- (e) On the Closing Date, you will deliver or cause to be delivered to us an Opinion of Special Counsel to you, dated the Closing Date relating to: the validity of the Securities; exemption from registration and qualification under federal and state securities law; and if applicable the tax-exempt status of the Securities, together with a reliance letter from such counsel, dated the Closing Date and addressed to us and in a form acceptable to us.

5. ***Other Matters Relating to Our Engagement.*** The parties agree that we are not making a final commitment to underwrite or place securities until certain events have occurred including among other things, a satisfactory completion and execution of all final documentation for an offering including all terms and conditions and credit approval by Piper Sandler's internal credit approval process. This Agreement is therefore not a final commitment by us express or implied, to underwrite, place or purchase any securities. If you elect to conduct a public offering of the Securities, you and Piper Sandler will enter into a definitive certificate purchase agreement which shall supersede the provisions of this agreement in any conflicting respects, except that the parties agree that the fee provisions set forth in Section 3 will continue to apply.

You acknowledge that you have retained us solely to provide the services to you as set forth in this agreement. As underwriter or placement agent, Piper Sandler may provide advice concerning the

structure, timing, terms, and other similar matters concerning the transaction. You acknowledge and agree that: (i) the primary role of Piper Sandler as an underwriter or placement agent, is to sell or place securities to investors in an arms-length commercial transaction and that Piper Sandler has financial and other interests that differ from your interests (ii) Piper Sandler is not acting as a municipal advisor, financial advisor or fiduciary to you or any other person or entity and has not assumed any advisory or fiduciary responsibility to you with respect to the transaction contemplated herein and the discussions, undertakings and proceedings leading thereto (irrespective of whether Piper Sandler has provided other services or is currently providing other services to you on other matters) (iii) the only obligations Piper Sandler has to you with respect to the transaction contemplated hereby expressly are set forth in this agreement and (iv) you have consulted your own legal, accounting, tax, financial and other advisors, as applicable, to the extent deemed appropriate in connection with the transaction contemplated herein.

6. **Disclosure.** Attached to this letter are regulatory disclosures required by the Securities and Exchange Commission and the Municipal Securities Rulemaking Board to be made by us at this time because of this engagement. We may be required to send you additional disclosures regarding the material financial characteristics and risks of such transaction or describing those conflicts. At that time, we also will seek your acknowledgement of receipt of any such additional disclosures. It is our understanding that you have the authority to bind the Issuer by contract with us, and that you are not a party to any conflict of interest relating to the Securities. If our understanding is incorrect, please notify the undersigned immediately.
7. **Termination.** You or we may terminate our engagement under this agreement, with or without cause, upon ten days' written notice to the other party. The fee and expense reimbursement, your representations and warranties will survive any termination of our engagement under this agreement. For avoidance of doubt, if this agreement is terminated prior to a closing of the Securities (and no closing of a placement of the Securities occurs within six months of the termination with any entity previously solicited or identified by Piper Sandler as part of its placement process), Piper Sandler is to be reimbursed only for its out-of-pocket expenses incurred by Piper Sandler in relation to its efforts to place or underwrite the Securities.
8. **Section Headings.** Section headings contained herein are for convenience of reference only and are not part of this agreement.
9. **Amendment.** This agreement may be amended only by a written instrument executed by each of the Parties. The terms of this agreement may be waived only by a written instrument executed by the party waiving compliance.
10. **Entire Agreement.** This agreement embodies the entire agreement and understanding between you and us and supersedes all prior agreements and understandings relating to the subject matter of this agreement.
11. **No Assignment.** This agreement has been made by the Issuer and Piper Sandler, and no other person shall acquire or have any right under or by virtue of this agreement.
12. **Governing Law.** This agreement, and all claims or causes of action (whether in contract or tort) that may be based upon, arise out of or relate to this agreement or the negotiation, execution or performance of this agreement, will be governed by and construed in accordance with the laws of California. You and we hereby waive all right to trial by jury in any action, proceeding, or counterclaim (whether based upon contract, tort or otherwise) in connection with any dispute arising out of this agreement or any matters contemplated by this agreement.
13. **Consent to Jurisdiction; Service of Process.** The parties each hereby (a) submits to the jurisdiction of any state or federal court sitting in the County of Alameda, California for the resolution of any claim or dispute with respect to or arising out of or relating to this agreement or the relationship between the parties (b) agrees that all claims with respect to such actions or

proceedings may be heard and determined in such court, (c) waives the defense of an inconvenient forum, (d) agrees not to commence any action or proceeding relating to this agreement other than in a state or federal court sitting in the County of Alameda, California and (e) agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 17. Nothing in this agreement will affect the right of any party to this agreement to serve process in any other manner permitted by law.

14. **Effectiveness.** This agreement shall become effective upon its execution by duly authorized officials of all parties hereto and shall be valid and enforceable from and after the time of such execution.
15. **Severability.** In the event any provision of this agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof. You and us will endeavor in good faith negotiations to replace the invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid or unenforceable provisions.
16. **Counterparts.** This agreement may be executed in several counterparts (including counterparts exchanged by email in PDF format), each of which shall be an original and all of which shall constitute but one and the same instrument.
17. **Notices.** Any notice required or permitted to be given under this agreement shall be given in writing and shall be effective from the date sent by registered or certified mail, by hand, facsimile or overnight courier to the addresses set forth on the first page of this agreement with a copy sent to the General Counsel of such Party.
18. THE PARTIES HEREBY IRREVOCABLY WAIVE ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT.

Please confirm that the foregoing correctly and completely sets forth our understanding by signing and returning to us the enclosed duplicate of this engagement agreement.

Sincerely,



Todd Van Deventer, Managing Director
Piper Sandler & Co.

Acknowledgement and Approval of Engagement

Date: _____

January 30, 2024



City of Alameda Health Care District

Response to Request for Proposal



City^{OF} *Alameda*
HEALTH CARE DISTRICT

Todd Van Deventer
Managing Director

Tel: +1 913-345-3352
Email: todd.vandeventer@psc.com

Frank Kaul
Vice President

Tel: +1 612-303-6608
Email: francis.kaul@psc.com

Mickey Mendoza
Vice President

Tel: +1 612-303-6216
Email: mickey.mendoza@psc.com

Debi Stebbins, Executive Director
City of Alameda Health Care District
dstebbins@alamedahealthcaredistrict.org

Gary Hicks, President
G.L. Hicks Financial, LLC
gary@glhicks.com

Dear Ms. Stebbins and Mr. Hicks,

On behalf of Piper Sandler, we appreciate the opportunity to submit this proposal to provide underwriting or placement agent services to the City of Alameda Health Care District (the "District"), in connection with the proposed issuance of approximately \$55 million in tax-exempt certificates of participation (the "Certificates"). A few highlights of our proposal include:

Directly Relevant Experience: The District pursuit of a long-term parcel tax backed financing to fund its project closely matches our recent experience leading West Contra Costa Health Care District ("WCCHCD") through multiple recent financings including their long-term public financing in 2021. As discussed further in our response, not only did we have excellent results in the sale of the bonds for WCCHCD, but we also helped lead the WCCHCD to a "Aa3" rating despite WCCHCD's previous bankruptcy and lack of ongoing direct health care operations.

California Health Care District and National District Hospital Experience: Over the last five years we have completed 52 financings for health care districts nationwide (more than triple any other investment bank) with a combined par amount of over \$1.3 billion. In particular, the Piper Sandler banking team has worked with more than 20 California hospital districts as underwriter or placement agent. These financing include many tax-backed issues such as our recent work for West Contra Costa, Tehachapi Valley, Corcoran, Tulare Health Care District. This experience allows us to provide actionable insight to our California hospital district borrowers, investors and rating agencies that we believe will help the District achieve the lowest cost of borrowing under any given structure.

Leading California and Alameda Underwriting Firm: Piper Sandler has significant experience leading the City of Alameda and other Alameda County borrowers through financings. In fact, **Piper Sandler served as the sole underwriter for the City of Alameda's lease revenue bonds issued in December 2023.** Locally, in the last 20 years Piper Sandler has served as the senior or sole underwriter or placement agent on 39 long-term negotiated transactions worth over \$2 billion for issuers in Alameda County. Piper Sandler also maintains a strong presence throughout California with eight offices in key regions as well as a dedicated underwriting and trading desk in San Francisco where all of our California transactions are priced. During the last five (5) years, Piper Sandler has senior managed 444 long-term negotiated transactions worth approximately \$13.1 billion for California issuers making our firm the #2 ranked underwriter of municipal bonds - demonstrating our commitment to our California clients. As such, we understand California local governments, their strengths and challenges, and how to structure bonds that meet market expectations.

A Commitment to Serving Our Clients: As the centerpiece to our Guiding Principles, Piper Sandler is committed to putting the interests of our clients first. Piper Sandler's commitment to client service is best reflected in the number of repeat clients with whom we have worked. We will be honored to begin a long-standing relationship with the District as it embarks on this important financing.

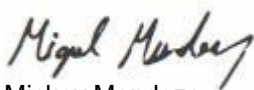
Based on the highlights above, we feel Piper Sandler is best positioned to serve the District as underwriter or placement agent and to meet the objectives for its financing. If selected, we pledge all of our professional resources and capabilities to deliver the most efficient, low cost transaction for the District. Thank you for your consideration.

Thank you for your consideration.

Sincerely,



Todd Van Deventer
Managing Director
Piper Sandler



Mickey Mendoza
Vice President
Piper Sandler



Frank Kaul
Vice President
Piper Sandler

Table of Contents

1. Firm Information
 2. Financing Team
 3. Experience
 4. Distribution and Trading
 5. Institutional and Retail Sales Offices
 6. Disclosure Counsel
 7. Litigation, Investigations and Regulatory
 8. Fees
 9. Use of Certificates
 10. Structure Discussion
 11. Why Piper Sandler?
- Appendix A - MSRB Disclosure Statements for Underwriter

1. Firm Information

Describe your firm's organization and its financial position (include net capital and excess net capital). Provide an electronic copy or link to your firm's most recent audited financial statement.

Ownership and Philosophy

Piper Sandler & Co. is a subsidiary and the primary operating entity of the holding company Piper Sandler Companies. Piper Sandler is regionally based, with offices primarily in the Midwest, Rocky Mountain, Southwest, Eastern and Pacific Coast states. Piper Sandler's 1,846 employees serve corporations, government, non-profit entities and institutional investors on an international basis. Piper Sandler is a national leader in our areas of focus.

Piper Sandler has a philosophy that emphasizes steady growth through financial strength, honoring a commitment to client service, and providing a quality work environment for its employees.

Public Finance Services

The Piper Sandler public finance group is staffed by 151 investment bankers in 42 offices. Our investment bankers possess the understanding, knowledge and creativity needed to meet the capital needs of a diverse group of public sector, non-profit and for-profit debt issuers.

We are committed to and capable of meeting the financing needs of clients of all sizes. The public finance group is able to provide top-quality service to clients by having our investment bankers located strategically throughout the country. We are members of our local communities, which enables us to readily respond to our clients' requests.

Senior Managed Negotiated, Competitive and Private Placement Rankings			
Year	Rank by Issues	No. of Issues	Par Amt (\$B)
2022	3	650	\$16,562.7
2021	3	1,096	\$21,641.0
2020	2	954	\$21,440.4
2019	3	666	\$14,034.6

Healthcare

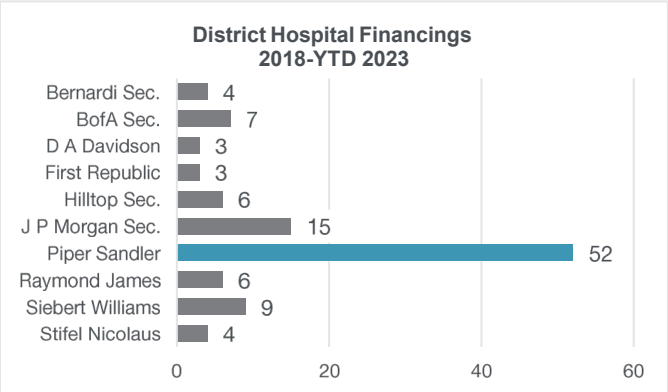
Piper Sandler is one of the top firms in California and in the nation for healthcare underwritings and placements. Our 14-member healthcare team has completed numerous financings for hospital districts, standalone hospitals, large integrated health systems, critical access hospitals, federally qualified healthcare centers (FQHCs), treatment centers, medical clinics, and physician clinics while serving a wide variety of non-profit and for-profit borrowers. From 2018 to 2022, we completed 191 sole or senior managed negotiated and privately placed long-term healthcare/hospital financings totaling \$6.2 billion (Source: Refinitiv).

Many of our client relationships go back 20 years or longer and are a testament to our ability to effectively partner with our clients, instead of viewing investment banking as a transaction-based business.

DISTRICT HOSPITAL EXPERTISE

Piper Sandler has unequaled experience regarding healthcare district financings in California and nationwide, including leading recent financings for more than 20 California healthcare districts in the last 5 years. These clients include Tehachapi Valley Healthcare District, Kaweah Delta Healthcare District, West Contra Costa Health Care District, Sonoma Valley Healthcare District, North Kern-South Tulare Hospital District and Seneca Healthcare District among others.

As a result, over the previous five years, Piper Sandler has been the number one ranked senior or sole manager of national healthcare district financings by number of issues. The combined par amount of those issues was over \$1.2 billion and with 52 district hospital financing completed we more than tripled the number of transactions that the next ranked competitor accomplished in that same time frame. This accomplishment demonstrates Piper Sandler's commitment to healthcare districts and our ability to successfully bring issues to market across the nation.



California

Piper Sandler is one of the most active underwriters of municipal bonds in the country and California - demonstrating the professionalism and expertise we provide and the confidence our clients have placed in us. **Since 2018, our firm has sole or senior managed 444 California long-term negotiated and private placement transactions worth \$13.1 billion placing us as the #2 ranked underwriter by number of issues** (Source: Refinitiv). Our combined healthcare and state expertise has enabled us to work with 20 California hospital districts to date as underwriter or placement agent, the most of any firm. We have helped public hospital districts execute on financings via general obligation bonds, revenue bonds, Cal-Mortgage insured offerings, and USDA Direct Loans. Our full suite of financing capabilities allows us to help the District and G.L. Hicks pivot the plan of finance if obstacles arise to ensure the financing is completed.

Firm Capital

Piper Sandler has the experience, qualifications and capital required to serve as underwriter or placement agent for the District's bonds.

The firm's uncommitted excess net capital as of September 30, 2023 was \$155.6 million, with no set limit on the amount of capital that can be committed to a transaction. Piper Sandler regards its capital as a resource to its clients to assure that their issues are fairly priced and effectively distributed. Piper Sandler's strong balance sheet and commitment to public finance enables the firm to dedicate up to \$500 million in underwriting capacity on a day to day basis.

Total Capital	\$1,034,376,000
Equity Capital	1,034,376,000
Net Capital	156,570,503
Uncommitted Excess Net Capital	\$155,570,503

We consistently use our capital to assure that our clients' transactions are fairly priced and to deliver the lowest possible cost of capital.

Firm Wide Municipal Underwriting Commitment 2019-2023*				
Year	Number of Transactions^	Par Amount	Underwriting Committed	Average Percent Underwritten
2023 Totals*	615	\$13,230,477,890	\$718,772,419	5.43%
2022 Totals:	778	\$14,769,934,058	\$855,720,873	5.79%
2021 Totals:	1251	\$20,581,962,945	\$1,350,306,779	6.56%
2020 Totals:	1020	\$21,298,336,142	\$1,274,585,424	5.98%
2019 Totals:	663	\$13,708,184,525	\$1,067,878,717	7.79%

*Values as of November 30, 2023

^Short- and Long-Term, Negotiated and Competitive

Audited Financial Statements

Due to the length of the firm's Annual Financial Report, included below is a link to the electronic version. The link below lists all of the filings for Piper Sandler to the SEC from 2012 to current.

[Financial Reports and Presentations | Piper Sandler](#)

2. Financing Team

List the names and professional qualifications of staff members (including sales and trading support) to be assigned to this financing. Only include those individuals who will be directly and actively involved on this financing. Indicate each individual's estimated level of involvement as a percentage of your firm's total involvement relating to services to be provided.

Overview and Account Responsibility

The Piper Sandler – City of Alameda Health Care District (“District”) financing team will be comprised of the following members: Todd Van Deventer, Managing Director, (50% of firm involvement) will lead the banking team with support provided by Frank Kaul and Mickey Mendoza (30% of total firm involvement) who will provide support banking services and quantitative analysis. Chris Bessette manages our California underwriting desk and will handle any public offerings and Matt Morrell is the head of our placement desk and will handle private placement marketing (20% involvement depending on issuance type).

Piper Sandler will bring a team approach to the District’s financing, utilizing the combined quantitative, structuring, and credit skills of the team to provide a high level of service to the District. Unlike other firms, Piper Sandler’s investment bankers are not compensated on a per financing basis and as such, teamwork is encouraged. We believe this results in decisions and a service level that are in the long-term best interest of our clients.

Todd Van Deventer, Managing Director

Todd Van Deventer is managing director and a senior member of Piper Sandler’s healthcare team, having served the firm’s federally qualified health center, healthcare, senior living, and other non-profit clients since 1998. Todd has extensive experience working on California Hospitals, Healthcare Districts, and FQHC financings. Todd has worked on over 50 financings for California Health Care Districts.

Todd graduated “With Distinction” from the University of Iowa and received bachelor’s degrees in economics and political science.

Frank Kaul, Vice President

Frank Kaul joined Piper Sandler & Co. in May 2016. His experience includes quantitative analysis, cash flow modeling, financial analysis, and debt structure analysis within the healthcare and state housing sectors. Kaul holds a bachelor’s degree in economics and applied mathematics from Macalester College in St. Paul, Minnesota.

Mickey Mendoza, Vice President

Mickey Mendoza joined Piper Sandler in August 2018. His experience includes quantitative analysis, cash flow modeling, financial analysis, and debt structure analysis. Before joining Piper Sandler, Mendoza was an analyst at PFM Financial Advisors LLC and also spent time at a small family office. Mendoza holds a bachelor’s degree in economics and chemistry from St. John’s University in Collegeville, Minnesota.

Chris Bessette, Managing Director, Head of California Municipal Underwriting and Trading

Chris Bessette is a Managing Director within Fixed Income Services and serves on the Municipal Underwriting desk in San Francisco, California. In his current role, Bessette is responsible for underwriting new issues in the state of California and has been responsible for all of Piper Sandler’s Cal-Mortgage pricings over the last 20 years.

Bessette graduated from Bryant University with a bachelor’s degree in Marketing. He holds Series 7, Series 50, Series 53, and Series 63 licenses.

Matt Morrell, Managing Director, Head of Direct Placement Group

Matt Morrell joined Piper Sandler in 2008. He has over 18 years of industry experience dedicated to direct placements and loan syndications. Sectors include general governmental (general obligation bonds, COPs, essential service revenue bonds, special tax districts, TIF districts, government agencies), healthcare, higher education, commercial real estate, credit tenant lease, GSA, government loan programs, and tax credit financing. Since joining Piper Sandler, Morrell has assisted in placing over 1,100 issues with a par amount in excess of \$14.53 billion. Morrell previously worked for Marshall Investments Corporation in loan syndications and has a bachelor’s degree from the University of Minnesota.

3. Experience

Describe your firm's experience in underwriting and privately placing long-term debt (30-to-35-year maturities) similar to the proposed Certificate financing secured by parcel taxes. Also provide the following information on your firm's experience as underwriter and placement agent since 1/1/18 (exclude co-manager & selling syndicate roles):

- Total number and dollar amount of long-term debt underwritten nationwide;
- Total number and dollar amount of long-term debt underwritten in California;
- Total number and dollar amount of long-term debt privately placed nationwide, and
- Total number and dollar amount of long-term debt privately placed in California.

District Hospital Expertise

As discussed previously, Piper Sandler has unequaled experience underwriting and placing long-term healthcare district financings in California and nationwide including completing more than 20 California health care districts in the last 5 years for districts such as Sierra View Local Health Care District, West Contra Costa Health Care District, Corcoran Hospital District, North Kern-South Tulare Hospital District, Tulare Healthcare District, Tehachapi Valley Health Care District and Kaweah Delta Health Care District among others. Highlighted below is Piper Sandler's banking team's 23 year history of providing underwriting services to California district hospital clients.

District	City	Most Recent Transaction	Structure	PSC Transactions Since 2000
Corcoran Hospital District	Corcoran, CA	2019	GO	1
Eden Township Healthcare District	Castro Valley, CA	2017	Revenue	1
Hi-Desert Memorial Hospital District	Joshua Tree, CA	2002	Revenue	1
John C. Fremont Healthcare District	Mariposa, CA	2016	Revenue	2
Kaweah Delta Health Care District	Visalia, CA	2017	Rev. & GO	6
Kern Valley Hospital District	Mountain Mesa, CA	2003	Revenue	1
Lompoc Hospital District	Lompoc, CA	2006	GO	1
Mayers Memorial Hospital District	Fall River Mills, CA	2011	Rev. & GO	2
Mendocino Coastal Health District	Fort Bragg, CA	2016	Rev. & GO	5
North Sonoma County Hospital District	Healdsburg, CA	2008	Revenue	1
Northern Inyo County Local Hospital District	Bishop, CA	2016	Rev. & GO	2
North Kern-South Tulare Hospital District	Delano, CA	2019	Revenue	2
Oak Valley Hospital District	Oakdale, CA	2015	Rev. & GO	3
Palm Drive Health Care District	Sebastopol, CA	2005	Revenue	1
Plumas Hospital District	Quincy, CA	2016	GO	2
San Benito Health Care District	Hollister, CA	2013	Revenue	1
San Geronio Memorial Health District	Banning, CA	2014	GO	2
Sierra Kings Health District	Reedley, CA	2009	GO	2
Sierra View Local Health Care District	Porterville, CA	2019	Revenue	1
Sonoma Valley Health Care District	Sonoma, CA	2014	GO	1
Tahoe Forest Hospital District	Truckee, CA	2008	Rev. & GO	3
Tehachapi Valley Healthcare District	Tehachapi, CA	2021	GO	1
Tulare Local Healthcare District	Tulare, CA	2020	GO	2
West Contra Costa Health Care District	Martinez, CA	2019	Revenue	4

One key factor that will assist the District in the financing and marketing process of its borrowing is the extensive expertise provided by our healthcare team based upon our frequent interactions with the rating agencies as a result of the significant volume of governmental healthcare issues we bring to market. This extensive experience advising district hospitals on ratings and rating strategies coupled with our numerous interactions with district hospital bond buyers will provide the District with a knowledgeable advocate to both the rating agencies and investors. Importantly, Piper Sandler has led tax-backed financings (including Parcel Tax backed) for multiple California healthcare districts whom, similar to the District, no longer directly operate health care facilities. These financings include leading the rating process for West Contra Costa Health Care District ("Aa3" Moody's) and Tulare Local Healthcare District ("Ba1" Moody's), securing cost-effective bond insurance on the Tulare issue. We believe our experience with the rating process and successful investor marketing will help the District secure the most optimal rating outcome as well as lowest interest rates on its upcoming financings.

