



AGENDA

REGULAR MEETING OF THE EL CAMINO HEALTHCARE DISTRICT BOARD OF DIRECTORS

Wednesday, August 12, 2020 – 8:15pm

El Camino Hospital | 2500 Grant Road, Mountain View, CA 94040

PURSUANT TO STATE OF CALIFORNIA EXECUTIVE ORDER N-29-20 DATED MARCH 18, 2020, THE EL CAMINO HEALTHCARE DISTRICT **WILL NOT BE PROVIDING A PHYSICAL LOCATION FOR THIS MEETING**. INSTEAD, THE PUBLIC IS INVITED TO JOIN THE OPEN SESSION MEETING VIA TELECONFERENCE AT:

1-669-900-9128, MEETING CODE: 369-007-4917#. No participant code. Just press #.

PURPOSE: The purpose of the District shall be (i) to establish, maintain and operate, or provide assistance in the operation of, one or more health facilities (as that term is defined in California Health and Safety Code Section 1250) or health services at any location within or without the territorial limits of the District, for the benefit of the District and the people served by the District; (ii) to acquire, maintain and operate ambulances or ambulance services within or without the District; (iii) to establish, maintain and operate, or provide assistance in the operation of free clinics, diagnostic and testing centers, health education programs, wellness and prevention programs, rehabilitation, aftercare, and such other health care services provider, groups, and organizations that are necessary for the maintenance of good physical and mental health in the communities served by the District; and (iv) to do any and all other acts and things necessary to carry out the provisions of the District's Bylaws and the Local Health District Law.

AGENDA ITEM	PRESENTED BY		ESTIMATED TIMES
1. CALL TO ORDER/ROLL CALL	Gary Kalbach, Board Chair		8:15 – 8:16pm
2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Gary Kalbach, Board Chair		information 8:16 – 8:17
3. PUBLIC COMMUNICATION a. Oral Comments <i>This opportunity is provided for persons in the audience to make a brief statement, not to exceed three (3) minutes on issues or concerns not covered by the agenda.</i> b. Written Correspondence	Gary Kalbach, Board Chair		information 8:17 – 8:20
4. CONSENT CALENDAR <i>Any Board Member or member of the public may remove an item for discussion before a motion is made.</i> Approval a. Minutes of the Open Session of the Special District Board Meeting (7/15/2020)	Gary Kalbach, Board Chair	<i>public comment</i>	motion required 8:20 – 8:22
5. REPORT ON ECHD COVID-19 COMMUNITY TESTING PROGRAM ATTACHMENT 5	Deb Muro, CIO; Omar Chughtai, VP of Operations		information 8:22 – 8:32pm
6. ECHD CONSOLIDATED AND STANDALONE BUDGET ATTACHMENT 6	Michael Moody, Interim CFO	<i>public comment</i>	motion required 8:32 – 8:52
7. RESOLUTION 2020-07: Establishing Tax Appropriation Limit for FY21 (Gann Limit) ATTACHMENT 7	Michael Walsh, Controller	<i>public comment</i>	motion required 8:52 – 9:00
8. BOARD COMMENTS	Gary Kalbach, Board Chair		information 9:00 – 9:04pm
9. ADJOURNMENT	Gary Kalbach, Board Chair	<i>public comment</i>	motion required 9:04 – 9:05pm

Upcoming Meetings: 10/20/2020; 12/8/2020; 1/26/2021; 3/16/2021; 5/18/2021; 6/15/2021

A copy of the agenda for the Regular Board Meeting will be posted and distributed at least seventy-two (72) hours prior to the meeting.

In observance of the Americans with Disabilities Act, please notify us at (650) 988-7504 prior to the meeting so that we may provide the agenda in alternative formats or make disability-related modifications and accommodations.



**Minutes of the Open Session of the Special Meeting of the
El Camino Healthcare District Board of Directors
Wednesday, July 15, 2020**

Pursuant to State of California Executive Order N-29-20 dated March 18, 2020, El Camino Health did not provide a physical location for this meeting. Instead, the public was invited to join the open session meeting via teleconference.