Case Study - West Contra Costa Healthcare District, California

Relevance to the CAHD's Proposed Transaction:

- ✓ Parcel Tax Backed California Hospital District Issue
- ✓ Bay area hospital District with strong rating of "Aa3"
- ✓ Limited direct healthcare operations risk
- ✓ Crafted "Special Revenue" and "Statutory Lien" based marketing plan
- ✓ Strong investor interest and pricing despite unique nature of credit

Piper Sandler served as placement agent and underwriter on 3 issues since 2018 for West Contra Costa Healthcare District (the "WCCHCD"). Most recently, Piper Sandler led WCCHCD through the rating process to secure a "Aa3" rating from Moody's and underwrote the 20 year financing at aggressive interest rates with a broad investor base despite the unique nature of the credit.

This was the third refunding of the WCCHCD's outstanding parcel tax backed bonds that Piper Sandler completed since the WCCHCD emerged from bankruptcy in late 2018. In addition, we served as the underwriter for the WCCHCD's original "A-" rated Parcel Tax backed public offering back in 2011. As part of the financings, Piper Sandler advised WCCHCD that based upon our frequent interactions with Fitch, S&P, and Moody's on tax-backed health district financings that Moody's Investor Services would be most friendly to WCCHCD's credit story. We then helped WCCHCD carefully craft its credit story around four key areas; these included the "special revenue" nature of the parcel tax, the statutory lien on the parcel taxes, the lack of direct healthcare operating risks for WCCHCD, and the support of Contra Costa County. Piper Sandler helped Moody's and investors understand the strength of the "special revenue" nature of the Parcel Tax revenues and the strength of the statutory lien which both survived the WCCHCD's bankruptcy. In addition, we focused Moody's and investors on the remoteness of risk associated with the actual operations of a healthcare facility which allowed WCCHCD to be treated as a governmental entity instead of a healthcare credit. Finally, we included Contra Costa County officials in the rating process and discussion to show the commitment of the "Aaa" rated County to the financing. Combined, these efforts led to the "Aa3" rating from Moody's, a strong pricing with a dozen larger investors, and a final All-Inclusive Cost on the 12 year average life financing of 2.37%. We believe a similar approach will result in the best outcome for the District's financings.

\$44,580,000

**West Contra Costa
Healthcare District**

Parcel Tax Supported
Refunding Revenue Bonds
Series 2021
"Aa3" Moody's Rating

Sole Underwriter

Below are the specific details on the number of issues and dollar amount underwritten since 2018.

- a. Total number of long-term debt underwritten nationwide – 3,209 issues
Total dollar amount of long-term debt underwritten nationwide - \$101,288,315,140
- b. Total number of long-term debt underwritten in California – 518 issues
Total dollar amount of long-term debt underwritten in California - \$20,200,515,779
- c. Total number of long-term debt privately placed nationwide – 1,313 issues
Total dollar amount of long-term debt privately placed nationwide - \$14,494,638,667
- d. Total number of long-term debt privately placed in California – 68 issues
Total dollar amount of long-term debt privately placed in California - \$1,006,530,928

4. Distribution and Trading

Discuss your firm’s distribution and trading capabilities in the underwriting and/or placement of the Certificates and provide your recommendations regarding the following matters:

- a. Discuss your strategies in the marketing and selling of the Certificates, including the marketing of any special structures being recommended below and the use of retail buyers; and
- b. Discuss the prospects of privately placing long-term debt given today’s market conditions and commercial bank appetites to purchase long-term debt with 30 to 35-year terms.

After working with our clients and determining a plan of finance, our bankers work in collaboration with our Fixed Income Services department (bond underwriting and sales) to find investors to purchase our clients’ bonds. Our marketing and sales strategy for every transaction we underwrite is to place bonds in the hands of investors at the lowest interest cost. Obtaining the lowest interest rates for our clients is a function of identifying the active buyers of each type and maturity of bonds offered and targeting the widest universe of investors as possible. Thus, with the strength and focus of our institutional relationships and wide retail distribution, Piper Sandler is well positioned to successfully underwrite bonds at the lowest possible interest cost with the most flexible covenants and security package.

Piper Sandler consistently ranks as one of the nation’s leading municipal underwriters in terms of number of issues brought to market, having senior managed over 4,085 competitive and negotiated long and short-term municipal bond offerings from 2018 - 2022 representing more than \$82 billion in par value. Our regionally based team of 13 underwriters, with desks in San Francisco, Minneapolis, Lincoln, New York, Portland, and West Palm Beach are in the market every day participating in transactions from under \$1 million to over \$1 billion, both negotiated and competitive, in every market sector. As a result, Piper Sandler is able to provide our clients up-to-the moment, regionally and sector focused, insight to market trends. Our geographically oriented trading desks provide excellent access to the primary and secondary bond market within the regions we serve. The traders are responsible for assuring that we have an adequate supply of bonds to meet the needs of our investor clients as well as maintaining a secondary market for the bonds of each of our issuing clients.

As Piper Sandler prices over 400 new long-term issues each year and perennially ranks in the top ten underwriters nationally based on the number of issues sole or senior managed, it is essential to have an effective distribution system and be able to adapt to the rapid changes that occur in the market. Piper Sandler focusses a significant amount of resources on our sales orientation and distribution capabilities by doing the following:

- Maintaining deep relationships with traditional buyers;
- Continually expanding coverage of alternative buyers; and
- Enhancing our focus on mid-tier money managers and high net worth wrap accounts for retail investors.

National Long-Term Transactions Ranked by Number of Issues				
	Company	No. of Issues	Market Share	Amount (US\$ Mil)
1	Stifel Nicolaus & Co Inc	741	9.4	16,235.0
2	Robert W Baird & Co Inc	713	9.0	9,764.4
3	Piper Sandler & Co	520	6.6	13,770.2
4	Raymond James	453	5.7	13,201.8
5	RBC Capital Markets	392	5.0	23,434.1
6	BofA Securities Inc	301	3.8	44,213.3
7	D A Davidson & Co	298	3.8	3,618.9
8	J P Morgan Securities LLC	267	3.4	36,567.4
9	Morgan Stanley	232	2.9	28,052.0
10	Roosevelt & Cross Inc	229	2.9	1,972.0

Source: Thomson Reuters
Senior and sole-managed, negotiated and competitive transactions, 2022

Distribution

Piper Sandler has one of the nation’s largest institutional sales forces with 110 sales persons in 26 locations covering over 12,000 institutional investors. While we devote significant resources to covering Tier I investors, a meaningful portion of our staff also extensively covers Tier II and Tier III investors, providing our underwriting clients access to a broader institutional investor base. This added distribution channel to Tier II and III investors sets Piper Sandler’s distribution capabilities apart from our competitors and assures our clients access to a broader range of investors – thus optimizing pricing results. Plus, adding incremental investors to the

Our sales coverage extends well beyond Tier 1 investors and includes extensive bank and trust department coverage, ensuring wide distribution.

typical Tier I anchor order creates pricing competition and reduces price control by Tier I investors, resulting in optimal pricing for our clients.

A successful marketing strategy for the District requires building new investor interest and helping investors understand the District's credit. Our goal is to reach all facets of the buyer universe. We do so by deploying our institutional team on Tier I accounts and our middle markets sales force on Tier II and III (characteristics of each tier are described below). This same middle market sales team also covers over 3,000 high net-worth retail accounts. In addition, our distribution agreement with Charles Schwab offers access to over 17,000 registered investments advisors who purchase bonds on behalf of high-net-worth individuals.

Tier I	Tier II	Tier III
<ul style="list-style-type: none">• Large trades• Sophisticated• Active traders	<ul style="list-style-type: none">• Trades of moderate size• Sophisticated• Moderately price sensitive• Not active traders	<ul style="list-style-type: none">• Buy and hold accounts• Very rarely trade• Quality conscious, at times name driven• Coverage often omitted by many firms

Piper Sandler possesses a comprehensive marketing and distribution network. Our municipal salesforce is segmented into three groups by the type of investor group covered, which allows our salespeople to best meet the needs of our investor clients and to efficiently adapt to their constantly evolving investment demands.

Piper Sandler reaches potential buyers not typically covered by other dealers. We are able to do this because i) we have one of the largest municipal institutional sales forces in the country; and ii) we maintain a deep footprint of sales “hubs” in a number of regional areas throughout the U.S. that are not given the same attention by other firms in the industry. Our presence in these regional areas will broaden the investor base and is a key competitive advantage to working with Piper Sandler.

Middle Market Capabilities

We also focus on the Middle Market Tier 2 and Tier 3 investors to: i) create a competitive bidding environment to dilute the dominant Tier 1 buyers’ ability to exercise structuring and pricing control; ii) expand the base of potential investors – stimulating demand; and iii) seek the lowest possible cost of borrowing. Our Tier 2 and 3 distribution channels set Piper Sandler apart from our competitors guaranteeing access to a broader range of investors – optimizing pricing results.

Retail Marketing Capabilities

Piper Sandler offers a multi-faceted retail distribution network to assist in broadening the retail audience for its bonds. With respect to attracting professional retail interest on a national level, Piper Sandler leverages its regional distribution channels to target regional accounts, as well as national accounts that could fall under the definition of professional retail. Additionally, we enhanced our retail capabilities in recent years by entering into a distribution partnership with Charles Schwab and expanding our utilization of Electronic Trading Networks (ETNs) such as BondDesk Group, MuniCenter, and Bloomberg Trade Book to reach over 100,000 traditional retail brokers. In addition our coverage of “professional” and single managed accounts retail is extensive

Discuss the prospects of privately placing long-term debt given today’s market conditions and commercial bank appetites to purchase long-term debt with 30 to 35-year terms.

As the most active placement agent in the nation, it is Piper Sandler’s opinion that based upon current market conditions and commercial bank appetites it is not practical to expect a successful private placement with a 30 to 35 year term. Generally tax-exempt placements are limited to terms of between 15 and 20 years with most placements in today’s market limited to a 10-year term commitment from lenders. In limited circumstances it is possible to place an issue for a longer term with a non-bank investor such as an insurance company or high yield investor, however, these options would be prohibitively expensive versus a traditional tax-exempt public offering for the District. Should the District wish to consider a shorter term or be willing to incur reset risk we would expect that a private placement would be available to the District although interest rates are currently lower for public offerings than they are for equivalent private placements.

5. Institutional and Retail Sales Offices

Provide a listing of your institutional and retail sales offices, including the number of registered institutional and retail sales brokers located at each California sales office. Do you have a California trading desk?

Piper Sandler has a San Francisco and Los Angeles based trading desk that serves as the underwriter and market maker for hundreds of California tax-exempt issuers annually. Piper Sandler’s sales force consists of 110 municipal professionals in 26 locations; of that group 16 individuals specialize in selling municipal bonds to large, national institutional investors. This sales group covers Tier I institutions (defined by Wall Street as top 100 accounts), investment funds of all types, insurance companies, large banks and trust departments, and money managers. The institutional ability of Piper Sandler to distribute municipal bonds is unsurpassed within our regions and exceeds many national firms. Our Public Finance Services sales force is among the nation’s largest and provides us with the capability to sell a wide variety of taxable and other specialized fixed-income products in addition to our traditional municipal bond business.

Piper Sandler also covers retail advisors through our electronic platform and five sales professionals that cover 2,000 high net worth retail accounts, as well as a dedicated team to cover “professional retail” accounts. To complement our in-house capability, Piper Sandler maintains a retail redistribution agreement with Charles Schwab & Co., the largest retail firm in the U.S. with over 32.5 million active brokerage accounts and \$7.8 trillion in client assets.

Below please find a breakdown of our firm’s public finance services sales offices.

Public Finance Services Sales	110
Public Finance Services Sales Locations	26
Austin, Baltimore, Barrington, Boston, Charlotte, Chicago, Dallas, Denver, Des Moines, Greenwich, Hauppauge, Houston, Indianapolis, Kansas City, Lincoln, Los Angeles, Milwaukee, Minneapolis, New York, Portland, Red Bank, San Francisco, Satellite Beach, St. Louis, and West Palm Beach	

Six of these Public Finance Services Sales people are located in San Francisco.

San Francisco	5	Austin	6	Baltimore	1
Barrington	5	Boston	5	Charlotte	4
Chicago	7	Dallas	1	Denver	2
Des Moines	2	Greenwich	10	Hauppauge	2
Houston	1	Indianapolis	1	Kansas City	2
Lincoln	1	Los Angeles	1	Milwaukee	2
Minneapolis	13	New York	20	Portland	5
Red Bank	3	Satellite Beach	1	St. Louis	2
West Palm Beach	7				

6. Disclosure Counsel

The District may desire to engage the services of Disclosure Counsel if a public offering is utilized to sell the Certificates. As a consequence, will your firm need to engage the services of separate underwriter's counsel, and if so, who would you consider for that role and at what cost to the District?

Piper Sandler would engage separate underwriter's counsel unless the District would wish to sign off on the financing being done with just underwriter's counsel. Separate underwriter's counsel would cost approximately \$9,000 for the first financing and \$7,500 for the second financing. We would expect to use Morgan Foley at McDougal Love Boehmer Foley Lyon & Canlas as Underwriter's Counsel.

7. Litigation, Investigations and Regulatory

We are proud of our firm's reputation and Piper Sandler has no reason to believe that current and past regulatory matters or litigation will affect in any way our ability to provide any of the services contemplated by this Request for Proposal.

Due to the nature of our business, we are involved in a variety of legal proceedings on an ongoing basis. These proceedings include litigation, arbitration and regulatory proceedings, which may arise from, among other things, transactional activity, regulatory examinations of our businesses and investigations of securities industry practices by governmental agencies and self-regulatory organizations. The securities industry is highly regulated, and the regulatory scrutiny applied to securities firms has increased dramatically in recent years, resulting in a higher number of regulatory investigations and enforcement actions and significantly greater uncertainty regarding the likely outcome of these matters.

Regulatory investigations can result in substantial fines and/or limitations or other restrictions on our business activities, and consequently those investigations potentially could be deemed to have a material impact on our business. Our Form 10-Q and 10-K as filed with the Securities and Exchange Commission requires disclosure of any material legal proceedings, including regulatory proceedings, and we are unable to provide information on any pending or completed investigation not disclosed within our Form 10-Q and 10-K. Any and all completed regulatory investigations that result in a material disciplinary action, including fines, suspensions or other significant undertakings or limitations are also publicly reported to the Financial Industry Regulatory Authority ("FINRA"). For more information, please refer to Piper Sandler's Form BD filed with FINRA. You can request electronic delivery of the relevant sections of a company's Form BD by accessing FINRA's website at finra.org and conducting a FINRA BrokerCheck.

8. Fees

Provide a firm quote (not a range) of your fees and expenses in the event your firm is selected as senior managing underwriter and/or placement agent, using the format provided. Assume that fixed rate debt is sold or privately placed. Provide separate quotes for any structures your firm proposes.

Expenses not itemized in your response will not be allowed for reimbursement. Expenses will be considered to be a not-to-exceed amount. Would the District be obligated for any of your fees or expenses if it postponed or canceled the financing or if your services were discontinued?

The goal of our fee proposal is to provide the District with a fee that is cost effective, aggressive, and indicative of our strong desire to partner together, while at the same time assures that the bonds are distributed as widely as possible to produce the lowest overall financing cost. The fee estimates below are broken out by individual financing.

2024 Financing, estimated Par Amount: \$13,300,000

\$/1,000	Public Offering	Private Placement
a. Takedown	\$3.75 / 1,000	\$2.50 / 1,000
b. Management Fee	\$0.25 / 1,000	N/A
c. Expenses (itemized below)	\$0.50 / 1,000	\$0.25 / 1,000
d. Risk	N/A	N/A
e. Total	\$4.50 / 1,000	\$2.75 / 1,000

Expenses for Public Offering	Amount	\$/1,000
DTC	\$975	\$0.073 / 1,000
CUSIP	\$895	\$0.067 / 1,000
Pershing	\$200	\$0.015 / 1,000
IPREO including Gameday monitor	\$1,282	\$0.096 / 1,000
CDIAC (also applies to placement)	<u>\$3,325</u>	<u>\$0.250 / 1,000</u>
Total	\$6,677	\$0.502 / 1,000

2025 Financing, estimated Par Amount: \$40,805,000

\$/1,000	Public Offering	Private Placement
f. Takedown	\$3.75 / 1,000	\$2.50 / 1,000
g. Management Fee	\$0.25 / 1,000	N/A
h. Expenses (itemized below)	\$0.27 / 1,000	\$0.12 / 1,000
i. Risk	N/A	N/A
j. Total	\$4.27 / 1,000	\$2.67 / 1,000

Expenses for Public Offering	Amount	\$/1,000
DTC	\$975	\$0.024 / 1,000
CUSIP	\$895	\$0.022 / 1,000
Pershing	\$200	\$0.005 / 1,000
IPREO including Gameday monitor	\$4,000	\$0.096 / 1,000
CDIAC (also applies to placement)	<u>\$5,000</u>	<u>\$0.123 / 1,000</u>
Total	\$11,000	\$0.270 / 1,000

If instead a single financing is undertaken with estimated par of \$54,100,000, the estimated fees are below:

\$/1,000	Public Offering	Private Placement
k. Takedown	\$3.75 / 1,000	\$2.50 / 1,000
l. Management Fee	\$0.25 / 1,000	N/A
m. Expenses (itemized below)	\$0.23 / 1,000	\$0.09 / 1,000
n. Risk	N/A	N/A
o. Total	\$4.23 / 1,000	\$2.59 / 1,000

9. Use of Certificates

Provide your thoughts and assessment of the use of Certificates secured by the District's parcel taxes as a financing structure to provide long-term financing for the District.

Piper Sandler has had great success utilizing Certificates secured by parcel taxes to help a California health care district achieve a "Aa3" rating and significantly lower its borrowing cost. Our work with West Contra Costa Health Care District ("WCCHCD") brought us significant relevant experience to help the District navigate the rating process. Based upon our in-depth work with Moody's on the WCCHD parcel tax issue and other California governmental hospitals tax-backed issues, we feel the Piper Sandler team can help maximize the District's rating which, in turn, will help the District achieve the lowest long-term interest rates on its financings.

As noted in the Structure Discussion that follows, the borrowing cost of a parcel tax secured issue is very attractive in today's market and will allow the District to lock in low interest rates for a full 30 or 35 year amortization.

One important aspect of a public offering of Certificates secured by the District's parcel taxes will be the maximizing the potential rating of the issue. With our significant experience helping healthcare districts with tax-backed ratings and our particular experience having led West Contra Costa Health Care District through an extremely successful rating process we believe we can be a strong asset for the District and G.L. Hicks as you approach the rating process.

Note that based upon existing ratings, and ongoing discussions with the rating agencies we continue to believe that Moody's Investor Service will provide the best rating to the District's financing. Moody's understands the strength of the parcel tax revenues, the power of the special revenue designation and the statutory lien that is expected to be provided to the revenues. Moody's is comfortable with the District not having ongoing healthcare operations and in fact the District will benefit from the lack of ongoing operations in the rating discussion. It will be important to involve representatives from Alameda Health System in the rating process to allow them to provide Moody's with their assessment of the strong existing relationship between the District and AHS as well as AHS's commitment to continuing to operate the hospital. Finally, we will want to emphasize the strength of Alameda County as the parent organization of AHS in order to help tie the "AAA" rated County to the existing operator of the hospital. We believe by carefully crafting the story that there is an opportunity to secure a strong investment grade rating for the financing.

10. Structure Discussion

Provide your recommendation as to the best structure or structures available in today's market for the District to achieve the lowest cost of capital and the most favorable terms and conditions, and provide analysis to support your recommendation. Specify any risks inherent in the structures presented in your analysis to assist in a full and complete assessment of each alternative presented. Please include structures here not otherwise requested above.

Piper Sandler believes that the most cost-effective structure available to the District in the current market is a public offering of rated long-term bonds. A private placement in the current market does not allow the District to lock-in its interest rates for the full 30 to 35 year amortization. In addition, a public offering of bonds based upon an expected strong investment grade rating for the District is more cost effective for matching terms than a private placement financing.

Discussion of Placement vs. Public Offering

Below is a table that summarizes the current economics including debt service, maximum annual debt service, and overall financing cost of a public offering versus a private placement based upon Piper Sandler's estimates of rates as of 1/26/24. As you will see we currently estimate a slight financial benefit to moving forward with a private placement based upon our current assumptions. However, a private placement will not provide a fully committed financing and would likely need to be refinanced with the next 7-12 years. A public offering, at a modestly higher cost can provide better protection against risks for the District.

	Direct Placement ⁽¹⁾		Public Offering ⁽²⁾	
	25 Years	30 Years	30 Years	35 Years
Sources				
2024 Par Amount	\$ 13,300,000	\$ 13,300,000	\$ 12,360,000	\$ 12,445,000
2025 Par Amount	40,800,000	40,800,000	37,925,000	38,195,000
Aggregate Estimated Premium	-	-	3,825,002	3,465,416
Total Sources	\$ 54,100,000	\$ 54,100,000	\$ 54,110,002	\$ 54,105,416
Uses				
2024 Projects	\$ 12,905,102	\$ 12,905,102	\$ 12,905,102	\$ 12,905,102
2025 Projects	40,241,014	40,241,014	40,241,014	40,241,014
Total Estimated Costs of Issuance	953,884	953,884	963,886	959,300
Total Uses	\$ 54,100,000	\$ 54,100,000	\$ 54,110,002	\$ 54,105,416
Financing Statistics				
Bond Yield	4.25%	4.25%	4.13%	4.28%
All-Inclusive Cost	4.41%	4.40%	4.68%	4.81%
Average Life (years)	16.084	19.524	20.102	23.911
Average Annual Debt Service	\$3,493,467	\$3,177,562	\$3,284,626	\$3,131,178
Debt Service through 10 Years	\$29,957,069	\$27,350,250	\$28,374,350	\$27,129,638
Par Subject to Interest Rate Risk	\$39,215,000	\$43,160,000	-	-

(1) Private Placement assumed for an initial 10 year term for the labelled amortization.

(2) Public offering assumed to be issued with an "A3" rating.

As shown above, the public offering generates approximately \$110,000 more of annual debt service requirement than a private placement when comparing the 30 year options. While the difference in debt service amounts to around \$1,000,000 over 10 years, the public offering by nature is a fully committed structure compared to the private placement will which need to be refinanced in year 10 regardless of interest rate environment. This reset risk on around \$40,000,000 of outstanding debt after year 10 creates significant risk for the District.

Benefits and Considerations of a Private Placement and Public Offering

Option	Benefits	Considerations
Placement	<ul style="list-style-type: none"> ✓ Shorter financing timeline ✓ No public disclosure ✓ Ease of execution ✓ No debt service reserve fund ✓ Removal of all public rating requirements 	<ul style="list-style-type: none"> ✓ Likely more onerous covenants ✓ Variability of term sheet proposals in terms of interest rate and length of term
Offering	<ul style="list-style-type: none"> ✓ Likely higher credit rating ✓ Fully fixed rate for 30+ years ✓ No debt service reserve fund 	<ul style="list-style-type: none"> ✓ Ongoing continuing disclosure requirements ✓ Ongoing rating maintenance

As shown in the table above, a placement may provide a quicker financing timeline and more streamlined process but will limit the upside potential of a better than currently estimated bond rating and would take-on unneeded reset rate risk. Piper Sandler believes a public offering, at a modestly higher cost but fully fixed rate for 30+ years is worth pursuing first.

Rating Process and Financing Timeline

If the District elects to move forward with a public offering, we recommend pursuing a single rating from Moody's on the Series 2024/2025 Bonds. As previously discussed, Piper Sandler has existing experience walking healthcare district's through the rating process at Moody's and with Piper's work on the West Contra Costa Healthcare District financing have already educated Moody's analysts on aspects of the parcel tax revenue process that will help solidify a strong credit rating.

Piper has been conservative in initial estimates of a credit rating outcome and thus borrowing cost for a public offering. However, there can be considerable upside to a better than anticipated credit rating. For example, Piper would estimate the difference between an "A3" and an "A1" rated public offering to be 25 bps or greater, and a rating in the Aa category is also a possibility.

Bond Insurance

Piper Sandler has assisted many district hospitals with the acquisition of bond insurance to lower their financing costs. Depending on the rating of the bonds and the pricing of bond insurance, the District's financing may benefit from the addition of bond insurance from either Assured Guaranty or Build America Mutual. Piper Sandler will have discussions with both insurers to discuss their potential interest and the cost of the insurance and will provide detailed analysis to show a financial benefit of bond insurance prior to recommending the District utilize insurance to enhance its financing cost.

Conclusion

The District should move forward with a rated, long-term public offering of its parcel tax backed debt. A public offering provides reduced future interest rate risk at only a moderately higher cost. A public offering also has additional upside potential that a rating by Moody's comes in higher than initially estimated and provides a lower borrowing cost. Further, the bank placement market has been more difficult for execution over the last 12-18 months with more restrictive lending standards regardless of bank size leading to some execution risk especially for amortizations greater than 25 years. Should the financing market significantly change prior to the issuance of bonds later this year or in 2025 Piper Sandler has the capability and experience to modify the financing approach to ensure the best options for the District.

11. Why Piper Sandler?

Provide specific reasons as to why you and your firm should be selected as the senior managing underwriter and/or placement agent for the District's proposed financing. Also provide any additional information or recommendations you believe to be important in our analyzing of your firm's proposal. Your response to this section should allow the District to understand any unique value-added features of using your firm as senior managing underwriter and/or placement agent.

Piper Sandler believes that the unique nature of the District's financing makes Piper the ideal investment bank to lead the District through the financing process to achieve the lowest cost of capital. We combine our nation leading District hospital experience with specific understanding of how to structure and market a California parcel tax issue to achieve the lowest interest rates and optimal bond rating. Importantly, we have specific experience leading California district hospitals through the financing and rating process whom, like the District, no longer operate their hospitals. These districts have benefited from on insight on how to properly tell the narrative of their district and the security structure of the financing to maximize the rating outcome and investor interest by understanding the key areas of concern and providing guidance to our district hospital clients to address those concerns while at the same time highlighting credit strengths that the rating agency or investors might miss in their high-level review of the financing.

We combine specific, detailed, valuable experience with other California health care district's parcel tax bond issues with one of the nation's largest sales and trading teams who is focused on the entire spectrum of potential buyers of the District's bonds, leading California district hospital experience and unmatched experience leading district's through the rating process, and attention to detail

MSRB Disclosure Statements for Underwriter

Piper Sandler is providing the information contained herein for discussion purposes only in anticipation of being engaged to serve as underwriter or placement agent on a future transaction and not as a financial advisor or municipal advisor. In providing the information contained herein, Piper Sandler is not recommending an action to you and the information provided herein is not intended to be and should not be construed as a “recommendation” or “advice” within the meaning of Section 15B of the Securities Exchange Act of 1934. Piper Sandler is not acting as an advisor to you and does not owe a fiduciary duty pursuant to Section 15B of the Exchange Act or under any state law to you with respect to the information and material contained in this communication. As an underwriter or placement agent, Piper Sandler’s primary role is to purchase or arrange for the placement of securities with a view to distribution in an arm’s-length commercial transaction, is acting for its own interests and has financial and other interests that differ from your interests. You should discuss any information and material contained in this communication with any and all internal or external advisors and experts that you deem appropriate before acting on this information or material.

The information contained herein may include hypothetical interest rates or interest rate savings for a potential refunding. Interest rates used herein take into consideration conditions in today’s market and other factual information such as credit rating, geographic location and market sector. Interest rates described herein should not be viewed as rates that Piper Sandler expects to achieve for you should we be selected to act as your underwriter or placement agent. Information about interest rates and terms for SLGs is based on current publicly available information and treasury or agency rates for open-market escrows are based on current market interest rates for these types of credits and should not be seen as costs or rates that Piper Sandler could achieve for you should we be selected to act as your underwriter or placement agent. More particularized information and analysis may be provided after you have engaged Piper Sandler as an underwriter or placement agent or under certain other exceptions as describe in the Section 15B of the Exchange Act.

Piper Sandler Companies (NYSE: PIPR) is a leading investment bank and institutional securities firm driven to help clients Realize the Power of Partnership®. Securities brokerage and investment banking services are offered in the U.S. through Piper Sandler & Co., member SIPC and FINRA; in Europe through Piper Sandler Ltd., authorized and regulated by the U.K. Financial Conduct Authority; and in Hong Kong through Piper Sandler Hong Kong Ltd., authorized and regulated by the Securities and Futures Commission. Asset management products and services are offered through separate investment advisory affiliates.

© 2023 Piper Sandler Companies. 800 Nicollet Mall, Minneapolis, Minnesota 55402-7036

Response to Request for Proposals for Underwriter / Placement Agent

City of Alameda Health Care District

January 30, 2024, 12:00 p.m. PST



CONTACT:

Mike Cavanaugh, Managing Director
Mike.Cavanaugh@hilltopsecurities.com

777 South Highway 101, Suite 104, Solana Beach, CA 92075

Phone: 760.632.6824

City of Alameda Health Care District

January 30, 2024, 12:00 p.m. PT
Response to Request for Proposals
For Underwriter / Placement Agent

January 30, 2024

Electronic submission via email:

City of Alameda Health Care District

City of Alameda Health Care District

Debi Stebbins

Executive Director

dstebbins@alamedahealthcaredistrict.com

G.L. Hicks Financial, LLC

Gary Hicks

President

gary@glhicks.com

Dear Selection Committee:

Hilltop Securities Inc. ("HilltopSecurities" or the "Firm") is pleased to have this opportunity to submit our qualifications to you and the City of Alameda Health Care District (the "District") to provide underwriting or placement agent services on the proposed issuance of approximately \$55,000,000 in tax-exempt certificates of participation (the "Certificates"). HilltopSecurities is a full-service financial services firm providing investment banking, investment advisory, securities clearing, securities brokerage, and asset management services. When evaluating our qualifications to act as placement agent and/or underwriter, please consider:

Distribution. As municipal finance is our core business, we have invested significantly in the overall platform to ensure that we meet the diverse and ever-changing and expanding needs of our issuer clients. HilltopSecurities maintains a diverse and broad distribution platform that covers not only Tier I institutional investors, but also focuses on Tier II and III investors such as SMAs, trust accounts and particularly banks and bank portfolios. Our access to these key buyers in the current market is unique to us and allows us to further diversify our issuer clients' investors leading to more aggressive pricing levels. Of particular note, our municipal institutional salesforce totals 53 people (with an average of 20 years of experience), making it one of the largest municipal salesforces in the industry. But what separates us from others is our retail.

Strong In-House California Retail Capability. One attribute that separates us from many of our competitors is our California based retail sales force. HilltopSecurities can add value through our strong

in-house California retail sales capability. Our California retail sales team is made up of 50 brokers serving 15,092 retail accounts with approximately \$5.462 billion in

California Municipals	
Accounts	Assets
15,092	\$5.462 billion

California municipal assets under custody. HilltopSecurities maintains municipal retail sales offices in Big Bear Lake, Monterey, Roseville, San Diego, San Francisco and Sherman Oaks, and offers arguably the strongest California retail distribution capability of any firm. **We have clients that live within the District and can be provided priority**

treatment during the order period.

Commitment to Public Finance in California and Healthcare. HilltopSecurities traces its California roots back to 1966 with the opening of our Beverly Hills office. HilltopSecurities has been and remains committed to California. From January 1, 2015, through present, the Firm has participated in 585 transactions for total par of more than \$40 billion. Establishing and growing our investment banking presence in the healthcare sector is a primary goal of HilltopSecurities. The Firm has been focused on growing our broader investment banking capabilities, including hiring

seven bankers in the healthcare sector, including three within the past 30 days from UBS. We currently employ ten individuals focused on not-for-profit healthcare, five on acute and three in the senior living space. This investment in growing our business comes at the same time as many of our peers are streamlining their Public Finance departments and healthcare coverage. Since January 1, 2015, HilltopSecurities has senior, co-managed or privately placed 42 health care transactions totaling \$873 million in California. This includes several private placements where HilltopSecurities was originally hired as senior manager to underwrite via a public offering. If selected, HilltopSecurities will work with the District to determine the optimal method of sale to achieve the lowest cost of borrowing, whether that is a public offering, private placement or hybrid.

Private Placement. The proposed HilltopSecurities financing team has been using private placements as an alternative to public offerings in California since January 2010. As we demonstrated for several issuers, placements can provide a more efficient and lower cost of borrowing than traditional public offerings, especially on financings with shorter final maturities. Since 2015, our California experience includes 244 financings totaling more than \$2.5 billion; these deals include several healthcare and not-for-profit issuers. We are always striving to find the lowest cost of capital for our clients and continue to search for more efficient alternatives.

Committed Team. No matter the resources that a firm has, the best way to truly know a financial market, both inside and out, is to be active in that market on a daily basis. When combining municipal advisory, competitive and negotiated underwriting, HilltopSecurities' Public Finance has completed 4,770 transactions for over \$224 billion between 2019 and 2023. HilltopSecurities is in the market with 18 municipal bond issuances each week during this timeframe. This ranks HilltopSecurities as the #5 National Municipal Investment Bank. We will provide the District with an experienced team providing the highest level of service. We ensure our availability as well as accessibility and will work as a team with the District, G.L. Hicks Financial, LLC, Bond Counsel and Disclosure Counsel to ensure your financing needs are met.

#5 National Municipal Investment Bank (2019-23')	
Transactions	Par
4,770	\$224 Billion

We will be involved with the transaction from start to finish and will be responsible for all work generated by HilltopSecurities. Our team is made up of the most experienced bankers on the West Coast. HilltopSecurities is well qualified to provide the District with the best quality of senior managing underwriting or placement agent services. However, we are willing to serve any role you deem most beneficial to your financing needs. We commit our experience, personnel and reputation to meet your needs most effectively.

Sincerely yours,



Mike Cavanaugh
Managing Director



Josh Lentz
Senior Vice President

Table of Contents

Proposal Requirements/Questions	1
---------------------------------------	---

APPENDICES

A	Resumes
B	Financial Summary – City of Alameda Health Care District and Alameda Health System
C	Cashflows

DISCLOSURE: Hilltop Securities Inc. (“HilltopSecurities”) is providing the information contained in this document for discussion purposes only in anticipation of serving as underwriter to the City of Alameda Health Care District (the “District”). As an underwriter, HilltopSecurities’ primary role is to purchase securities for resale to investors in an arm’s length transaction between the District and HilltopSecurities. HilltopSecurities’ financial and other interests will differ from those of the District, and therefore, HilltopSecurities will not serve as a municipal advisor, financial advisor, or fiduciary to the District or any other person or entity on such transaction, regardless of whether HilltopSecurities or its representatives or affiliates have advised or are advising any such parties on other matters. The information provided herein is not intended to be and should not be construed as “advice” within the meaning of Section 15B of the Securities and Exchange Act of 1934. The District should consult with its financial, municipal, legal accounting, tax and/or other advisors, as applicable, to the extent it deems appropriate. If the District would like a municipal advisor that has legal fiduciary duties to it, the District should consider engaging a municipal advisor to serve in that capacity. HilltopSecurities will not have any duties or liability to any person or entity in connection with the information being provided herein. The information provided in this document is indicative only and constitutes our judgment as of this date based on current market conditions and other information available to us.

Proposal Requirements/Questions

1. Describe your firm's organization and its financial position (include net capital and excess net capital). Provide an electronic copy or link to your firm's most recent audited financial statement.

Ownership Structure. Hilltop Securities Inc., a Delaware corporation, is a wholly owned subsidiary of Hilltop Holdings LLC, which is a wholly owned subsidiary of Hilltop Holdings Inc., a publicly traded company.

Hilltop Securities Inc. ("HilltopSecurities") is a diversified investment banking firm focused on one mission: to provide superior guidance and financial solutions and related services to public entities nationwide. HilltopSecurities is a leading investment banking firm both nationally. HilltopSecurities has responded to today's increasingly complex public finance landscape by raising the bar on the services, resources, and experience our firm offers. In fact, HilltopSecurities is arguably one of the most well-equipped and resourceful investment banking firms in the nation. Our wealth of experience in servicing our clients, along with our expertise and national resources, will provide the full scope of services that the District seeks. HilltopSecurities is proud to offer ancillary services to assist the District and its financial advisor, with departments available to focus on: continuing disclosure, investment of bond proceeds, arbitrage rebate, and swap or variable rate financing structures.

Our Firm at a Glance

40 Public Finance Offices in 16 States
770 Employees Firm-Wide (approximately)
30 "Deal of the Year" Awards
Reliable, Firsthand Market Information

As of 12/31/2023

As a licensed broker-dealer, HilltopSecurities is an active participant in the marketplace every day. From November 1, 2018, through December 31, 2023, the firm's service as underwriter and financial advisor to government and non-profit organizations, to include providing services on approximately 4,792 transactions, representing more than \$224.97 billion aggregate par, according to Ipreo MuniAnalytics. This represents our completion of approximately 18 transactions per week on behalf of our clients during such five-year period.

Capital. As of December 31, 2023, HilltopSecurities maintains more than \$422.06 million in equity capital for our operations as a broker/dealer. As of this date, the firm's underwriting capacity exceeds \$1 billion for any single issue. Average daily inventory of municipal securities at HilltopSecurities ranges \$120 to \$150 million.

HilltopSecurities' Capital Position (Unaudited)			
\$(MM)	Equity (Total) Capital	Net Regulatory Capital	Excess Net Capital
12/31/2023	\$422.06	\$297.69	\$290.51

A copy of Hilltop Holdings' most recent annual report, which includes SEC filings, audited financials and other information, can be found at here: <http://ir.hilltop-holdings.com/CorporateProfile.aspx?iid=4383039>.

HilltopSecurities' Public Finance has completed 4,770 transactions for over \$224 billion between 2019 and 2023. **HilltopSecurities is in the market with 18 municipal bond issuances each week** during this timeframe. This ranks HilltopSecurities as the #5 National Municipal Investment Bank.

2. List the names and professional qualifications of staff members (including sales and trading support) to be assigned to this financing. Only include those individuals who will be **directly and actively involved** on this financing. Indicate each individual's estimated level of involvement as a percentage of your firm's total involvement relating to services to be provided.

HilltopSecurities ensures accessibility of key personnel to the District during the engagement through the utilization of a team approach, which provides a higher level of experience, proficiency, and client service. As Lead Banker, **Mr. Mike Cavanaugh, Managing Director**, will provide day-to-day coverage and will ensure work is completed timely and efficiently, and **Mr. Joshua Lentz, Senior Vice President**, who has extensive experience in healthcare banking will provide redundant coverage to the District that allows us to provide in-person coverage on relatively short notice and to ensure work is completed timely and efficiently. Josh is a recent addition to the HilltopSecurities team coming over from a well-known bank that provided numerous loans to California healthcare providers similar to the District. Mike and Josh (55% of the involvement) will work together to design structures and strategies that best achieve the objectives of the District and will be further strategic healthcare banking support including **Ms. Michele Vobach, Senior Managing Director** (5% of involvement), who is the head of healthcare investment banking at HilltopSecurities, and **Mr. Jim Towne, Managing Director / Head of DCM Structuring** (5% of involvement), and quantitative support from **Mr. Andy Kuo, Senior Vice President** (10%).



In addition, **Mr. William (Bill) Evans, Senior Managing Director and Head of Municipal Underwriting** (15%) will work closely with the banking team to ensure maximum market acceptance for the public offering. Bill will act as Lead Underwriter for this effort and will work closely with **John Pellicci, Senior Managing Director/Head of High Yield Underwriting & Trading**, and **Ms. Kim Smith, Managing Director**, who is HilltopSecurities lead short term underwriter. **Yaffa Ratner, Senior Managing Director/Head of Credit**, and **Ted Chapman, Municipal Credit Analyst**, will provide credit guidance on this transaction. Bill, John, Kim, Yaffa, and Ted (combined 10%) will work closely with the baking team to ensure maximum market acceptance for the District's financing.

The table below shows the District's Core Finance Team at HilltopSecurities. Please refer to **Appendix A** for bios.

HilltopSecurities Core Team		
Lead Banker/Day-to-Day Project Manager	Co-Project Manager/Secondary Point of Contact	
Mike Cavanaugh Managing Director 760.632.6824 mike.cavanaugh@hilltopsecurities.com	Josh Lentz Senior Vice President 602.224.7112 josh.lentz@hilltopsecurities.com	
Strategic Banking Support		Quantitative Support
Michele Vobach Senior Managing Director	Jim Towne Managing Director	Andy Kuo Senior Vice President
Underwriting		
William Evans Senior Managing Director	John Pellicci Senior Managing Director	Kimberly Smith Managing Director
Credit Support		
Yaffa Rattner Senior Managing Director	Ted Chapman Managing Director	

3. Describe your firm's experience in underwriting and privately placing long-term debt (30-to-35-year maturities) similar to the proposed Certificate financing secured by parcel taxes. Also provide the following information on your firm's experience as underwriter and placement agent since 1/1/18 (exclude co-manager & selling syndicate roles):
- Total number and dollar amount of long-term debt underwritten nationwide.
 - Total number and dollar amount of long-term debt underwritten in California.
 - Total number and dollar amount of long-term debt privately placed nationwide, and
 - Total number and dollar amount of long-term debt privately placed in California.

HilltopSecurities is not the largest underwriter in California or nationally by either volume or financings sold, but we do believe that on a per-banker basis we compare favorably to any firm. Not considered in the total below are our municipal advisory (and Co-Managed) clients. Since our underwriting desk sits on pricing calls for our municipal advisor clients, we can make the assertion, we are the #5 ranked municipal investment bank for years 2019-2023. We completed 4,770 transactions totaling \$224 billion, the vast majority of which were for long term debt. HilltopSecurities has made several strategic hires who specialize in healthcare. In 2021, HilltopSecurities senior managed a \$500 million fixed rate financing and has over \$200 million of senior managed healthcare financings in the pipeline for 2024.

HilltopSecurities Senior or Sole Managed Underwriting Experience – Long Term Bonds Nationwide

In recent years, the firm has expanded its California and national footprint by hiring new bankers, including recently adding 6 from UBS. Since January 1, 2018, the firm has completed over 635 long term transactions as shown to the right. These do not include municipal advisory or co-managed accounts, just sole or senior managed long-term debt for issuers across the country.

LONG TERM - SR UW - NATIONWIDE		
Fiscal Year	Par Amount (\$)	Financings
2018	895,000,000	86
2019	9,975,000,000	65
2020	2,150,000,000	112
2021	3,870,000,000	131
2022	2,950,000,000	105
2023	2,980,000,000	130
2024	195,960,000	6
Total	\$ 23,015,960,000	635

HilltopSecurities Senior or Sole Managed Underwriting Experience – Long Term Bonds in California.