Board Members Present

Peter C. Fung, MD**
Gary Kalbach, Chair**
George O. Ting, MD, Vice Chair**
John Zoglin**

Board Members Absent

Julia E. Miller, Secretary/Treasurer

Members Excused

None

Agenda Item	Comments/Discussion	Approvals/ Action
1. CALL TO ORDER/ ROLL CALL	The open session meeting of the El Camino Healthcare District Board of Directors (the "Board") was called to order at 5:30pm by Chair Kalbach. Chair Kalbach reviewed the logistics for the meeting. A verbal roll call was taken. Director Miller was absent. All other Board members were present and participated via teleconference and videoconference pursuant to Santa Clara County's shelter in place order. A quorum was present pursuant to State of California Executive Orders N-25-20 dated March 12, 2020 and N-29-20 dated March 18, 2020.	
2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Chair Kalbach asked if any Board members may have a conflict of interest with any of the items on the agenda. No conflicts were noted.	
3. PUBLIC COMMUNICATION	Director Fung requested that written correspondence sent to the Board members be read into the record. Staff read a communication from Ben Field, Executive Officer of the South Bay Labor Council, where Mr. Field expressed concerns about the appointment of an ad hoc committee.	
4. CONSENT CALENDAR	<p>Chair Kalbach asked if any member of the Board or the public wished to remove an item from the consent calendar.</p> <p>Chair Kalbach requested removal of Agenda Item 4a: Minutes of the Open Session of the District Board Meeting (6/16/2020) and that Section 15 be corrected to note that Chair Kalbach reconvened the open session.</p> <p>Motion: To approve the consent calendar: Minutes of the Open Session of the District Board Meeting (6/16/2020) as amended.</p> <p>Movant: Kalbach Second: Zoglin Ayes: Fung, Kalbach, Ting, Zoglin Noes: None Abstentions: None Absent: Miller Recused: None</p>	<i>Consent calendar approved</i>
5. DISTRICT COVID- 19 TESTING PROGRAM STATUS REPORT	<p>Omar Chughtai, VP of Operations, and Deb Muro, CIO, provided an update on the District's COVID-19 testing program.</p> <p>Mr. Chughtai reviewed program results to date, noting that testing appointments began on June 7, 2020 and 1,104 community members had been tested as of July 15, 2020.</p> <p>Marketing efforts (in social media, print, and radio) have increased testing volume and staff will be tracking how community members hear</p>	<i>Resolution 2020-06 approved</i>

	<p>about the program. He also described ECH's collaboration with the County on marketing and planning efforts. Mr. Chughtai commented that once scheduled, the testing experience is coordinated and efficient. Improving the scheduling process is an ongoing area of focus. He described plans to provide pop-up sites, address testing capacity and supplies, extend appointment hours, and explore additional laboratory options.</p> <p>Ms. Muro described the improved online scheduling process, which is scheduled to go live during the week of July 20, 2020.</p> <p>In response to Director Kalbach's question, Mr. Chughtai explained that staff is considering partnerships with multiple laboratories to meet supply needs, work is coordinated with the County, and program operations are continually evaluated to meet state and local guidance and requirements.</p> <p>Directors Fung and Kalbach suggested clarifying that the testing uses a short swab; it is not a blood test and does not require the long, 12-inch swab.</p> <p>In response Director Zoglin's questions, Mr. Chughtai explained that 1) permanent testing sites will be expanding hours outside of standard working hours, 2) there is work with local chambers to establish pop-up sites at farmers markets and downtown districts to provide more geographic access to testing, and 3) discussion with schools are ongoing. He reported that Dan Woods, CEO, has spoken with school superintendents in the District and explained that schools and school districts are currently developing plans, and testing programs will be tailored to meet those needs.</p>	
<p>6. APPOINTMENT OF AD HOC COMMITTEE TO REVIEW COMPLIANCE ISSUE</p>	<p>Director Fung requested that this agenda item be postponed or tabled.</p> <p>In response to Board questions, Mary Rotunno, General Counsel, clarified that the agenda item is based on the Compliance Issue Review policy, which states that a Board meeting shall be scheduled to consider whether to appoint an ad hoc committee to review a compliance issue, noting that the Board meeting is a mandatory requirement in the policy. She explained that there is no factual determination being made and the consideration of whether or not to form an ad hoc committee requires a Board vote.</p> <p>Motion: To table this item until after the election.</p> <p>Movant: Fung</p> <p>There was no second to the motion.</p> <p>Motion: To approve the formation of an Ad Hoc Committee pursuant to District's Compliance Issue Review Policy and Procedure dated March 25, 2014, in response to a complaint regarding unprofessional and disrespectful conduct of Director Miller at a recent District Board meeting.</p> <p>Movant: Kalbach Second: Zoglin</p> <p>Chair Kalbach commented that the vote is only on the formation of ad hoc committee, not passing any kind of judgment regarding the complaint. He discussed the Standards of Conduct signed by the District Board members in December 2018 and the adoption of the Compliance Issue Review Policy in March 2014.</p> <p>Chair Kalbach commented that 1) neither the Chair nor the District Board</p>	<p><i>Formation of Ad Hoc Committee approved</i></p>