LONG TERM - SR UW- CALIFORNIA		
Fiscal Year	Par Amount (\$)	Financings
2018	546,130,000	31
2019	218,945,000	19
2020	468,555,000	13
2021	608,535,000	23
2022	601,700,000	14
2023	203,900,000	14
2024	-	0
Total	\$ 2,647,765,000	114

Our four California bankers all have more than 25 years of experience each. The list to the left refers to mostly a three-member banking staff. So when comparing our experience with other firms, please ask about a bank to deal ratio. Our two to three California bankers completed 5-10 long terms deals a year. We provide the experience, value, and qualities necessary to serve as senior managing underwriter but more importantly, we look for the lowest cost of borrowing for our clients. In two specific healthcare cases for San Benito Healthcare District and Tahoe Forest Hospital District, HilltopSecurities was hired as Senior Manager but was able to generate more savings for the issuer via a private placement. Our goal is to achieve the lowest cost of capital for our clients, and we will assess all alternatives to help our clients achieve their financing goals.

HilltopSecurities California Private Placement Experience for Long Term debt

The California office has been using private placement as an alternative to public offerings since 2010. No other firm can match our 142 successful private placements totaling \$1.46 billion since 2018. Mike Cavanaugh and the team dedicated to the District are unique in their ability to find our clients the most efficient form of borrowing. We put our clients' goals first and have the record of accomplishment and ability to prove it. This list includes 12

LONG TERM - PLACEMENT - CALIFORNIA		
Fiscal Year	Par Amount (\$)	Financings
2018	218,053,000	5
2019	52,451,000	4
2020	179,033,000	7
2021	-	0
2022	3,253,000	2
2023	-	0
2024	-	0
Total	\$ 452,790,000	18

healthcare placements totaling over \$152 million in par. Since the vast majority of placement are short or medium term, the table to the right is distorted. One of the “medium” termed placements completed by Mike Cavanaugh was for Palm Drive Healthcare District in 2020 regarding their Parcel Tax Bonds. The placement was sold to Western Alliance Bank, where Mr. Josh Lentz was the primary contact. As noted above, Josh also worked on the West Contra Costa Parcel Tax bonds private placement.

LONG TERM - PLACEMENT - CALIFORNIA		
Fiscal Year	Par Amount (\$)	Financings
2018	218,053,000	5
2019	52,451,000	4
2020	179,033,000	7
2021	-	0
2022	3,253,000	2
2023	-	0
2024	-	0
Total	\$ 452,790,000	18

HilltopSecurities National Private Placement Experience for Long Term debt

The California office has been the pioneer of using private placement as an alternative to public offerings. Other offices are now using bank placements, but a quick search does not show any with maturities resembling the term on the District bonds. The national team has completed the same number of placements since 2018 as our CA offices being roughly 140 transactions. Without know for sure if any were long term, we are using the same table for our California experience.

- 4 Discuss your firm's distribution and trading capabilities in the underwriting and/or placement of the Certificates and provide your recommendations regarding the following matters:
 - a. Discuss your strategies in the marketing and selling of the Certificates, including the marketing of any special structures being recommended below and the use of retail buyers; and
 - b. Discuss the prospects of privately placing long-term debt given today's market conditions and commercial bank appetites to purchase long-term debt with 30 to 35-year terms.

Marketing/Distribution. The marketing plan will include significant investor outreach in pursuit of obtaining the lowest cost of capital and greatest flexibility for your financing. This credit is unique in that both Palm Drive Health Care District ("PDHCD") and West Contra Costa Healthcare District ("WCCHD") have special statutory authority under the California Government Code Section 5451 signifying the pledge of collateral as such "...shall be secured by a statutory lien on all of the revenues generated from parcel taxes levied" (the "Statutory Lien Authority"). This Statutory Lien Authority allowed WCCHD to obtain a "Aa3" rating from Moody's Investors Service for the refinancing of its outstanding parcel tax revenue bonds. Since the District does not have the Statutory Lien Authority under California Government Code Section 5451, the rating agencies (HilltopSecurities confirmed with S&P, Moody's and Fitch) will mainly weigh the credit on the strength of the operations of the District and operating transfers over to Alameda Health System into the rating.

Another factor that would assist in the rating process is that the District is located in the City of Alameda, which has high assessed valuations, high income levels, and low unemployment, and that the District parcel tax revenues payments will be guaranteed under the Alameda County Teeter Plan. We would endeavor to present the structure to the rating agency(s), but there is no guarantee of obtaining an investment grade rating without the Statutory Lien Authority, the rating could be below investment grade, and therefore, a rating might not be beneficial for the Certificates. If the District was able to obtain the Statutory Lien Authority through the California legislature, signed into law by the California Governor under California Government Code Section 5451 and the Statutory Lien Authority was immediately in effect, then an investment grade rating in the range "A" or better category may be obtainable for debt obligations secured by the parcel tax revenues of the District. We understand this is in process and hopes to be completed prior to the first bond issuance in August 2024.

We would suggest approaching rating agency with rating evaluation service ("RES"). With the RES, the rating agency provides an actual confidential "letter grade" (i.e. "AA" or "A+" or "BBB-") so it carries the nuance of our notching, which is one aspect that distinguishes it from a Credit Assessment. Additionally, with a RES, the Issuer poses a question. For example, the District might simply ask, "What would the rating on our bonds be if we sold \$10 million with a 1.25x ABT with (or without) a statutory lien?" Many issuers use the RES to test new structures, new liens, or the impact of different ABTs. If, for example, the District wanted to also test what the rating might be at a 1.50x with (or without) a statutory lien, we can analyze that additional scenario for \$5,000. We provide both verbal and written confidential results. Fees for a RES are based on a number of factors (size of the proposed transaction, complexity, sector, timing, etc.) but for this transaction their fee would be around \$15,000 and they can credit back \$5,000 toward the public rating fee should the District move forward.

Assuming special legislation is NOT obtained prior to the August 2024 Bond deal, HilltopSecurities recommends a two-prong approach, targeting private placement banks and investors while preparing for the public market and evaluating a rating and costs associated with a public offering. In the event the District does not find value in a placement, the obvious solution is a long term fixed rate bond. Bank placement is only able to amortize debt over 20 years, so this would not be an option for deals going out 30 much less 35 years. Assuming the District does not receive the Statutory Lien Authority, our thought is the \$10,000,000 first series of bonds issued in 2024 to explore a placement. See further discussion below and **Appendix B** for a Financial Summary of the District and the Alameda Health System.

PRIVATE PLACEMENT CAPABILITIES & STRATEGIES. An alternative to a public offering is a bank direct placement ("Placement"). A Placement has many advantages including:

- ✓ **Less staff time.** Placements do not require a rating or official statement, eliminating the need for the rating process and due diligence needed for an official statement that can take several hours of staff time.
- ✓ **Lower costs of issuance.** Simplified legal documents, no official statement, no rating, no underwriter's discount, and other fees equate to less costs of issuance.
- ✓ **Smaller debt service reserve fund (DSRF) requirement.** Placements usually do not require a DSRF. Not funding a DSRF saves money on debt service.
- ✓ **Faster bond closing.** Since placements are simplified from a legal standpoint, do not require a rating (a 3-5 week process) and are placed with one institution, it allows for a quicker closing.
- ✓ **Lock Rate.** Banks will lock their rates up to a month in advance. This will reduce market risk and lock in lowest cost of capital for District
- ✓ **Fixed Rate or Variable Rate.** A placement allows for either.
- ✓ **Drawdown.** This allows the issuer to only pay interest on the amount drawdown. Depending on the drawdown schedule this could savings thousands of dollars.
- ✓ **Would not require a statutory lien.** Banks have a proven track record, they are willing to take the risk without statutory lien legislation.

The District may not be able to find interest rate value from a placement versus a non-rated or investment grade public offering but a placement has other advantages as noted above. The biggest value is that a bank Placement can offer a drawdown structure. HilltopSecurities has spoken to banks and found willing participant who has a significant presence in this sector having purchased both WCHCD and PDHCD, both secured by parcel taxes and having the Statutory Lien Authority. Their initial indications are about 6.25% for variable (depending on the reset -weekly, monthly or otherwise) and 20 year fixed. Our calculations show about \$300,000 of interest is saved in the first year by the drawdown structure, assuming level draws over 12 months.

If the District was able to obtain the statutory lien status then a public offering will be the most economic structure, If this is the case, we believe that the debt service reserve fund would not be necessary to be funded.

The real value HilltopSecurities will bring to your financing is the ability to find the lowest cost of capital. This could come as a public offering, private placement, or a combination of the two. HilltopSecurities is always monitoring what works best for our clients, regardless of the impact to our fees. Public offerings pay more to underwriters, yet on numerous occasions, HilltopSecurities has suggested switching from a public offering to a placement because of the positive impact it had on savings for the issuer. If we decide to move forward with a public offering we offer the following capabilities.

PUBLIC OFFERING CAPABILITIES & STRATEGIES. Particularly for the District's financing, we will aggressively target Loomis Sayles ("Loomis") who controls the UnitedHealth Group California Health Care Investment Program. Loomis may have interest in your financing as a possible Placement but more likely as purchasers in a traditional public offering. Loomis's sole purpose is to "increase access to capital by qualified California healthcare entities serving underserved, low income, and underinsured communities and populations in California." We believe this could be a solution for the District to obtain the lowest cost of capital for its residents. Whether a placement or a public offering is utilized, Loomis will be a target. Should Loomis not buy the whole deal via a placement at yields in line with or lower than the public market, we would then target local trading accounts, regional investors and retail buyers. California regional investors such as Harvey Capital, Capital Research, American Century, Charles Schwab, Wells Fargo, and Franklin all have been active buyers in healthcare debt. Local trading accounts are also called brokers' brokers and are not going away accounts.

Usually HilltopSecurities will only target going away accounts, but in an effort to provide the lowest cost of borrowing, HilltopSecurities would recommend using these trading accounts as an outlet for the financing. These accounts are large buyers

of original issue discount bonds, which we will demonstrate is advantageous to your lowest cost of borrowing. These trading accounts will be very active with our proposed structure and will add value to our distribution.

HilltopSecurities' goal is to create as broad and deep of an investor pool for the District's bonds. This creates competition and increased liquidity that translates into achieving the lowest cost of borrowing the market can provide. HilltopSecurities achieves this through its Institutional salesforce being strategically placed throughout the country. The geographical proximity of sales coverage to an investor allows for increased communication and connection and thus establishes a level of coverage that is personal, trustworthy, and valued. In addition to the Tier 1 coverage provided, **HilltopSecurities has an extensive middle-market network of sales coverage that is centered in the West (Los Angeles, San Francisco, Arizona, Denver, and Dallas).** This Tier II coverage augments the depth and breadth of the order-book and finds the regionalized banks, insurance companies, and investment advisors that prevent the largest investors from attempting to dictate price.



HilltopSecurities is proud of the large municipal salesforce, with **over 180 sales, trading, underwriting and retail sales professionals dedicated to municipal sales.** HilltopSecurities maintains nationwide presence with 14 office locations with sales professionals across 12 states. Few banks can compete with the number of sales staff with an exclusive dedication to municipal bonds. HilltopSecurities covers the full spectrum of investors with a broad and deep distribution network. With a firm wide focus on municipal bonds, the coverage encompasses the largest institutional municipal investors, individual retail, mid-tier insurance companies, banks and municipalities. Additionally, HilltopSecurities has excellent middle market coverage with **30 professionals dedicated to middle market sales, which directly assist with supplemental orders on top of anchor orders.**

Retail Distribution Capabilities. Our distribution network includes **approximately 50 California based municipal retail brokers serving high-net-worth clients with approximately \$5.462 billion in California tax free assets under custody in nearly 15,092 accounts.** The firm has California retail sales offices in Big Bear, Monterey, Roseville, San Diego, San Francisco, Solana Beach and Sherman Oaks (the combined firm has 53 offices with 9 in California). **HilltopSecurities has existing clients in and around the District and the outlying areas, and we can structure the syndicate policy to give priority to local residents during the order period.** Retail buyers are of significant importance in this sector because they provide the lowest cost of capital. We could sell 100% of the proposed \$10,000,000 of 2024 bonds via our retail outlet. This may require retail pricing and takedown, which may differ from the attached scale and fees.

Additionally, HilltopSecurities provides securities clearing services to over 170 securities brokerage firms ("Correspondent Firms") located in 32 states employing 2,500 brokers with over 200,000 brokerage accounts. Clearing services include maintaining accounts, processing securities and transactions, extending margin loans, and performing a variety of administrative services as agent for our Correspondent Firms and their clients. At present, the firm averages some 80,000 trades yearly.

The marketing strategy for your assumed investment grade parcel tax revenue bonds would be comprehensive and include our well-covered Tier I, II, and III institutional accounts and the mom and pop retail investors. **HilltopSecurities believes this financing will garner support from institutions and retail investors.** We will put an emphasis on retail in order to obtain the

lowest cost of borrowing. We expect the size and duration of the transaction will entice mid-level buyers but not the larger institutional accounts on the \$10,000,000 (but they could play on the larger \$45,000,000 series). HilltopSecurities expects large support from Tier II and Tier III buyers to make up for the shortfall in Tier I. HilltopSecurities developed a plan to enhance its institutional bond selling capabilities to these buyers after studying the sales penetration of competing national and regional firms. HilltopSecurities is positioned to cover the second and third tier institutional accounts that are underserved by the national firms. It is our view that HilltopSecurities has developed one the largest and most effective regionally based institutional sales efforts in the industry.

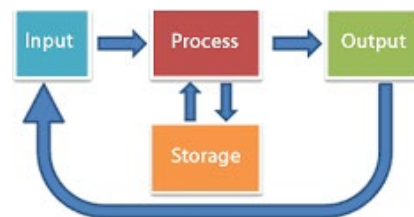
HilltopSecurities would structure the bonds to sell to the widest investor base possible that allows for the lowest cost of borrowing. In the event a short call is utilized, couponing will have a greater impact on a refinancing. Currently, selling via a retail structure (or with original issue discount) on bonds after the call date provides the most benefit to the District. Most institutions want pricing with 5% coupons, which increases your debt service costs.

HilltopSecurities believes we can structure this deal at a level that is attractive to both institutions and retail and at the lowest cost to the District. This could be done by using par or discount pricing in the term bonds. We have found strong demand for 4% coupons sold at a discount for certain institutions and retail investors. Structuring the financing to attract both retail and institutional interest will help maximize demand and lower the cost of borrowing.

HilltopSecurities would propose to work closely with the District, Gary Hicks, and other members of the financing team to determine the best course of action, such as structure, takedowns, couponing, and call provisions. The current market at the time of pricing will guide some details, but HilltopSecurities will work to achieve your goals. HilltopSecurities will also work closely with any co-managers to devise a suggested priority and to achieve the lowest cost of borrowing with a mix of couponing to reach institutional investors and retail clients. As follows:

Priority of Orders:

First priority	Retail going away (California)
Second priority	Retail going away (all others)
Third priority	Net Designated*
Fourth priority	Member



HilltopSecurities, if selected as Senior Manager, will be as accommodating as possible to local brokerage offices to assist in their efforts to market and sell the District's bonds. The objective will be to market and sell bonds as aggressively as possible into local area markets. To the extent that orders are not filled due to an oversubscription in any maturity, we will attempt to reallocate unfilled orders to maturities that are undersubscribed and fill those orders. HilltopSecurities will do our best to treat all brokers and their orders as equally as possible to reward those brokers that work the issue and place orders with HilltopSecurities as book running senior manager.

Tier I Institutions Purchases of \$5 to \$25 million+
<ul style="list-style-type: none"> Insurance Companies National Bond Funds Structured Product Groups Cross Over Buyers
Tier II & III Investors Purchases of \$1 to \$5 million
<ul style="list-style-type: none"> Regional Trust Departments Professional Retail Money Managers Advisory Accounts
Retail Purchases of \$25,000 to \$1 million
<ul style="list-style-type: none"> Individuals Individual Trust Accounts Prime Brokerage Separately Managed Accounts (SMAs)

5. Provide a listing of your institutional and retail sales offices, including the number of registered institutional and retail sales brokers located at each California sales office. Do you have a California trading desk?

The following shows HilltopSecurities national and California based sales staff. HilltopSecurities' commitment center is in Dallas, Texas, but will be working closely with our Sherman Oaks, California, trading desk to conduct the pricing if it is completed as a public offering. Currently, HilltopSecurities have 50 California based retail brokers.

Institutional and Retail Sales Personnel, Traders & Underwriters (as of December 31, 2020)														
Role	Total	Alpharetta	Austin	Boston	Charlotte	Chicago	Cincinnati	Dallas	Denver	Encino	Houston	New York	Palm Beach	San Antonio
UW	5						1	2	1		1			
Trading	14			1		2		3		5		1	2	
Institutional Sales	37	1	2	2	1	17	1	3	1	1	2	3	3	
Bank Sales	10										9			1
Retail	286													50
Total	352													236

CA Retail Offices	
Roseville	4
Sherman Oaks	15
Big Bear	2
San Francisco	6
San Diego	8
Monterey	7
Independent	8

6. The District may desire to engage the services of Disclosure Counsel if a public offering is utilized to sell the Certificates. As a consequence, will your firm need to engage the services of separate underwriter's counsel, and if so, who would you consider for that role and at what cost to the District?

HilltopSecurities would require an Underwriter's Counsel for a public offering. We would inquire with Morgan Foley on his availability and estimate his cost not to exceed \$17,500 for both issues, being \$7,500 in 2024 and \$10,000 on the second series.

7. Describe any litigation or regulatory action filed against your firm in its role as underwriter or placement agent since 1/1/18, and the resolution thereof.

From time to time in the ordinary course of its business, HilltopSecurities is called upon to respond to inquiries or is subject to investigations or proceedings by federal, state or industry self-regulatory organizations. The firm is also involved, from time to time, in civil legal proceedings and arbitration proceedings concerning matters arising in connection with the conduct of its business. To the best of our knowledge, information and belief based upon the facts available at this time, there is no threatened or pending inquiry, investigation, litigation, arbitration or regulatory proceeding that we believe would have a material adverse impact on the ability of HilltopSecurities to perform public finance underwriting services. The Financial Industry Regulatory Authority (FINRA) maintains a public database known as BrokerCheck® that discloses reportable regulatory matters for HilltopSecurities. BrokerCheck® may be found at www.FINRA.org.

8. Provide a firm quote (not a range) of your fees and expenses in the event your firm is selected as senior managing underwriter and/or placement agent, using the format provided below. Assume that fixed rate debt is sold or privately placed. Provide separate quotes for any structures your firm proposes.

Expenses not itemized in your response will not be allowed for reimbursement. Expenses will be considered to be a not-to-exceed amount. **Would the District be obligated for any of your fees or expenses if it postponed or canceled the financing or if your services were discontinued?**

HilltopSecurities proposes the following fee structure, which is subject to negotiation with the District. All fees and charges represent "not-to-exceed" amounts. HilltopSecurities' fee is entirely contingent on the successful completion of a financing. If the issue fails to close, we will not be reimbursed for any expenses. A detailed breakdown of not-to-exceed expenses is below based on a \$55,000,000 transaction for both investment grade and non-investment grade. We are assuming UWC will be paid \$7,500 on the first series and \$10,000 on the second.

Based on \$55,000,000 Issuance	Not Investment Grade	
Spread Component	\$/ \$1,000	TOTAL AMOUNT
Takedown (Average)	\$ 7.50	\$ 412,500
Management fee	-	
Expenses	0.57	\$ 31,559
Total	\$ 8.07	\$ 444,059

Itemized Expenses	
CDIAC	\$5,000
CUSIP Fees	\$992
DTC	\$800
Day Loan	\$1,528
Ipreo	\$5,389
UW Counsel	\$17,500
CD Lookback	\$250
Misc/Travel	\$100
Total	\$31,559

Based on \$55,000,000 Issuance	Investment Grade	
Spread Component	\$/ \$1,000	TOTAL AMOUNT
Takedown (Average)	\$ 3.50	\$ 192,500
Management fee	-	
Expenses	0.57	\$ 31,559
Total	\$ 4.07	\$ 224,059

If the Certificates were structured as a Placement or a hybrid with a Public Offering, HilltopSecurities would propose the following fees:

1. Public Offering. HilltopSecurities proposes to keep the same "not-to-exceed" amounts as stated above as derived by the principal amount and the takedowns, management fee and expenses.
2. Private Placement. If all or a portion of the Certificates are completed through a Placement, HilltopSecurities proposes the following fee schedule to serve as Placement Agent of \$3/1,000 or \$30,000 on the \$10,000,000 issue.

9. Provide your thoughts and assessment of the use of Certificates secured by the District's parcel taxes as a financing structure to provide long-term financing for the District.

The structure using Certificates secured by the District's parcel taxes is a sound and acceptable financing structure to provide long term financing. Below is a table with our proposed breakdown of yields, takedown and MMD spread, showing the different between getting the statutory lien (Investment grade) versus not getting it. See a set of complete cashflows in **Appendix C using the Investment grade rating scale shown below for \$55,000,000 and thirty-year maturity.**

Not Investment Grade 1/29/2024					Aa3 Investment Grade Rating 1/29/2024			
Year	Coupon	Yield	MMD	Spread	Coupon	Yield	MMD	Spread
8/1/2025		2.89	2.89		5	3.13	2.89	0.24
8/1/2026		2.68	2.68		5	2.95	2.68	0.27
8/1/2027		2.56	2.56		5	2.86	2.56	0.3
8/1/2028		2.47	2.47		5	2.8	2.47	0.33
8/1/2029	3.75	3.75	2.43	1.32	5	2.78	2.43	0.35
8/1/2030		2.43	2.43		5	2.8	2.43	0.37
8/1/2031		2.44	2.44		5	2.84	2.44	0.4
8/1/2032		2.45	2.45		5	2.9	2.45	0.45
8/1/2033		2.46	2.46		5	2.96	2.46	0.5
8/1/2034	4	4	2.48	1.52	5	3.03	2.48	0.55
8/1/2035		2.6	2.6		5	3.16	2.6	0.56
8/1/2036		2.69	2.69		5	3.27	2.69	0.58
8/1/2037		2.81	2.81		5	3.4	2.81	0.59
8/1/2038		2.93	2.93		5	3.53	2.93	0.6
8/1/2039		3.01	3.01		5	3.62	3.01	0.61
8/1/2040		3.07	3.07		5	3.69	3.07	0.62
8/1/2041		3.13	3.13			3.13	3.13	
8/1/2042		3.19	3.19			3.19	3.19	
8/1/2043		3.24	3.24			3.24	3.24	
8/1/2044	5	5	3.29	1.71	5	3.94	3.29	0.65
8/1/2045		3.34	3.34			3.34	3.34	
8/1/2046		3.39	3.39			3.39	3.39	
8/1/2047		3.44	3.44			3.44	3.44	
8/1/2048		3.49	3.49			3.49	3.49	
8/1/2049		3.53	3.53		4	4.4	3.53	0.87
8/1/2050		3.55	3.55			3.55	3.55	
8/1/2051		3.56	3.56			3.56	3.56	
8/1/2052		3.59	3.59			3.59	3.59	
8/1/2053		3.6	3.6			3.6	3.6	
8/1/2054	5.5	5.5	3.61	1.89	4	4.45	3.61	0.84

10. Provide your recommendation as to the best structure or structures available in today's market for the District to achieve the lowest cost of capital and the most favorable terms and conditions, and provide analysis to support your recommendation. Specify any risks inherent in the structures presented in your analysis to assist in a full and complete assessment of each alternative presented. Please include structures here not otherwise requested above.

Assuming the District is able to obtain the statutory lien status, we would recommend a long term fixed rate public offering. Should the District not be able to obtain the Statutory Lien Authority prior to the 2024 issuance, we would recommend exploring a bank placement. As stated above without the statutory lien, we do not believe a rating agency will get to investment grade.

Best structure w Statutory Lien	
1st Priority	Fixed Rate Public
2nd Priority	Bank Placement

Best structure w/o Statutory Lien	
1st Priority	Bank Placement
2nd Priority	Fixed Rate Public

HilltopSecurities would try to mitigate the risk of rating but getting a Rating Evaluation. Below we can elaborate on the benefit/risk of a placement and discuss the idea of a variable rate placement.

The current market has seen pressure as rates have started to move higher. In the last couple of weeks, indications are the Fed will keep rates steady at the February 1st meeting, with the majority of people believing that the Fed will start to lower interest rates later in 2024 and further in 2025. Given this future prediction of lower rates in 2025 versus 2024, an argument can be made to structure the \$10,000,000 of 2024 Certificates with a variable rate mode or a fixed rate mode with a 1-year optional call. Both of those structures are best suited for a Placement. Thus, our recommendation is to dual track both options but with a strong preference towards a Placement using a drawdown structure. The use of a Placement has strong value if you use the drawdown structure and you believe rates will be lower in 2025, allowing the District to have the ability to refinance the 2024 Certificates in 2025 or with the second series of Certificates.

\$10mm Par in 2024	
1 year of interest cost	
NR Public	\$ 500,000
Aa3 Public	\$ 450,000
Placement	\$ 625,000
Drawdown	\$ 300,000

Assuming the District is able to obtain the Statutory Lien Authority, the rating agencies will look very favorably and give the District the opportunity to issue very favorable long term fixed rate debt. Without consulting with the District and financial advisor, we would recommend locking into long term fixed rates on both the 2024 and 2025 when issuing with high investment grade ratings.

Our alternative structuring ideas are as follows:

- Instead of issuing two series of Certificates, just issue one series. The advantage is the District can invest the unspent proceeds at interest rates above 5% for 3 years while the money is not being spent. Assuming a strong investment grade and current market conditions, the Certificates would have an arbitrage yield of 4.20% and those issued under a non-rated would have an arbitrage over 5.15%. The District could earn positive arbitrage yield for up to three years. The District would also save money on financing costs by avoiding a second series of costs of issuance and you avoid any rising interest rate risk. That said, the current estimate is for the Fed to start lower rates later this year and rates are projected to be lower next year than today.
- Build America Mutual, a municipal bond insurance provider, sounded interested in the Certificates but would require a fee north of 180 basis points, which is equates to 0.40% in interest rates. Thus, if a standalone deal had a 5.50% interest rate, the breakeven with the insurance cost of 180bps, the Certificates would need to be at 5.10% interest rate. This means if insurance does not lower the cost of borrowing by 40bps then it is not worth the cost. The use of bond insurance could be determined at before the pricing of the Certificates after their fee is known.
- We know the District is already pursuing the concept of the Statutory Lien Authority. The District's parcel tax does not have a statutory lien and operating expenses, including operating expense of AHS, are on parity with capital expenditures. In a Chapter 9 bankruptcy, an approved plan of adjustment may provide for a lien on parcel tax revenues where the court stipulates that the parcel tax revenues are to be used 1st for debt service on outstanding debt obligations. West Contra Costa Healthcare District and Palm Drive Healthcare District went to the State Legislator to

get an amendment added to the Government Code Section 5451 allowing for debt obligations secured by parcel tax revenues to have a statutory lien on the parcel tax revenues to repayment debt obligations. These healthcare districts had similar language in their parcel tax ballot measures which included the use of parcel tax revenues to operating and capital expenditures. We are very familiar with this statute and Mr. Josh Lentz, while at Western Alliance Bank, was the banker who spear headed the purchase of parcel tax bonds from both West Contra Costa Healthcare District and Palm Drive Healthcare District. Here is a link to specific code sections. [Codes Display Text \(ca.gov\)](#). If we were able to get the assembly representative of District 18 to sponsor a bill with similar language in Government Code Section 5451.5 and 5451.7, get approval from the Assembly and the Senate, and the Governor's signature, we may have a high investment grade credit.

- Issue the 2024 Certificates as a drawdown structure with a bank with a maximum maturity of 20 years. Depending on the need for the cash this could produce significant interest savings. The second series of bonds can “wrap” around the 2024 Certificates to form a level overall debt service. Or this debt could be structured with a variable rate mode or a fixed rate mode with a one-year call and refinanced with the second series of Certificates. As noted above, the projection is for interest rates to decrease over the next few years, so this structure could be very advantageous saving interest cost with the drawdown, short optional call and refinance when interest rates are lower. Depending on the District and Financial Advisor risk tolerance for variable rate, this may be a good alternative to issuing fixed rate bonds in 2024.

- We can explore 30-, 35- and 40-year debt service schedules. The difference between each final maturity is about 10bps. The longer the maturity the less the annual costs, but the greater the total costs. See attached table.

	Annual Debt Service	Total DS
30yr Aa3 Public	\$ 3,300,000	\$ 99,810,000
35yr Aa3 Public	\$ 3,050,000	\$ 106,700,000
40yr Aa3 Public	\$ 2,855,000	\$ 114,125,000

As always, HilltopSecurities will monitor all options available to the District. We have a proven track record of obtaining the lowest cost of capital for our clients and will strive to continue this success.

11. *Provide specific reasons as to why you and your firm should be selected as the senior managing underwriter and/or placement agent for the District's proposed financing. Also provide any additional information or recommendations you believe to be important in our analyzing of your firm's proposal. Your response to this section should allow the District to understand any unique value-added features of using your firm as senior managing underwriter and/or placement agent.*

Experienced Team. HilltopSecurities has valuable Placement and Senior Manager experience in the market with recent and similar transactions and recent hire, Josh Lentz, was the go-to banker at Western Alliance bank responsible for buying both West Contra Costa Healthcare District and Palm Drive Health Care District parcel tax bonds. In California, HilltopSecurities actively buys and sells healthcare bonds in the primary and secondary markets (to support our retail sales) and has closed 34 healthcare deals since 2015 with 16 being placements and 6 being senior managed public offerings. **These were ALL completed by your assigned lead banker, Mike Cavanaugh.**

In addition to the advantages outlined above, we have an experienced team that will offer many benefits to the District. Our experienced healthcare bankers will partner with our credit specialists on the desk to evaluate the potential credit impact of approaching the rating agencies. We have the resources and analytical capabilities to analyze the various outcomes and craft a plan of finance that best matches the goals of achieving the lowest cost of capital while preserving future flexibility and minimizing risk. Our team will work with Gary Hicks and the District to evaluate this financing in the broader context of your capital plan.

Leading Distribution. No matter the resources that a firm has, the best way to truly know a financial market, both inside and out, is to be active in that market on a daily basis. When combining municipal advisory, competitive and negotiated underwriting, HilltopSecurities' Public Finance has completed 4,770 transactions for over \$224 billion between 2019 and 2023.

HilltopSecurities is in the market with 18 municipal bond issuances each week during this timeframe. This ranks as the #5 National Municipal Investment Bank As discussed throughout our proposal, one of the strengths we bring to every transaction is our ability to market and distribute bonds publicly via institutional and (specifically our California) retail outlets or as a private placement. In California, we are a market leader in these categories.

#5 National Municipal Investment Bank (2019-23')	
Transactions	Par
4,770	\$224 Billion

We believe that these distribution capabilities coupled with our ability to risk capital and underwrite bonds exhibit several of the key qualities' issuers should desire in their Senior Manager. This distribution, coupled with the Firm's Senior Managed underwriting experience, our team's healthcare experience, and the Firm's secondary market presence, offer the District the market insight and knowledge to position your financing to maximize savings.

Retail Sales. Our firm can add value through our strong in-house California retail sales capability. Our California retail sales team of 50 brokers serves over 15,000 retail accounts with \$5.462 billion in California municipal assets under custody. HilltopSecurities maintains municipal retail sales offices in Big Bear, Monterey, Roseville, San Diego, San Francisco and

California Municipals	
Accounts	Assets
15,092	\$5.462 billion

Sherman Oak, and offers arguably the strongest California retail distribution capability of any regional firm. Retail has been known to sell up to \$10,000,000 of an issue should it be priced and structured for their needs.

Secondary Market Makers. Selecting firms that are active secondary market participants (like HilltopSecurities) may help the District improve its pricing in both the primary and secondary markets. As a market maker in the secondary market (which helps feed our retail demand), HilltopSecurities' municipal traders have \$280 million of dedicated capital. This capital is used to ensure we can provide liquidity for our investor clients. Giving our investor and issuer client's confidence that an issuer's bonds will remain marketable can translate into lower interest costs for issuers in the primary market and provide liquidity for investors that may want the option of selling bonds prior to maturity. As a market maker, HilltopSecurities provides extensive secondary market support for new issues over an extended period. Investors know and trust that HilltopSecurities will make an active secondary market, which helps optimize our primary market distribution and pricing efforts when we serve as underwriter. In

addition, actively trading similar bonds in the secondary market gives us an advantage when pricing in the primary market since we know what investors are thinking about and where they have purchased similar securities.

Client Focused. The real value HilltopSecurities will bring to your financing is the ability to evaluate multiple alternatives for the potential refunding. This could come as a public offering, private placement, or a combination of the two. HilltopSecurities is always on the watch for whatever works best for our clients regardless of the impact to our fees. We look forward to continuing our working relationship with the District in any way you determine beneficial to your financing needs. HilltopSecurities is ready to accept the challenge and demands of being your Senior Manager.

Appendix A

Resumes



Mike Cavanaugh, *Managing Director*, will serve as the primary contact and lead banker responsible for coordination of all HilltopSecurities efforts on behalf of the District. Mike will be the day-to-day contact and will work with Jeff and Josh to design structures and strategies to best achieve the objectives of the District and be team leader unifying banking, sales, trading and underwriting for the District's benefit.

Mr. Cavanaugh started his career in Public Finance in 1991 as a financial analyst and has over fifteen years of senior management banking experience. Mike has been the lead banker on all but one of the healthcare transactions completed by HilltopSecurities in California since 2008.

Mr. Cavanaugh recent experience includes lead banker on the Oak Valley Hospital District 2021 Revenue Refunding Bonds, Plumas Hospital District 2021 GO Bonds, San Benito Health Care District Insured Revenue Bonds 2021, Oak Valley Hospital District 2020 GO refunding Bonds, Oak Valley Hospital District 2020 Revenue Bonds, Tulare Local Healthcare District 2020 Revenue Refunding Bonds, Lompoc Valley Medical Center 2020 Insured Revenue Refunding Bonds, Lompoc Valley Medical Center 2020 GO Refunding Bonds, Tahoe Forest Hospital District General Obligation Bonds (Closed September 2019), Palm Drive Health Care District General Obligation and Parcel Tax Bonds (Closed July 2019) and North Sonoma County Healthcare District Parcel Tax Bonds. In addition, he has been a co-manager on multiple healthcare financings including, Lompoc Valley Healthcare District, Southwest Community Health Center, Oak Valley Hospital, Lincoln Glen Manor, San Benito Health Care District, two financings for Kaweah Delta Healthcare District, Sierra Kings Health Care, Mendocino Coast Health, North Kern South Tulare Hospital District and Eden Township Healthcare. Mr. Cavanaugh holds a Bachelor of Science Degree in Business Administration from the University of Southern California. He is a Registered Representative with the Financial Industry Regulatory Authority (Series 7).



Mike Cavanaugh
Managing Director
Public Finance Banking

777 S. Highway 101, Suite 104
Solana Beach, California 92075

☎ 760.632.6824 Direct 323.925.3086 Mobile
Fax 760.632.8621
Mike.Cavanaugh@hilltopsecurities.com



Josh Lentz
Senior Vice President
Public Finance Banking

2398 E. Camelback, Suite 340
Phoenix, Arizona 85016

☎ 602.224.7112
Josh.Lentz@hilltopsecurities.com

Josh Lentz, *Senior Vice President*, focuses primarily on project development finance for all types of borrowers. Mr. Lentz has considerable experience working with California healthcare districts on property tax back and revenue financing structures, including Peninsula Health Care District, Northern Inyo Healthcare District, Indian Valley Healthcare District, Coalinga Regional Medical Center, West Contra Costa Healthcare District, Palm Drive Health Care District, Corcoran Hospital District, Tulare Local Health Care District and Southern Inyo

Healthcare District. Mr. Lentz joined HilltopSecurities in July 2022, and previously he was a commercial municipal and nonprofit banker with Western Alliance Bank (January 2016 through July 2022) and a municipal advisor with Fieldman, Rolapp & Associate (August 2006 through January 2016).

Michele Vobach, *Senior Managing Director, Head of Healthcare*, will provide strategic healthcare investment banking support for the team. Ms. Vobach has over 35 years' experience in the public finance industry with over \$30 billion in transactions completed. She joined HilltopSecurities in January 2024 to lead and grow the firm's underwriting business. Over her career, she has served as lead banker to over \$10 billion in debt issuances for governmental and tax supported hospitals and districts throughout the country including: Bexar Co, Dallas Co, El Paso Co, Harris Co and Midland Co in Texas, OU Health in Oklahoma, Moffett Cancer Center in Florida, University of New Mexico Health System, University of Utah Health System and several billion of projects for Cal Regents. Ms. Vobach previously worked at UBS, BofA Securities/Merrill Lynch and Goldman Sachs and is a Past President of Rice University Alumni, Board Member for Young Women's Preparatory Network, Municipal Advisory Council of Texas and Corporate Underwriting Chair for Baylor Scott & White Health's Breast Cancer Event. Ms. Vobach earned a Bachelor of Arts in Legal Studies and Art History from Rice University and completed the Executive Leadership Program at The Wharton School, University of Pennsylvania.



Michele Vobach
Senior Managing Director
Public Finance Banking

717 N. Harwood Street, Suite 3400
Dallas, Texas 75201

☎ 214.953.8858 Direct
Michele.Vobach@hilltopsecurities.com

Andy Kuo, *Senior Vice President*, will serve as analyst. Mr. Kuo has worked in the Public Finance industry since 2004. His experience ranges from Healthcare, Pension, General Obligation, Revenue, Appropriation, Land Secured, Special District, Notes, and Multi-Family Housing financings. He worked at ML Stern which was acquired by Southwest Securities in 2008. Southwest Securities is now HilltopSecurities. Mr. Kuo is a graduate of the University of California, Berkeley with a BA in Pure Mathematics and a BA in Economics. He is a Registered Representative of FINRA with the Series 7, Series 50 and 63 licenses.



Andy Kuo
Senior Vice President
Public Finance Banking

717 N. Harwood Street, Suite 3400
Dallas, Texas 75201

☎ 214.859.9457
Fax 214.953.4050
Andy.Kuo@hilltopsecurities.com

William Evans, *Senior Managing Director, Negotiated Underwriter*, will serve as lead underwriter for the team on all investment grade transactions. Mr. Evans has worked in the public finance industry since 2002 and joined HilltopSecurities in 2020. Mr. Evans earned an Executive MBA from Fordham University and is a graduate of Northeastern University with a BS/BA in Finance and Accounting. He is a Registered Representative of FINRA with the Series 3, 7, 50, 53 and 63 licenses.



William Evans
Senior Managing Director
Head of Negotiated Underwriting

717 N. Harwood Street, Suite 3400
Dallas, Texas 75201

☎ 214.859.0421 Office
William.Evans@hilltopsecurities.com



John Pellicci
Senior Managing Director
Head of Municipal Underwriting and Sales

30 7th Street, Suite 260
St. Paul, Minnesota 55101

☎ 612.439.6110 Direct 612.895.6818 Mobile
john.pellicci@hilltopsecurities.com

John Pellicci, Senior Managing Director, is the firm's Head of Municipal Underwriting & Sales. John has expertise in a variety of sections including Hospitality, Development Land Secured, Project Finance, Senior Housing, Healthcare and Private Higher Education. He collaborates with banking teams and investors to create unique capital funding solutions. John joined HilltopSecurities in 2021 after serving for 35 years at Piper Sandler. He holds a Bachelor's degree in Economics from St. Olaf College.

Yaffa Rattner, Senior Managing Director, serves as the firm's Head of Municipal Credit since joining HilltopSecurities in 2021. Yaffa is experienced in the high yield sector including senior living, charter schools and special districts. She is a frequent speaker at industry conferences on emerging trends in the high yield sector. Her experience includes 13 years as Managing Director and Head of Municipal Credit at Piper Sander, and 12 years at Moody's Investor Service as Senior Vice President, Senior Rating Committee Member and Manager of a credit team. **Yaffa has been named a First Team Analyst by Smith's Research and Gratings for several years.** She holds a Master's degree with a concentration in Public Finance from Columbia University and a Bachelor's degree from Barnard College of Columbia University.



Yaffa Ratner
Senior Managing Director
Public Finance Banking

717 N. Harwood Street, Suite 3400
Dallas, Texas 75201

☎ 917.243.1145 Direct
Yaffa.Ratner@hilltopsecurities.com



Ted Chapman
Managing Director
Public Finance Banking

717 N. Harwood Street, Suite 3400
Dallas, Texas 75201

☎ 214.859.1067 Office
Ted.Chapman@hilltopsecurities.com

Theodore "Ted" Chapman, Managing Director/Investment Analyst, joined HilltopSecurities in 2021. Prior to HilltopSecurities, **Mr. Chapman spent 21 years as a municipal bond credit analyst at S&P Global Ratings**, serving as a subject matter expert and credit rating criteria author for municipal water utility revenue bonds and ESG. He served from 2007 as a senior credit officer for credit rating committees within S&P's U.S. Public Finance department. Mr. Chapman holds a Master of Public Administration from the University of Texas – El Paso and earned a BA in Political Science

from the University of Arizona.

Kelly Jocoy, Managing Director, will serve as lead trader for the District and work closely with Bill Evans on pricing and structuring of your bonds. He works out of our Sherman Oaks, CA office. Mr. Jocoy has over 40 years of experience in the municipal bond markets. Mr. Jocoy joined HilltopSecurities in October 2015 coming from Citibank, where he was director of municipal trading and oversaw all the firm's competitive and negotiated underwriting for California and the Northwest. In addition, he was responsible for all secondary block trading for revenue bonds in California including all Cal Mortgage insured bonds. Mr. Jocoy focuses on expanding the underwriting business for the firm's Western Region, while overseeing the firm's immense retail trading demands. He works closely with our banking team and Bill Evans on municipal financing structures. He holds the professional registrations of General Securities Representative (Series 7), Uniform Securities Agent State Law (Series 63) and Municipal Securities Principal (Series 53) licenses.



Kelly Jocoy
Managing Director
Municipal Retail Trading Manager

15301 Ventura Blvd., Suite 410
Sherman Oaks, California 91403

☎ 818.212.2046
Fax 818.212.2778
kelly.jocoy@hilltopsecurities.com

Appendix B

Financial Summary – City of Alameda Health Care District and Alameda Health System




City of Alameda Health Care District - Financial Summary

Reporting Period: June 30

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 Healthcare 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. Through this affiliation with AHS, the District continues to provide health care services primarily to individuals who reside in the local geographic area.

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 AHS in order to support the operations of the Alameda Hospital by AHS.

Income Statement	6/30/2020	6/30/2021	6/30/2022	6/30/2023	\$ Change	Balance Sheet	6/30/2020	6/30/2021	6/30/2022	6/30/2023	\$ Change
Taxable Parcels						Assets					
Number of parcels subject to parcel tax	20,048	20,049	20,137	20,423	286	Current Assets:					
	-0.02%	0.00%	0.44%	1.42%		Cash & cash equivalents	1,212,789	881,844	2,505,423	2,460,281	(45,142)
Assessed Valuations						Other receivables	298,418	309,139	335,062	343,074	8,012
City of Alameda Assessed Valuations (\$000)	14,580,244	15,501,891	16,159,217	17,805,665	1,646,448	Prepaid expenses and deposits	6,627	86,271	108,828	153,460	44,632
	7.65%	6.32%	4.24%	10.19%		Assets limited to use	646,751	678,596	709,693	862,163	152,470
Operating Revenue						Capital Assets, net of accumulated depreciation	2,623,684	2,446,447	2,278,048	2,111,184	(166,864)
Rent and Other Operating Revenue	211,977	197,218	177,909	184,057	6,148	Long-term lease receivable	-	-	203,964	166,472	(37,492)
Total operating revenue	211,977	197,218	177,909	184,057	6,148	Total Assets	4,788,269	4,402,297	6,141,018	6,096,634	(44,384)
Operating Expenses						Deferred outflows of resources	5,229	2,988	-	-	-
Professional fees	232,864	225,934	411,089	558,199	147,110	Total Assets and Deferred Outflows	4,793,498	4,405,285	6,141,018	6,096,634	(44,384)
Supplies	5,399	5,417	5,300	6,150	850	Liabilities					
Purchased services	29,358	19,429	11,764	28,829	17,065	Current Liabilities:					
Building and equipment rent	31,880	27,015	19,269	20,430	1,161	Current maturities of debt borrowings	34,421	34,853	36,784	22,624	(14,160)
Utilities and phone	10,811	13,085	12,256	14,820	2,564	Accounts payable and accrued expenses	10,090	15,727	32,435	25,074	(7,361)
Insurance	59,728	92,786	99,309	125,911	26,602	Debt borrowings, net of current maturities	877,568	842,184	806,121	802,462	(3,659)
Depreciation and amortization	190,351	187,024	170,640	167,612	(3,028)	Total Liabilities	922,079	892,764	875,340	850,160	(25,180)
Other operating expenses	90,081	69,603	285,387	288,693	3,306	Deferred inflows of resources	-	-	237,463	203,217	(34,246)
Total operating expenses	650,472	640,293	1,015,014	1,210,644	195,630	Total Liabilities and Deferred Inflows	922,079	892,764	1,112,803	1,053,377	(59,426)
Non-operating revenues (expenses)						Net Position					
District tax revenues (Parcel tax revenues)	5,887,501	5,898,222	5,938,514	6,036,813	98,299	Investment in capital assets, net of related debt	2,623,684	2,446,447	2,278,048	2,111,184	(166,864)
Interest income	-	-	8,919	7,765	(1,154)	Temporarily restricted	646,751	678,596	709,693	862,163	152,470
Interest expense	(52,015)	(47,321)	(48,140)	(66,973)	(18,833)	Unrestricted	600,984	387,478	2,040,474	2,069,910	29,436
Transfers to Alameda Health System	(7,304,490)	(5,766,724)	(3,546,494)	(4,935,976)	(1,389,482)	Total Net Position	3,871,419	3,512,521	5,028,215	5,043,257	15,042
Total non-operating revenues (expenses)	(1,469,004)	84,177	2,352,799	1,041,629	(1,311,170)	Total Liabilities and Net Position	4,793,498	4,405,285	6,141,018	6,096,634	(44,384)
Net Position						Location					
Net Position	(1,907,499)	(358,898)	1,515,694	15,042	(1,500,652)						
Operating cash margin (%)											
Operating cash margin (%)	-785.5%	-63.2%	974.9%	135.6%							
Net Position - Beginning of Year											
Net Position - Beginning of Year	5,778,918	3,871,419	3,512,521	5,028,215	1,515,694						
Prior Period Adjustments											
Prior Period Adjustments	-	-	-	-	-						
Net position - End of Year											
Net position - End of Year	3,871,419	3,512,521	5,028,215	5,043,257	15,042						
Ratios & Covenants											
Ratios & Covenants	6/30/20	6/30/20	6/30/21	6/30/23							
Excess Revenues	(1,907,499)	(358,898)	1,515,694	15,042							
Depreciation and Amortization	190,351	187,024	170,640	167,612							
Interest Expense	52,015	47,321	48,140	66,973							
Net Revenue Available to Meet Debt Service	(1,665,133)	(124,553)	1,734,474	249,627							
Annual Debt Service	82,273	82,272	82,272	84,793							
Debt Service Coverage Ratio	-20.24x	-1.51x	21.08x	2.94x							
Cash, Cash Equivalents and Board Designated Assets	1,212,789	881,844	2,505,423	2,460,281							
Total Operating Expenses	650,472	640,293	1,015,014	1,210,644							
Less Depreciation and Amortization (Annualized)	(190,351)	(187,024)	(170,640)	(167,612)							
Adjusted Operating Expenses	460,121	453,269	844,374	1,043,032							
Days Cash on Hand	962 Days	710 Days	1083 Days	861 Days							

Source: City of Alameda Health Care District - Audited Financial Statements - Fiscal Years Ended June 30, 2020 - 2023. Assessed Value information from California Municipal Statistics, Inc.

Alameda Health Systems - Financial Summary
Reporting Period: June 30

Alameda Health System ("Health System") is a Public Hospital Authority created originally under the name of Alameda County Medical Center ("Medical Center") on July 1, 1998, pursuant to California Health and Safety Code Section 101850. The governance, management, administration, and control of health care facilities were transferred from the County of Alameda (the "County") to the Medical Center in 1998. The Medical Center started doing business as the Health System on January 1, 2013. The Health System is reflected in the County's annual comprehensive financial report as a discretely presented component unit.

The Health System provides a continuum of acute and long-term care to residents of the County. In addition to offering general acute care, skilled nursing, and rehabilitative care, the Health System provides an adult day health center and a trauma center. The Health System is currently staffed for 272 acute, 69 acute psychiatric, and 235 sub-acute skilled nursing and acute rehabilitation beds.

The Health System is governed by a nine-member Board of Trustees ("Trustees"); eight members of which are appointed by a majority vote of the Board of Supervisors of the County. Trustees are appointed for three-year terms and can be reappointed for up to three consecutive complete terms. The remaining position on the Board of Trustees is filled by a representative of the Medical Staff of the Health System, which is also appointed by the Board of Supervisors.

Income Statement (\$000)							Balance Sheet (\$000)						
	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023	\$ Change		6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023	\$ Change
Payor Mix							Assets						
Medi-Cal	54.5%	55.3%	57.8%	58.5%	58.9%	(0)	Current Assets:	15,903	9,418	8,221	9,861	11,535	1,674
HPAC County Programs	4.9%	6.8%	5.7%	5.4%	3.6%	0	Cash & cash equivalents	Other recei	84,361	79,143	92,880	94,432	1,552
Medicare	29.9%	27.5%	26.7%	27.0%	28.1%	(0)	Patient accounts receivable, net	173,885	179,764	157,428	242,035	285,006	42,971
Self pay - other	2.8%	4.4%	2.4%	2.3%	2.3%	-	Due from third-party payors	29,888	75,790	98,834	104,446	36,301	(68,145)
Commercial insurance	7.9%	6.0%	7.4%	6.8%	7.1%	(0)	Due from County of Alameda	19,525	23,867	33,427	21,163	18,682	(2,481)
	100.0%	100.0%	100.0%	100.0%	100.0%	-	Due from State of California	9,529	10,528	20,375	17,774	11,669	(6,105)
Operating Revenue							Inventory	11,634	11,890	13,267	17,478	17,898	420
Net patient service revenues	564,337	487,144	597,692	719,256	787,679	(68,423)	Total Current Assets	260,364	395,618	410,695	505,637	475,523	(30,114)
Capitation revenues	67,504	88,472	92,362	91,942	100,432	(8,490)	Noncurrent Assets:						
Other government program revenue						-	Liquidity facility - County of Alameda	-	-	-	25,655	33,003	7,348
Components of the Medi-Cal waiver	143,258	119,585	101,586	144,548	107,653	36,895	Restricted cash equivalents	24,468	25,341	25,401	25,063	25,171	108
Supplement funding	93,540	183,085	76,971	190,909	213,715	(22,806)	Other postemployment benefit assets	-	-	-	75,165	-	(75,165)
Parcel tax revenue	5,536	4,736	5,649	5,215	5,136	(79)	Right-to-use lease assets, net	-	-	31,501	27,981	31,511	3,530
Percentage of Other government program revenue	1.4%	1.1%	1.7%	1.0%	1.0%		Right-to-use subscription assets, net	-	-	-	2,310	1,392	(918)
Sales tax revenue	125,493	116,462	127,920	144,720	150,739	(6,019)	Capital assets						
Other government program revenue	20,040	25,921	29,449	35,611	21,777	13,834	Non depreciable	93,089	30,605	40,392	23,585	29,114	5,529
Total	387,867	449,789	341,575	521,003	499,020	21,983	Depreciable	60,830	166,329	143,383	149,195	130,207	(18,988)
Other operating revenue	27,222	30,407	35,209	41,129	44,132	(3,003)	Total Current Assets	178,387	222,275	240,677	328,954	250,398	(78,556)
Total operating revenue	1,046,930	1,055,812	1,066,838	1,373,330	1,431,263	(57,933)	Total Assets	438,751	617,893	651,372	834,591	725,921	(108,670)
Operating Expenses							Deferred Outflows	189,237	85,548	130,420	106,457	231,350	124,893
Salaries and benefits	746,368	745,085	798,690	812,040	1,017,362	(205,322)	Total Assets and Deferred Outflows	627,988	703,441	781,792	941,048	957,271	16,223
Physician contract services	91,609	84,722	35,869	38,125	41,964	(3,839)	Liabilities						
Purchased services	74,525	83,576	78,048	96,791	105,407	(8,616)	Current Liabilities:						
Materials and supplies	87,822	85,944	94,126	109,132	132,592	(23,460)	Accounts payable and accrued expenses	55,446	45,797	35,536	68,361	64,357	(4,004)
Facilities	31,150	32,276	31,837	31,961	37,469	(5,508)	Accrued compensation	20,257	24,541	36,030	42,706	39,725	(2,981)
Depreciation and amortization	15,116	24,581	36,190	36,700	38,717	(2,017)	Due to third-party payors	200,880	184,941	274,141	215,275	203,513	(11,762)
General and administrative	18,857	18,188	22,413	27,731	26,624	1,107	Due to County of Alameda	2,872	23,936	31,155	39,294	15,314	(23,980)
Grant-related program expenses	9,766	10,473	12,188	13,147	12,457	690	Current portion of accrued compensated absences	18,725	20,087	20,508	22,191	23,843	1,652
Total operating expenses	1,075,213	1,084,845	1,109,361	1,165,627	1,412,592	(246,965)	Current portion of self-insurance liability	6,920	7,027	7,896	8,572	9,892	1,320
Operating gains (losses)	(28,283)	(29,033)	(42,523)	207,703	18,671	189,032	Current portion of lease obligations	-	-	3,086	3,513	5,284	1,771
Non-operating revenues (expenses)							Current subscription obligations	-	-	-	644	944	300
COVID-19 revenue	-	18,803	30,862	3,544	5,903	(2,359)	Current maturities of long-term obligations	11,612	7,156	-	-	-	(37,684)
Interest and investment income	(140)	(240)	2,270	147	117	30	Total Current Liabilities	316,712	313,485	408,352	400,556	362,872	
Interest expense	(2,439)	(3,693)	(5,014)	(1,620)	(1,702)	82	Noncurrent Liabilities:						
Other non-operating expenses	256	229	175	157	191	(34)	Liquidity facility - County of Alameda	109,035	108,346	39,928	-	-	-
Total non-operating revenues (expenses)	(2,323)	15,099	28,293	2,228	4,509	(2,281)	Other long-term liabilities	9,977	22,664	18,897	14,042	6,760	(7,282)
Net Position before capital contributions and transfers	(30,606)	(13,934)	(14,230)	209,931	23,180	186,751	Accrued compensated absences, net of current portion	12,194	15,731	18,516	19,494	20,869	1,375
Capital Contributions	7,500	2,805	118	132	-	132	Net pension liability	502,133	356,383	356,346	252,946	513,158	260,212
Capital Transfers - AHS and County	(7,000)	32,804	9,865	8,206	(43,875)	52,081	Other postemployment benefits obligations	43,743	20,562	1,172	-	33,671	33,671
Capital Transfers - AHS and Foundation	4,650	1,142	439	-	448	(448)	Self-insurance liability, net of current obligations	24,626	24,319	25,874	27,804	31,074	3,270
Change in net position	(25,456)	22,817	(3,808)	218,269	(20,247)	238,516	Lease obligations, net of current obligations	-	-	29,489	26,575	28,931	2,356
Operating cash margin (%)	-1.2%	1.4%	2.5%	18.1%	4.4%		Subscription obligations, net of current obligations	-	-	-	1,940	595	(1,345)
Net Position - Beginning of Year	(275,148)	(300,604)	(277,787)	(281,594)	(63,325)	(218,269)	Long-term obligations, net of current maturities	7,156	-	-	-	-	-
Prior Period Adjustments	-	-	-	-	-		Total Current Liabilities	708,864	548,005	490,222	342,801	635,058	292,257
Net position - End of Year	(300,604)	(277,787)	(281,595)	(63,325)	(83,572)	20,247	Total Liabilities	1,025,576	861,490	898,574	743,357	997,930	254,573
Ratios & Covenants	6/30/19	6/30/20	6/30/21	6/30/22	6/30/23		Deferred inflows of resources	30,240	119,737	164,812	261,516	43,413	(218,103)
Excess Revenues	(30,606)	(13,934)	(14,230)	209,931	23,180	186,751	Total Liabilities and Deferred Inflows	1,055,816	981,227	1,063,386	1,004,873	1,041,343	36,470
Depreciation and Amortization	15,116	24,581	36,190	36,700	38,717	(510)	Net Position						
Interest Expense	2,439	3,693	5,014	1,620	1,702	3,394	Net investment in capital assets	153,919	196,934	183,775	172,780	159,321	(10,995)
Net Revenue Available to Meet Debt Service	(13,051)	14,340	26,974	248,251	63,599	(221,277)	Restricted for capital assets	24,468	25,341	25,401	25,063	25,171	(338)
Annual Debt Service	2,439	3,693	5,014	1,620	1,702	3,394	Unrestricted net (deficit) position	(478,990)	(500,061)	(490,770)	(261,668)	(268,564)	229,102
Debt Service Coverage Ratio	-5.35x	3.88x	5.38x	153.24x	37.37x	(148)	Total Net Position	(300,603)	(277,786)	(281,594)	(63,825)	(84,072)	217,769
Cash, Cash Equivalents	15,903	9,418	8,221	9,861	11,535	(1,640)	Total Liabilities and Net Position	755,213	703,441	781,792	941,048	957,271	159,256
Total Operating Expenses	1,075,213	1,084,845	1,109,361	1,165,627	1,412,592	(56,266)							
Less Depreciation and Amortization (Annualized)	15,116	24,581	36,190	36,700	38,717	(510)							
Adjusted Operating Expenses	1,090,329	1,109,426	1,145,551	1,202,327	1,451,309	(56,776)							
Days Cash on Hand	5 Days	3 Days	3 Days	3 Days	3 Days								

Appendix C

Cashflows

Appendix C



TABLE OF CONTENTS

**City of Alameda Health Care District
Certificates of Participation, Series 2024
Aa3 Scale and 30Y Final Maturity**

Report	Page
Sources and Uses of Funds	1
Bond Pricing	2
Call Provisions	3
Bond Summary Statistics	4
Bond Debt Service	5

SOURCES AND USES OF FUNDS

City of Alameda Health Care District Certificates of Participation, Series 2024 Aa3 Scale and 30Y Final Maturity

Dated Date	08/01/2024
Delivery Date	08/01/2024

Sources:

Bond Proceeds:	
Par Amount	55,000,000.00
Net Premium	1,182,950.55
	<hr/>
	56,182,950.55

Uses:

Project Fund Deposits:	
Project Fund	55,457,450.55
 Delivery Date Expenses:	
Cost of Issuance	500,000.00
Underwriter's Discount	<u>225,500.00</u>
	725,500.00
	<hr/>
	56,182,950.55

BOND PRICING

City of Alameda Health Care District Certificates of Participation, Series 2024 Aa3 Scale and 30Y Final Maturity

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price	Premium (-Discount)
Serial Bonds:									
	08/01/2025	850,000	5.000%	3.130%	101.827				15,529.50
	08/01/2026	890,000	5.000%	2.950%	103.953				35,181.70
	08/01/2027	935,000	5.000%	2.860%	106.110				57,128.50
	08/01/2028	980,000	5.000%	2.800%	108.270				81,046.00
	08/01/2029	1,030,000	5.000%	2.780%	110.296				106,048.80
	08/01/2030	1,080,000	5.000%	2.800%	112.073				130,388.40
	08/01/2031	1,135,000	5.000%	2.840%	113.624				154,632.40
	08/01/2032	1,190,000	5.000%	2.900%	114.897				177,274.30
	08/01/2033	1,250,000	5.000%	2.960%	116.014				200,175.00
	08/01/2034	1,315,000	5.000%	3.030%	116.886				222,050.90
	08/01/2035	1,380,000	5.000%	3.160%	115.671 C	3.290%	08/01/2034	100.000	216,259.80
	08/01/2036	1,450,000	5.000%	3.270%	114.655 C	3.494%	08/01/2034	100.000	212,497.50
	08/01/2037	1,520,000	5.000%	3.400%	113.467 C	3.687%	08/01/2034	100.000	204,698.40
	08/01/2038	1,595,000	5.000%	3.530%	112.295 C	3.855%	08/01/2034	100.000	196,105.25
	08/01/2039	1,675,000	5.000%	3.620%	111.492 C	3.975%	08/01/2034	100.000	192,491.00
	08/01/2040	<u>1,760,000</u>	5.000%	3.690%	110.872 C	4.069%	08/01/2034	100.000	<u>191,347.20</u>
		20,035,000							2,392,854.65
Term Bond 2044:									
	08/01/2041	1,850,000	5.000%	3.940%	108.691 C	4.345%	08/01/2034	100.000	160,783.50
	08/01/2042	1,940,000	5.000%	3.940%	108.691 C	4.345%	08/01/2034	100.000	168,605.40
	08/01/2043	2,040,000	5.000%	3.940%	108.691 C	4.345%	08/01/2034	100.000	177,296.40
	08/01/2044	<u>2,140,000</u>	5.000%	3.940%	108.691 C	4.345%	08/01/2034	100.000	<u>185,987.40</u>
		7,970,000							692,672.70
Term Bond 2049:									
	08/01/2045	2,250,000	4.000%	4.440%	93.395				(148,612.50)
	08/01/2046	2,340,000	4.000%	4.440%	93.395				(154,557.00)
	08/01/2047	2,430,000	4.000%	4.440%	93.395				(160,501.50)
	08/01/2048	2,530,000	4.000%	4.440%	93.395				(167,106.50)
	08/01/2049	<u>2,630,000</u>	4.000%	4.440%	93.395				<u>(173,711.50)</u>
		12,180,000							(804,489.00)
Term Bond 2054:									
	08/01/2050	2,735,000	4.000%	4.450%	92.588				(202,718.20)
	08/01/2051	2,845,000	4.000%	4.450%	92.588				(210,871.40)
	08/01/2052	2,960,000	4.000%	4.450%	92.588				(219,395.20)
	08/01/2053	3,075,000	4.000%	4.450%	92.588				(227,919.00)
	08/01/2054	<u>3,200,000</u>	4.000%	4.450%	92.588				<u>(237,184.00)</u>
		14,815,000							(1098087.80)
		55,000,000							1,182,950.55

Dated Date	08/01/2024	
Delivery Date	08/01/2024	
First Coupon	02/01/2025	
Par Amount	55,000,000.00	
Premium	1,182,950.55	
Production	56,182,950.55	102.150819%
Underwriter's Discount	(225,500.00)	(0.410000%)
Purchase Price	55,957,450.55	101.740819%
Accrued Interest		
Net Proceeds	55,957,450.55	

CALL PROVISIONS

**City of Alameda Health Care District
Certificates of Participation, Series 2024
Aa3 Scale and 30Y Final Maturity**

Call Table: CALL

Call Date	Call Price
08/01/2034	100.00

Call Provisions Setup

Bond Component	Call Table	Callable Dates
Serial Bonds	CALL	Any Date
Term Bond 2044	CALL	Any Date
Term Bond 2049	CALL	Any Date
Term Bond 2054	CALL	Any Date

BOND SUMMARY STATISTICS

City of Alameda Health Care District Certificates of Participation, Series 2024 Aa3 Scale and 30Y Final Maturity

Dated Date	08/01/2024
Delivery Date	08/01/2024
First Coupon	02/01/2025
Last Maturity	08/01/2054
Arbitrage Yield	4.110985%
True Interest Cost (TIC)	4.231948%
Net Interest Cost (NIC)	4.234590%
All-In TIC	4.306676%
Average Coupon	4.327026%
Average Life (years)	18.833
Weighted Average Maturity (years)	18.226
Duration of Issue (years)	12.293
Par Amount	55,000,000.00
Bond Proceeds	56,182,950.55
Total Interest	44,819,550.00
Net Interest	43,862,099.45
Bond Years from Dated Date	1,035,805,000.00
Bond Years from Delivery Date	1,035,805,000.00
Total Debt Service	99,819,550.00
Maximum Annual Debt Service	3,330,050.00
Average Annual Debt Service	3,327,318.33
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	4.100000
Total Underwriter's Discount	4.100000
Bid Price	101.740819

Bond Component	Par Value	Price	Average Coupon	Average Life	Average Maturity Date	Duration	PV of 1 bp change
Serial Bonds	20,035,000.00	111.943	5.000%	9.524	02/08/2034	7.678	14,532.35
Term Bond 2044	7,970,000.00	108.691	5.000%	18.561	02/22/2043	12.576	6,854.20
Term Bond 2049	12,180,000.00	93.395	4.000%	23.078	08/30/2047	14.956	17,417.40
Term Bond 2054	14,815,000.00	92.588	4.000%	28.078	08/29/2052	16.638	23,111.40
	55,000,000.00			18.833			61,915.35

	TIC	All-In TIC	Arbitrage Yield
Par Value	55,000,000.00	55,000,000.00	55,000,000.00
+ Accrued Interest			
+ Premium (Discount)	1,182,950.55	1,182,950.55	1,182,950.55
- Underwriter's Discount	(225,500.00)	(225,500.00)	
- Cost of Issuance Expense		(500,000.00)	
- Other Amounts			
Target Value	55,957,450.55	55,457,450.55	56,182,950.55
Target Date	08/01/2024	08/01/2024	08/01/2024
Yield	4.231948%	4.306676%	4.110985%

BOND DEBT SERVICE**City of Alameda Health Care District
Certificates of Participation, Series 2024
Aa3 Scale and 30Y Final Maturity**

Dated Date 08/01/2024
Delivery Date 08/01/2024

Period Ending	Principal	Coupon	Interest	Debt Service
08/01/2025	850,000	5.000%	2,480,050	3,330,050
08/01/2026	890,000	5.000%	2,437,550	3,327,550
08/01/2027	935,000	5.000%	2,393,050	3,328,050
08/01/2028	980,000	5.000%	2,346,300	3,326,300
08/01/2029	1,030,000	5.000%	2,297,300	3,327,300
08/01/2030	1,080,000	5.000%	2,245,800	3,325,800
08/01/2031	1,135,000	5.000%	2,191,800	3,326,800
08/01/2032	1,190,000	5.000%	2,135,050	3,325,050
08/01/2033	1,250,000	5.000%	2,075,550	3,325,550
08/01/2034	1,315,000	5.000%	2,013,050	3,328,050
08/01/2035	1,380,000	5.000%	1,947,300	3,327,300
08/01/2036	1,450,000	5.000%	1,878,300	3,328,300
08/01/2037	1,520,000	5.000%	1,805,800	3,325,800
08/01/2038	1,595,000	5.000%	1,729,800	3,324,800
08/01/2039	1,675,000	5.000%	1,650,050	3,325,050
08/01/2040	1,760,000	5.000%	1,566,300	3,326,300
08/01/2041	1,850,000	5.000%	1,478,300	3,328,300
08/01/2042	1,940,000	5.000%	1,385,800	3,325,800
08/01/2043	2,040,000	5.000%	1,288,800	3,328,800
08/01/2044	2,140,000	5.000%	1,186,800	3,326,800
08/01/2045	2,250,000	4.000%	1,079,800	3,329,800
08/01/2046	2,340,000	4.000%	989,800	3,329,800
08/01/2047	2,430,000	4.000%	896,200	3,326,200
08/01/2048	2,530,000	4.000%	799,000	3,329,000
08/01/2049	2,630,000	4.000%	697,800	3,327,800
08/01/2050	2,735,000	4.000%	592,600	3,327,600
08/01/2051	2,845,000	4.000%	483,200	3,328,200
08/01/2052	2,960,000	4.000%	369,400	3,329,400
08/01/2053	3,075,000	4.000%	251,000	3,326,000
08/01/2054	3,200,000	4.000%	128,000	3,328,000
	55,000,000		44,819,550	99,819,550



February 12, 2024

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

From: Debi Stebbins
Executive Director

RE: Recommendation to Engage Best Best & Krieger as Special Project
Counsel for District 2030 Seismic Renovation Project

Recommendation: That the District engage the law firm of Best Best & Krieger based in Los Angeles, CA as special project counsel for the District 2030 Seismic Renovation Project at an estimated project cost of \$175,000.

Background: Gary Hicks prepared a RFP for a special Project counsel for the District project. The special projects counsel will assist Calwith preparation and negotiation of construction contracts, working closely with the Owner's Representative. The RFP was sent to two law firms, BBK and Hanson Bridgett. A side-by-side comparison, prepared by Mr. Hicks is attached. It is noteworthy that Hanson Bridgett, which has an extensive construction law practice was almost \$100,000 higher than the BBK estimate.

BBK is legal counsel both as general counsel and construction counsel for more California District entities than any other law firm in the State. They specialize in providing legal counsel to public institutions.

Gary, Tom and I had a chance to interview the three principals at BBK and were very impressed with their experience and perspectives on our project.

CITY OF ALAMEDA HEALTH CARE DISTRICT ANALYSIS OF LEGAL COUNSEL PROPOSALS		
	BEST BEST & KRIEGER	HANSON BRIDGETT
Proposal Submission Date	2/2/2024	2/2/2024
Firm Size & Structure:	250 Attorneys 7 offices in So. CA & 2 offices in No. CA	200+ Attorneys 2 offices in So. CA & 4 offices in No. CA
Attorney, Involvement & Location:	Michael Maurer, Partner (35%) Los Angeles Grant Orbach, Associate/Of Counsel (60%) Sacramento Noel Caughman, Partner (5%) Walnut Creek	Lisa Dal Gallo, Partner (50%) San Rafael Alan Bishop, Partner (25%) San Francisco Sean Marciniak, Partner (10%) San Francisco Robin Baral, Sr. Counsel (15%) San Francisco
Relevant Experience with Hospital Districts:		
Entitlement & Governmental Approvals	Excellent	Excellent
Construction Document Experience	Excellent	Excellent
Contract Compliance Experience	Excellent	Excellent
Design-Build Experience	Excellent	Excellent
Firm's Plan of Staffing this Engagement:		
Entitlement Staffing	Grant Orbach & Michael Maurer & Noel Caughman	Sean Marciniak
Method of Construction Staffing	Grant Orbach & Michael Maurer	Lisa Dal Gallo, Sean Marciniak & Robin Baral
Consultant Engagement Staffing	Grant Orbach & Michael Maurer	Lisa Dal Gallo & Alan Bishop
Contract Drafting Staffing	Grant Orbach & Michael Maurer	Lisa Dal Gallo & Alan Bishop
Contract Compliance Staffing	Grant Orbach & Michael Maurer	Lisa Dal Gallo & Alan Bishop
Pricing of Services:		
Hourly Rate	\$375 to \$560 per hour	\$590 to \$730 per hour
Estimated Expenses	Yes	Yes
Estimated Total Fees	\$175,000	\$268,000
References (no more than three):	Shawn McKenzie, CEO (Seneca) Stephen DelRossi, CEO (Northern Inyo) John Hennelly, CEO (Sonoma Valley)	Kevin Kramer, CEO (Last Frontier) Mark Lind, COO (Mammoth) Dan Sullivan, Proj. Mgr. (Salinas Valley)
Additional Information Provided:	Represented 5 HCD & 10 healthcare related Construction projects Experience appears to include several design-build projects for cities & others	Represented 5 HC Districts, 11 hospitals 65 years experience in construction law Numerous similar projects & rural healthcare Lead Legal Counsel on 6 similar health care district projects with various structures
Recent District Health Care Projects:	Seneca Healthcare (2021-current) Sonoma Valley Health Care District (2021-present) Southern Humboldt Healthcare District (2021-2022) Soledad Community Health Care District (2022-current) Northern Inyo Healthcare District Cities, Special Districts & School Districts	Last Frontier Healthcare District (2015-2021) Mayers Memorial Hospital District (2019-2023) Plumas Hospital District (2021-2023) Salinas Valley Memorial Healthcare System (2019-2023) Southern Mono Healthcare District (2022-current) Surprise Valley Hospital District (2022-current) Marshall Medical Center, Palomar Hospital District, Sutter Health, Chinese Hospital & Sonoma Dist. Hosp.
Experience and Quality of Attorneys	Excellent	Excellent
Overall Quality of Proposal	Very Good	Excellent
Comments:	Good Proposal & Excellent Experience	Strong Proposal & Excellent Experience



Michael J. Maurer
Partner
(213) 787-2557
michael.maurer@bbklaw.com

February 6, 2024

VIA E-MAIL: DSTEBBINS@ALAMEDAHEALTHCAREDISTRICT.ORG

Debi Stebbins
Executive Director
City of Alameda Health Care District
1402 Park Street
Alameda, CA 94501

Re: Engagement Letter

Dear Ms. Stebbins:

ABOUT OUR REPRESENTATION

Best Best & Krieger LLP is pleased to represent City of Alameda Health Care District. Specifically, we will serve as special project legal counsel to the District with respect to its planned hospital construction project. This letter constitutes our agreement setting the terms of our representation. If you want us to represent you and agree to the terms set forth in this letter, after you review the letter please sign it and return the signed copy to us.

CONFIDENTIALITY AND ABSENCE OF CONFLICTS

An attorney-client relationship requires mutual trust between the client and the attorney. It is understood that communications exclusively between counsel and the client are confidential and protected by the attorney-client privilege.

To also assure mutuality of trust, we have maintained a conflict of interest index. The California Rules of Professional Conduct defines whether a past or present relationship with any party prevents us from representing City of Alameda Health Care District. Similarly, City of Alameda Health Care District will be included in our list of clients to ensure we comply with the Rules of Professional Conduct with respect to City of Alameda Health Care District.

We have checked the following names against our client index: City of Alameda Health Care District; Alameda Health System; G.L. Hicks Financial LLC; Ratcliff Architects; Thomas Driscoll, Esq.; and Katy Taylor Ford. Based on that check, we can represent City of Alameda Health Care District. Please review the list to see if any other persons or entities should be included. If you do not tell us to the contrary, we will assume that this list is complete and accurate. We request that you update this list for us if there are any changes in the future.

YOUR OBLIGATIONS ABOUT FEES AND BILLINGS

We offer the following blended hourly rates:

Partners	\$560.00
Of Counsel	\$525.00
Associates	\$375.00
Paralegals, Law Clerks, Analysts	\$250.00

We are happy to discuss mutually agreed upon adjustments whenever necessary. In addition, on July 1, 2025, and each July 1st thereafter, all hourly rates and amounts would be increased for the change in the cost of living for the prior calendar year, as shown by the U.S. Department of Labor in its All Urban Consumers Index set forth for the San Francisco-Oakland-Hayward region.

The billing policies are described in the memorandum attached to this letter, entitled “Best Best & Krieger LLP’s Billing Policies.” You should consider the Billing Policies memorandum part of this agreement as it binds both of us. For that reason, you should read it carefully.

INSURANCE

We understand that you are not now insured or have any insurance that may cover potential liability or attorneys’ fees in this case. If you think you may have such insurance, please notify me immediately.

We are also pleased to let you know that Best Best & Krieger LLP carries errors and omissions insurance with Lloyd’s of London. After a standard deductible, this insurance provides coverage beyond what is required by the State of California.

NEW MATTERS

When we are engaged by a new client on a particular matter, we are often later asked to work on additional matters. You should know that such new matters will be the subject of a new signed supplement to this agreement. Similarly, this agreement does not cover and is not a commitment by either of us that we will undertake any appeals or collection procedures. Any such future work would also have to be agreed upon in a signed supplement.

CIVILITY IN LITIGATION

In litigation, courtesy is customarily honored with opposing counsel, such as extensions to file pleadings or responses to other deadlines. In our experience, the reciprocal extension of such courtesies saves our clients’ time and money. By signing this letter you will be confirming your approval of this practice in your case.

HOW THIS AGREEMENT MAY BE TERMINATED

You, of course, have the right to end our services at any time. If you do so, you will be responsible for the payment of fees and costs accrued but not yet paid, plus reasonable fees and

costs in transferring the case to you or your new counsel. By the same token, we reserve the right to terminate our services to you upon written notice, order of the court, or in accordance with our attached Billing Policies memorandum. This could happen if you fail to pay our fees and costs as agreed, fail to cooperate with us in this matter, or if we determine we cannot continue to represent you for ethical or practical concerns.

CLIENT FILE

If you do not request the return of your file, we will retain your file for five years. After five years, we may have your file destroyed. If you would like your file maintained for more than five years or returned, you must make separate arrangements with us.

THANK YOU

On a personal note, we are pleased that you have selected Best Best & Krieger LLP to represent you. We look forward to a long and valued relationship with you and appreciate your confidence in selecting us to represent you in this case. If you have any questions at any time about our services or billings, please do not hesitate to call me.

If this letter meets with your approval, please sign and date it, and return the original to us. Unless you sign, date and return by _____, 2024, we will not represent you in any capacity, and we will assume that you have made other arrangements for legal representation.

Sincerely,

Michael J. Maurer
of BEST BEST & KRIEGER LLP

MJM:ed

Attachment

cc: Thomas Driscoll, Esq. (tdriscoll@tld3.com)
Gary Hicks (gary@glhicks.com)

AGREED AND ACCEPTED:

City of Alameda Health Care District

By: _____
Name Debi Stebbins
Title: Executive Director
Dated: _____

BEST BEST & KRIEGER LLP'S BILLING POLICIES

Our century of experience has shown that the attorney-client relationship works best when there is mutual understanding about fees, expenses, billing and payment terms. Therefore, this statement is intended to explain our billing policies and procedures. Clients are encouraged to discuss with us any questions they have about these policies and procedures. Clients may direct specific questions about a bill to the attorney with whom the client works or to our Accounts Receivable Department (accounts.receivable@bbklaw.com). Any specific billing arrangements different from those set forth below will be confirmed in a separate written agreement between the client and the firm.

INVOICE AND PAYMENT OPTIONS

Best Best & Krieger strives to meet our clients' needs in terms of providing a wide variety of invoice types, delivery and payment options. Please indicate those needs including the preferred method of invoice delivery (Invoice via Email; or USPS). In addition, accounts.receivable@bbklaw.com can provide a W-9 upon request and discuss various accepted payment methods.

FEES FOR PROFESSIONAL SERVICES

Unless a flat fee is set forth in our engagement letter with a client, our fees for the legal work we will undertake will be based in substantial part on time spent by personnel in our office on that client's behalf. In special circumstances which will be discussed with the client and agreed upon in writing, fees will be based upon the novelty or difficulty of the matter, or the time or other special limitations imposed by the client.

Hourly rates are set to reflect the skill and experience of the attorney or other legal personnel rendering services on the client's behalf. All legal services are billed in one-tenth of an hour (0.10/hour) or six-minute increments. Our attorneys are currently billed at rates from \$215 to \$985 per hour, and our administrative assistants, research assistants, municipal analysts, litigation analysts, paralegals, paraprofessionals and law clerks are billed at rates from \$180 to \$325 per hour for new work. These rates reflect the ranges in both our public and our private rates. These hourly rates are reviewed annually to accommodate rising firm costs and to reflect changes in attorney status as lawyers attain new levels of legal experience. Any increases resulting from such reviews will be instituted automatically and will apply to each affected client, after advance notice.

Non-Attorney Personnel: BBK may employ the services of non-attorney personnel under the supervision of a BBK attorney in order to perform services called for in the legal services agreement. The most common non-attorney personnel utilized are paralegals. Other types of non-attorney personnel include, but are not limited to, case clerks, litigation analysts, and specialty consultants. The client agrees that BBK may use such non-attorney personnel to perform its services when it is reasonably necessary in the judgment of the responsible BBK attorney. Hourly fees for non-attorney personnel will be charged at the rate then in effect for such personnel. A copy of BBK's current rates and titles for non-attorney personnel will be provided upon request.

FEES FOR ELECTRONICALLY STORED INFORMATION ("ESI") SUPPORT AND STORAGE

BBK provides Electronically Stored Information ("ESI") services for matters requiring ESI support, which are matters with a document population over 1GB – typically litigation or threatened litigation matters. BBK provides services for basic ESI processing and storage at the following rates per month based on the number of gigabytes of data ("GB") processed and stored:

1GB -250GB:	\$10 per GB
251GB - 550GB:	\$8 per GB
551GB - 750GB:	\$6 per GB
751GB - 1TB:	\$4 per GB

The amount BBK charges for basic processing and storage of ESI allows BBK to recover the costs of providing such services, plus a net profit for BBK. BBK believes that the rates it charges for processing and storage are lower than comparable services available from third party vendors in the market. If you wish to contract separately with a third party vendor for processing and storage costs, please notify PracticeSupportServices@bbklaw.com in writing. BBK also provides advanced ESI processing services at hourly rates for personnel in its Litigation Support Group. A copy of BBK's current rates for such services will be provided on request.

FEES FOR OTHER SERVICES, COSTS AND EXPENSES

We attempt to serve all our clients with the most effective support systems available. Therefore, in addition to fees for professional legal services, we also charge separately for some other services and expenses to the extent

of their use by individual clients. These charges include but are not limited to, mileage at the current IRS approved rate per mile, extraordinary telephone and document delivery charges, copying charges, computerized research, court filing fees and other court-related expenditures including court reporter and transcription fees. No separate charge is made for secretarial or word processing services; those costs are included within the above hourly rates.

We may need to advance costs and incur expenses on your behalf on an ongoing basis. These items are separate and apart from attorneys' fees and, as they are out-of-pocket charges, we need to have sufficient funds on hand from you to pay them when due. We will advise the client from time to time when we expect items of significant cost to be incurred, and it is required that the client send us advances to cover those costs before they are due.

ADVANCE DEPOSIT TOWARD FEES AND COSTS

Because new client matters involve both a substantial undertaking by our firm and the establishment of client credit with our accounting office, we require an advance payment from clients. The amount of this advance deposit is determined on a case-by-case basis discussed first with the client, and is specified in our engagement letter.

Upon receipt, the advance deposit will be deposited into the firm's client trust account. Our monthly billings will reflect such applications of the advance deposit to costs and not to attorney's fees (unless otherwise noted in our accompanying engagement letter). At the end of engagement, we will apply any remaining balance first to costs and then to fees. We also reserve the right to require increases or renewals of these advanced deposits.

By signing the initial engagement letter, each client is agreeing that trust account balances may be withdrawn and applied to costs as they are incurred and to our billings, when we issue our invoice to the client. If we succeed in resolving your matter before the amounts deposited are used, any balance will be promptly refunded.

MONTHLY INVOICES AND PAYMENT

Best Best & Krieger LLP provides our clients with monthly invoices for legal services performed and expenses incurred. Invoices are due and payable upon receipt.

Each monthly invoice reflects both professional and other fees for services rendered through the end of the prior month, as well as expenses incurred on the client's behalf that have been processed by the end of the prior month.

Processing of some expenses is delayed until the next month and billed thereafter.

Our fees are not contingent upon any aspect of the matter and are due upon receipt. All billings are due and payable within ten days of presentation unless the full amount is covered by the balance of an advance held in our trust account.

It is our policy to treat every question about a bill promptly and fairly. It is also our policy that if a client does not pay an invoice within 60 days of mailing, we assume the client is, for whatever reason, refusing to pay. We reserve the right to terminate our engagement and withdraw as attorney of record whenever our invoices are not paid. If an invoice is 60 days late, however, we may advise the client by letter that the client must pay the invoice within 14 days or the firm will take appropriate steps to withdraw as attorney of record. If the delay is caused by a problem in the invoice, we must rely upon the client to raise that with us during the 14-day period. This same policy applies to fee arrangements which require the client to replenish fee deposits or make deposits for anticipated costs.

From time to time clients have questions about the format of the bill or description of work performed. If you have any such questions, please ask them when you receive the bill so we may address them on a current basis.

CHANGES IN FEE ARRANGEMENTS AND BUDGETS

It may be necessary under certain circumstances for a client to increase the size of required advances for fees after the commencement of our engagement and depending upon the scope of the work. For example, prior to a protracted trial or hearing, the firm may require a further advance payment to the firm's trust account sufficient to cover expected fees. Any such changes in fee arrangements will be discussed with the client and mutually agreed in writing.

Because of the uncertainties involved, any estimates of anticipated fees that we provide at the request of a client for budgeting purposes, or otherwise, can only be an approximation of potential fees.

BEST BEST & KRIEGER LLP



BBK

BEST BEST & KRIEGER LLP

Proposal to Provide District Special Project Legal Services

City of Alameda Health Care District

February 2, 2024

Best Best & Krieger LLP

Michael J. Maurer

michael.maurer@bbklaw.com

TABLE OF CONTENTS

LETTER OF TRANSMITTAL	1
1. BBK'S ORGANIZATIONAL STRUCTURE AND AREAS OF PRACTICE.....	2
ORGANIZATIONAL STRUCTURE	2
AREAS OF PRACTICE	2
2. ATTORNEY TEAM	3
MICHAEL J. MAURER, PARTNER	3
GRANT R. ORBACH, OF COUNSEL	3
NOËL M. CAUGHMAN, PARTNER.....	3
3. RELEVANT EXPERIENCES WITH CALIFORNIA HOSPITALS & HEALTH CARE DISTRICTS.....	4
4. LEGAL SERVICE PLAN AND STAFFING	5
A. PROJECT RELATED ENTITLEMENT ISSUES AND OTHER STATE AND LOCAL APPROVALS REQUIRED FOR THE PROJECT	5
B. THE METHOD OF CONSTRUCTION CONSIDERED TO DESIGN AND CONSTRUCT THE PROJECT (DESIGN-BUILD VERSUS DESIGN, BID, BUILD)	5
C. SELECTION AND ENGAGING OF VARIOUS PROJECT RELATED CONSULTANTS (INCLUDING ANY PUBLIC BID REQUIREMENTS).....	5
D. DRAFTING AND NEGOTIATION OF CONSTRUCTION RELATED DOCUMENTS WITH THE GENERAL CONTRACTOR AND OTHER CONSULTANTS.....	6
E. ADVISING ON CONSTRUCTION ISSUES DURING AND AFTER CONSTRUCTION OF THE PROJECT.....	6
5. HOURLY FEES	7
6. REFERENCES.....	8
7. WHY BBK?.....	9
CONFLICTS OF INTEREST DISCLOSURE	10
BBK EXPERIENCE IN RESPONSE TO PROPOSAL REQUIREMENT 3.....	EXHIBIT A

LETTER OF TRANSMITTAL

February 2, 2024

VIA EMAIL SUBMISSION

City of Alameda Health Care District
Debi Stebbins, Executive Director
dstebbins@alamedahealthcaredistrict.org

Thomas Driscoll, Esq
tdriscoll@tld3.com

G.L. Hicks Financial LLC
Gary Hicks, President
gary@glhicks.com

Re: Request for Proposals for District Special Project Legal Services

Dear Ms. Stebbins, Mr. Driscoll and Mr. Hicks,

On behalf of Best Best & Krieger LLP (BBK), we are pleased to enclose our proposal to provide special legal counsel to the District with respect to its planned hospital expansion construction project. BBK's proposed team has the ideal resources and experience to support the District as it plans, procures, constructs and ultimately delivers this vital project to better serve the health care needs of the City of Alameda community.

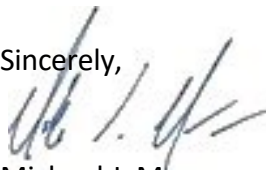
BBK focuses on providing legal counsel to special districts (including health care districts), municipalities, counties, joint powers authorities and other public agencies. We represent more than 800 public agencies, including more than a dozen healthcare districts, as general or special counsel, providing comprehensive legal advice, strategic counsel, and zealous litigation defense. The team we are proposing to assist the District has worked on hundreds of public works projects, including earthquake retrofitting projects in compliance with SB 1953. This combination of practical and legal experience uniquely qualifies us to provide legal counsel and support to the District on this project.

The cornerstone of our legal services is understanding our clients' needs and engaging in ongoing communication as we work to achieve their goals. Our primary goals in working with the District will be to understand your expectations and needs, provide timely and cost-efficient responses to the District's requests, and anticipate and identify potential creative solutions, as well as legal pitfalls. BBK attorneys are always available and accessible to accommodate client needs and we understand that time-sensitive demands require special attention.

I appreciate your consideration of BBK's qualifications. Please let me know if I can answer any questions or if you would like to further discuss our qualifications.

I am a partner of the firm authorized to negotiate and contractually bind BBK to the terms of this proposal and to verify the accuracy of the information provided.

Sincerely,



Michael J. Maurer
of BEST BEST & KRIEGER LLP

1. BBK'S ORGANIZATIONAL STRUCTURE AND AREAS OF PRACTICE

Describe your firm's organizational structure and its areas of practice as it relates to this proposal.

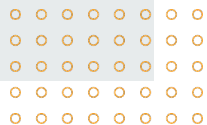
Organizational Structure

Clients trust the legal professionals of BBK not only for our comprehensive legal knowledge and industry understanding, but for our commitment to providing excellent counsel and building relationships based on integrity. More than 130 years after the founding of our firm, we value our clients' continued trust, which has allowed BBK to increase our range of legal services offered and expand our platform to **over 250 attorneys and 12 offices nationwide**. The firm consists of equity and non-equity partners, of counsels, associates and governmental affairs directors as well as administrative directors, paralegals and administrative staff. BBK is managed by a five-person Executive Committee chaired by the firm's managing partner, Eric L. Garner.

Areas of Practice

Our full-service capabilities and interconnected network of practices allow us to assist our public agency, business and private clients with their complex, multidisciplinary issues. BBK's experienced attorneys and legal staff share their knowledge and resources to help clients navigate ever-changing legal complexities and regulatory challenges. Our firm is experienced in delivering effective, service-oriented solutions to complex legal issues facing hospitals, medical centers, health care districts and public agencies that build the infrastructure that is needed to serve their communities.

Our attorneys share their knowledge to help clients navigate ever-changing legal complexities.



The firm has represented, either as general counsel or special counsel, a variety of public agencies that are health care providers or entities, including MarinHealth, El Camino Health, Seneca Healthcare District, Hi-Desert Memorial Health Care District, San Geronio Health Care District, Desert Healthcare District, Northern Inyo Healthcare District, Plumas District Hospital, Southern Humboldt Community Healthcare District, Pajaro Valley

Health Care District, Gold Coast Health Plan, Managed Risk Medical Insurance Board, County Medical Services Program Governing Board and California's prison medical system. In addition, the firm has represented other health care providers and health care related entities such as Riverside Medical Clinic, Inland Empire Health Plan, Citrus Valley Health Partners and affiliates, Dameron Hospital, Eisenhower Medical Center, Baywood Court and numerous medical groups and physicians. We also advise on a broad range of public construction projects, including health care facilities as well as civic centers, convention centers, school buildings, performance arts buildings and many others. As such, our firm is uniquely qualified to provide legal services to the District.

At BBK, our Special Districts practice group merges extensive experience in health care districts with our public construction, federal contracting and grant administration, public finance, environmental and land use, regulatory and other critical practice areas that are necessary to complete major public improvement projects. This breadth of resources allows us to address nearly all challenges that may arise in capital projects, while also offering practical solutions and guidance to our clients in implementing those solutions.

2. ATTORNEY TEAM

List the names and experience of attorneys to be assigned to this engagement. Only include those individuals who will be directly and actively involved on this engagement. Indicate each individual's estimated level of involvement as a percentage of your firm's total involvement relating to services to be provided and their area of expertise. Indicate if you will subcontract any work out to other firms and describe fully what work will be provided by others, if any.

Michael J. Maurer, Partner

Mike provides exceptional guidance to public agencies in the areas of procurement, public infrastructure and construction. He guides clients through the process of constructing and improving public infrastructure and facilities, advising on major construction and renovation projects involving tens of millions of dollars in public investment, and working with agencies to implement alternative options, such as design-build.

Bio link: [Michael J. Maurer \(bbklaw.com\)](https://bbklaw.com/michael-j-maurer)

Grant R. Orbach, Of Counsel

Grant is a construction attorney who advises public agency clients on all phases of the construction process, helping develop informed, cost-effective plans to build sophisticated public improvements while safeguarding taxpayer funds from unforeseen costs. Grant's approach to his practice is focused on consulting with the public agency to determine its objectives, and with that information, working to develop a plan to implement those objectives in an efficient manner.

Bio link: [Grant R. Orbach \(bbklaw.com\)](https://bbklaw.com/grant-r-orbach)

Noël M. Caughman, Partner

Noël represents hospitals and various business entities working predominantly on transactional and regulatory compliance matters. She has specific knowledge in the many facets and unique challenges applicable to hospitals operated by health care districts that influence and dictate daily hospital functions.

Bio link: [Noël M. Caughman \(bbklaw.com\)](https://bbklaw.com/noel-m-caughman)

Estimated Level of Involvement as a Percentage of Firm's Total Involvement		
Michael J. Maurer		35%
Grant R. Orbach		60%
Noël M. Caughman		5%

We do not intend to subcontract any work out to other firms, nor will any work be provided by anyone outside of BBK.

3. RELEVANT EXPERIENCES WITH CALIFORNIA HOSPITALS & HEALTH CARE DISTRICTS

Provide a listing of relevant experience in the providing of legal services to California Hospital/Health Care Districts since 1/1/2015, including the dates of each engagement and a listing of the attorneys who worked on each engagement:

- a. Indicate and describe where work included services provided on entitlement and state & local approvals.*
- b. Indicate and describe where work included services provided in drafting and negotiating construction documents.*
- c. Indicate and describe where work included advising on contract compliance during and after construction.*
- d. Indicate and describe where work included the design-build method of construction.*

Please find a listing of relevant experience supporting complicated public infrastructure projects under Exhibit A.

BBK has a broad array of experience serving as general and/or special counsel to the following California Hospital/Health Care Districts (current clients):

BBK California Hospital / Health Care District Clients	
El Camino Healthcare District	Plumas District Hospital
Fallbrook Regional Healthcare District	San Benito Healthcare District
Grossmont Healthcare District	San Bernardino Mountains Community Hospital District
Hi-Desert Memorial Healthcare District	San Geronio Memorial Healthcare District
John C. Fremont Healthcare District	Seneca Healthcare District
Marin Healthcare District	Sequoia Healthcare District
Mark Twain Healthcare District	Sierra Kings Healthcare District
Northern Inyo Healthcare District	Soledad Community Healthcare District
Oak Valley Hospital District	Sonoma Valley Healthcare District
Pajaro Valley Health Care District	Southern Humboldt Community Healthcare District
Peninsula Healthcare District	Southern Mono Healthcare District
Petaluma Healthcare District	Tri-City Healthcare District
Pioneers Memorial Healthcare District	West Contra Costa Healthcare District

4. LEGAL SERVICE PLAN AND STAFFING

Discuss your firm's plan and staffing for the providing of legal services in the following areas of expertise:

a. Project related entitlement issues and other state and local approvals required for the Project

Staffing: Michael J. Maurer and Grant R. Orbach with support as needed from Noël M. Caughman

A core function of BBK is to provide development and regulatory services to our clients. The proposed service team has the skills to address a broad range of entitlement and planning needs. Our proposed team has a complementary skillset, with Mike Maurer having a background in land use and development approvals and Noel Caughman addressing regulatory issues. Additionally, our primary service team is prepared to leverage other firm resources, such as attorneys whose practices focus on the California Environmental Quality Act (CEQA)/National Environmental Planning Act (NEPA) and on stormwater and water quality compliance.

b. The method of construction considered to design and construct the Project (design-build versus design, bid, build)

Staffing: Michael J. Maurer and Grant R. Orbach

BBK has significant experience in drafting and negotiating construction contracts. This is an area where our global understanding of the legal requirements coupled with practical implications (and limitations) is critical, particularly as it relates to identifying the most advantageous project delivery method. BBK's familiarity with all forms of contracting, from traditional competitive bidding to alternative and collaborative project delivery methods, such as progressive design-build, design-build, design-bid-build, construction manager/multi-prime, construction management at risk (CMAR), construction manager/general contractor (CM/GC) and other creative delivery mechanisms, means that we are experienced in the questions and challenges that may arise in regards to each mechanism; and we are adept at assisting clients with prompt responses to those challenges.

Additionally, Mike has worked on a variety of projects that require design approval through state regulators. Our team uniquely understands the additional challenges and risk that come with constructing a facility that is subject to review and oversight from the Department of Health Care Access and Information. From this background, our team is prepared to draft contracts and strategize with your project staff to minimize the risk of cost overruns and delays that can result where third party review is inherent.

c. Selection and engaging of various Project related consultants (including any public bid requirements)

Staffing: Michael J. Maurer and Grant R. Orbach

BBK will assist with procurement needs, draft and negotiate all transactional documents, prepare requests for proposals and invitation-to-bid packages and advise on addenda, bidders' questions and all other issues that arise during the consultant selection process. Our attorneys have helped clients to both utilize the procurement process to identify the most qualified professionals and to defend those decisions from protests and challenges.

d. Drafting and negotiation of construction related documents with the general contractor and other consultants

Staffing: Michael J. Maurer and Grant R. Orbach

BBK has extensive relevant experience drafting, negotiating and enforcing construction contracts for public infrastructure. BBK is responsible for hundreds of public works construction contracts and professional services agreements currently in use throughout California. Because of our extensive experience in contract drafting, we have a large library of sample contract provisions and boilerplates to draw from, which, importantly, are designed specifically for California special districts and to address the unique issues that govern public projects. This resource base also allows us to work in an efficient manner, using battle-tested documents. We do not simply provide you with our boilerplate documents; we also work with you to adjust contracts to meet your specific needs. We work collaboratively with project management staff to explain the contractual requirements and ensure that they are usable for the “boots on the ground” construction team.

e. Advising on construction issues during and after construction of the Project

Staffing: Michael J. Maurer and Grant R. Orbach

We know that change orders, delays, claims and other problems may arise during construction projects, and we help our clients navigate through these issues to successfully complete projects.

Our team understands that getting a contract awarded is typically the easy part of the project and that frequent legal assistance through the contract performance is critical. From Notice to Proceed to Notice of Completion, we stand ready to assist with risk analysis, contract interpretation and claims avoidance.

For example, we are frequently consulted on change order requests and change directives so that issues concerning changed work can be viewed up front and analyzed in the context of the contract requirements. This prevents second guessing of decisions later, promotes cooperation, and results in more careful consideration of change order requests by staff. We also recognize that project delays are one of the biggest financial risks that public agencies face, and we have the experience to assist your project managers in mitigating the costs when there are unforeseen delays.

Consultant performance and substitution is another common theme when administering a project. Our team has overseen hundreds of substitution requests and hearings and assisted with drafting the hearing officer's decisions. Substituting subcontractors frequently leads to increased costs for the prime contractor, so we carefully monitor change order requests and/or claims associated with that trade if substitution is granted.

5. HOURLY FEES

Provide a firm quote of your hourly fees for each attorney and staff who you anticipate will work on this engagement and estimated expenses to provide the services needed for the engagement, as indicated above. Also, please provide an estimate of your total fees, based on the information provided above. Include any fees and expenses that will be paid to other firms that you plan to subcontract work out to as indicated in your response to Proposal Requirement 2 above.

Our proposed hourly rates for this engagement are:

Personnel	Hourly Rate
Partner	\$560.00
Of Counsel	\$525.00
Associate	\$375.00
Paralegal, Law Clerk, Analyst	\$250.00

In reviewing the District's anticipated project scope and budget, we believe that our services will be within \$175,000, which appears to be consistent with the current budget. The actual amount would depend on the nature and amount of legal work needed. For example, whether there are any construction claims, and the nature of any environmental or other permitting work would all factor into the ultimate legal costs. Given the relatively uncertain nature that is inherent in legal costs, we anticipate working closely with your team throughout the project to identify anticipated and potential financial impacts of various decisions.

We strive to offer low, competitive rates for our public agency clients. Because of this, we request a nominal increase to our rates in the form of an annual cost of living adjustment (COLA) which follows the Consumer Price Index provided by the U.S. Department of Labor for the local area.

6. REFERENCES

Provide a listing of no more than three references for California Hospital/Health Care Districts.

Please do not hesitate to contact any of the following references for a more in-depth discussion of our ability to provide legal services for the City of Alameda Health Care District.

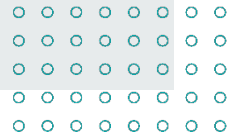
BBK REFERENCES
Shawn McKenzie, CEO Seneca Healthcare District 130 Brentwood Drive, Chester, CA 96020 Phone: (530) 258-2151 Email: smckenzie@senecahospital.org
John Hennelly, CEO Sonoma Valley Healthcare District 347 Andrieux Street, Sonoma, CA 95476-6811 Phone: (707) 935-5000 Email: jhennelly@sonomavalleyhospital.org
Stephen DelRossi, CEO Northern Inyo Healthcare District 150 Pioneer Ln., Bishop, CA 93514 Phone: (760) 873-2838 Email: stephen.delrossi@nih.org

7. WHY BBK?

Provide specific reasons as to why your firm should be selected as special legal counsel for the District. Also provide any additional information or recommendations you believe to be important in our analyzing of your firm's proposal.

BBK's practice is uniquely suited to the needs of the City of Alameda Health Care District. Because BBK represents more health care districts in the state of California than any other law firm, we are intimately familiar with the full-spectrum legal needs of health care districts and understand the complex interplay of regulations and considerations that health care districts face when undertaking multifaceted projects such as those required under SB1953. By bringing together public construction, development and health care attorneys, we are able to meet all of the District's needs under a single roof. This not only offers top-class legal skills, but also increased efficiency and value.

We represent more health care districts in the state of California than any other law firm.



BBK brings distinctive relevant experience in the areas of procurement and construction law, especially as it relates to public agencies. Not all construction experience is the same. BBK understands the complexities of public construction, including specific bidding and project delivery laws, federal procurement requirements, and HCAI regulatory issues. This focus enables us to think creatively with you, while also understanding risk. In addition, we take a solutions-focused approach, providing innovative and strategic advice to accomplish the District's goals.

Our attorneys will advise the District throughout the complete life cycle of this vital project, including drafting and negotiating transactional documents, preparing procurement packages, advising on construction and risk management and resolving any disputes that may arise. Our attorneys fully grasp the interplay of statutes and regulations that govern projects, from Public Contract Code and Labor Code to environmental permitting requirements, enabling us to assure legal compliance and reduce the risk of delay and liability exposure. Furthermore, we are extremely familiar with funding "purse strings" that attach to virtually every type of state and federal funding streams. Working proactively, our team will help the District maximize resources, contain costs and avoid delays, disruptions and disputes through the duration of the Project.

BBK will commit a highly qualified team of attorneys to assist the District in all the areas identified in the services requested in the RFP. We feel certain that the unique qualifications of our legal team will be an asset to the District.

We strive to always be practical and client oriented. Thus, we will bring our undivided attention and commitment to the District. BBK is the largest law firm in California whose practice is primarily focused on the representation of public entities and special districts. As a result, we work in the public interest on many of the most challenging issues faced by society today. We have helped our clients achieve their goals for more than a century with proactive, strategic and cost-effective counsel and representation that enables them to focus on their plans for the future.

BBK is the best selection for this engagement because we offer the experience of a large national firm, low specialized legal rates and an understanding of the unique needs of the District. We are familiar with the District and the population it serves. We could not be prouder of the chance to help the District and region in this important building and retrofitting project.

Conflicts of Interest Disclosure

BBK maintains a detailed database of client information. Before proposing to represent a new client, the database is accessed to determine whether any conflicts of interest exist. Additionally, each attorney is emailed a description of the proposed representation and asked to comment on any potential conflicts. This database is overseen and managed by our firm's Billing and Client Information Department. After checking the database and consulting our attorneys, we have concluded that BBK has identified a potential conflict of interest that may require prospective waivers from the parties prior to us from serving as legal counsel for the City of Alameda Health Care District. BBK represents the Alameda Health System as special counsel on matters unrelated to the City of Alameda Health Care District's hospital construction project. We understand that there is no actual conflict between the City of Alameda Health Care District and Alameda Health System at this time. However, since Alameda Health System operates the Alameda Hospital, which is owned by the City of Alameda Health Care District, it is possible for conflicts to arise.

EXHIBIT A – BBK EXPERIENCE IN RESPONSE TO PROPOSAL REQUIREMENT 3

BBK advises a number of hospital districts on construction procurement and contract management matters, including without limitation: delivery methods: design-build and design-bid-build; bidding; exceptions from competitive procurements; contractor disputes; etc. The following is a representative list of hospital-specific construction project experience:

- Seneca Healthcare District **(December 2021—Present)** – Replacement Critical-Access Hospital, Skilled Nursing Facility and Outpatient Services Building Project. BBK has assisted the District with prosecuting a design-build, likely USDA-funded Replacement Critical-Access Hospital, Skilled Nursing Facility and Outpatient Services Building Project (note that the project name has changed slightly over time as the scope evolved).

The project is a \$55,500,000.00 design-build hospital construction project. It is partially bond-funded, with the balance to be paid either through USDA funding if obtained or alternate funding sources if otherwise determined necessary. As a result, the solicitation documents and contract documents were prepared to comply with both applicable California law governing health care district procurements and federal procurement law governing federal awards (i.e., 2 CFR Part 200) - USDA funded design-build projects carry particular complexity because they require pre-approval from USDA for the procurement method. In connection with the same, we have provided as needed support with respect to providing guidance in connection with the solicitation process, selection process, award process, the retention of consultants, governmental approvals, environmental compliance, contract management, funding opinion of counsel and defending against potential claims for cost increases. We anticipate that construction activities will commence in the spring of 2024 after all design-approvals are obtained.

BBK is currently assisting the District as it considers a mid-project transition from design-build to design-bid-build.

- Sonoma Valley Health Care District **(July 2021—January 2022; November 2022—Present)** – Various Construction Projects. BBK assisted the District in transitioning from one contractor under an existing design-build contract to another contractor for project completion, involving the resolution of disputed claims and the bid-exempt procurement of a completion contractor. The firm also assisted the District with procurement of modular construction and various facilities under alternative procurement delivery methods.
- Southern Humboldt Community Healthcare District **(September 2021—March 2022)** – Jerold Phelps Community Hospital Infrastructure Upgrade Project. BBK assisted the District through competitive bidding of an infrastructure upgrade project, developing front-end construction contract documents and advising through procurement.
- Soledad Community Health Care District **(June 2022—Present)** – Standby Power Project. BBK assisted the District through competitive bidding of a state-funded standby power project, developing front-end construction contract documents and advising through procurement, and then when state-funding was eliminated assisted the District in extricating itself from the contract under termination for convenience provisions drafted by our office.

While our representative projects and experience cover a wide-range of public owners, BBK is highlighting our alternate delivery and cradle-to-grave experience on complicated public infrastructure projects, which provides the District insight on our broad capabilities:

- Inland Empire Health Plan – 9500 Cleveland Build-Out. Prepared construction contract documents for renovation of large-scale office building (~80,000) for IEHP uses and tenant space; advised on construction administration and change orders.
- Los Angeles Community College District – prepared template form design-build contracts for use in multi-billion dollar bond program. Provided counsel on two performing arts building projects, both facing significant delays and Department of State Architect-ordered contract change directives. Managed claims dispute processes.
- City of Avalon – Drafted design-build contract for sports park project.
- Mount San Jacinto Winter Park – Drafted unique design-build contract for renovation project within the Mount San Jacinto Winter Park (Palm Springs Aerial Tram), where project required special provisions due to inaccessible location.
- San Diego Unified Port District – Negotiated public-private partnership construction contracts for new hotel convention and center on the Chula Vista Bayfront. Continuing to advise on construction-related issues as project progresses. Project includes significant tax-exempt financing.
- City of Chula Vista – Negotiated public-private partnership construction contract for developer-constructed library and University facility that will be conveyed to City following construction.
- City of Downey – Prepared request for proposals and contract documents for solar installation project on multiple city buildings, with rooftop leases and power purchase agreements.
- San Diego County Regional Airport Authority – Drafted progressive design-build and design-build contracts for multiple terminal projects, including the ongoing \$3.4 billion Terminal 1 replacement as well as the concurrent replacement of its Administration Building. Contracts were drafted in 2019 and projects are ongoing.
- San Diego Association of Governments – Drafted CM/GC contract template for the \$2.2 billion Mid-Coast Trolley Extension, including facilities for the Department of Veterans Affairs Medical Center. Contract was drafted in 2015 and project close out activities continue. BBK has also handled multiple construction claims and litigation for SANDAG for over a decade.
- Coachella Valley Water District – Drafted design-build documents for its Water Quality Laboratory and Emergency Operations Command. Contract was drafted in 2015 and project was constructed in 2016. As General Counsel to CVWD, BBK provides ongoing support to all aspects of CVWD's capital projects, with a FY 2024 budget in excess of \$140 million.
- Newport Mesa Unified School District – Drafted design/bid/build and lease/lease-back contract templates for multiple projects governed by the Division of State Architect. Provide ongoing continuous support to the District including bid protests, change order negotiation and dispute resolution.
- Harris County, Texas Flood Control District – Currently drafting design-build templates for federally funded flood control projects. Recently represented FCD in mediation of a \$14 million contractor claim, which was resolved post-mediation.
- South Tahoe PUD – Provide ongoing support of their capital projects since 2010. In 2019, provided training to staff on proper contracting procedures and project oversight. Currently overhauling construction contract template.

- Monterey ONE Water – Drafted a full suite of contract documents, including RFPs, professional services agreements, construction templates, purchasing and services agreements. Currently supporting the \$50 million expansion of the agency’s Advanced Water Purification Facility. As the agency’s General Counsel, BBK assists with all permitting, entitlement, environmental review, procurement, construction and project closeout on all agency projects.