	<p>has the power to remove someone from office, and that is not the intent or charge for any ad hoc committee, and 2) this issue should be investigated to ensure transparency and accountability of the Board members and the Board as a whole.</p> <p>Director Fung expressed concerns with the Board being asked to make a decision without the specific details of the complaint. He also commented that the timing is inappropriate due to the pandemic and the upcoming election and asked to delay this matter.</p> <p>In response to Board questions, Chair Kalbach explained that names of the complainants are confidential. He confirmed that none of District Board members were the complainants.</p> <p>Chair Kalbach asked for public comment on this matter. Terry Sandoval with SEIU-UHW asked whether the Chair can make a motion. There were no additional comments from the public.</p> <p>Director Zoglin commented that trust of institutions and leadership is important, especially in a pandemic, people in positions of power should be held accountable, and the anonymity of the complainant should be protected. He voiced his support of the creation of the ad hoc committee.</p> <p>Director Ting commented that he is a strong proponent of accountability and protection of employees and expressed concerns about delaying any investigation. He commented that he is in favor of moving forward with an ad hoc committee to conduct research to be able to evaluate the issue.</p> <p>The Board further discussed the complaint and timing of the potential investigation.</p> <p>Chair Kalbach restated the motion: approval of the formation of an Ad Hoc Committee pursuant to District's Compliance Issue Review Policy and Procedure dated March 25, 2014, in response to a complaint regarding unprofessional and disrespectful conduct of Director Miller at a recent District Board meeting.</p> <p>Chair Kalbach stated that the charge of an ad hoc committee would be to investigate and review the complaint and come back to the Board with a recommendation to either dismiss the complaint or take Board action.</p> <p>In response to Director Fung's question, Ms. Rotunno explained that there is no restriction on the Board Chair making a motion.</p> <p>Ayes: Kalbach, Ting, Zoglin Noes: Fung Abstentions: None Absent: Miller Recused: None</p> <p>Chair Kalbach explained that, per the Policy, the Board Chair selects the members of the Ad Hoc Committee and noted that he will do so in the next week. Director Fung offered to participate on the Ad Hoc Committee.</p>	
<p>7. AGENDA ITEM 21: ADJOURNMENT</p>	<p>Motion: To adjourn at 6:48pm. Movant: Zoglin Second: Fung Ayes: Fung, Kalbach, Ting, Zoglin Noes: None Abstentions: None Absent: Miller</p>	<p><i>Meeting adjourned at 6:48pm</i></p>

	Recused: None	
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Attest as to the approval of the foregoing minutes by the Board of Directors of El Camino Healthcare District:

Gary Kalbach
Chair, ECHD Board

Julia E. Miller
Secretary, ECHD Board

Prepared by: Sarah Rosenberg, Contracts Administrator/Governance Services EA

DRAFT



EXECUTIVE BOARD

Ben Field, EXECUTIVE OFFICER

Sal Ventura, PRESIDENT
IBEW Local 332

Jean Cohen, 1ST VICE PRESIDENT
UA Local 393

Jason Hall, 2ND VICE PRESIDENT
CWA Local 9423

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Teamsters Local 350

David Bini
Building Trades Council

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ATU Local 265

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Ironworkers Local 377

Troy Jones
UFCW Local 5

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Riko Mendez
SEIU Local 521

Jocelyn Merz
AREA

Dolores Morales
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Mark Murray
AFSCME Local 1587

Patty Picard
CSEA Chapter 350

Terry Sandoval
SEIU UHW

Rick Solis
UBC Carpenters Local 405

Stanley Young
IFPTE Local 21

Robyn Zamora
AFSCME Local 101

July 13, 2020

Mr. Gary Kalbach, Chair
El Camino Healthcare District Board
2500 Grant Road
Mountain View, CA 94040
gary_kalbach@elcaminohealth.org

Dear Mr. Kalbach,

I am writing to express concern about the proposal, which is before the District Board on July 15, to appoint an ad hoc committee to review a "compliance issue." The issue, whether one of your colleagues on the District Board was sufficiently respectful and professional in her communications with staff, appears to be the result of a longstanding grudge, timed to cause political damage to your Board colleague.

The nature and timing of the complaint reflects badly on the hospital and its governance, suggesting that the District Board is willing to use its powers to serve a political agenda. The ad hoc committee seems designed to create an election issue. This strategy is not only an unethical intrusion into electoral politics, but it is likely to backfire on the hospital by spotlighting the disfunction of your Board.

I urge you not to move forward with the ad hoc committee. Even if there were a legitimate need for such an action, it would be appropriate only after the election season. Thank you for your attention to my request. Please feel free to contact me, if I can be of any service.

Sincerely,

Ben Field
Executive Officer

cc: Dan Woods, CEO El Camino Hospital
El Camino Hospital District Board





EL CAMINO HEALTHCARE DISTRICT BOARD OF DIRECTORS BOARD MEETING MEMO

To: El Camino Healthcare District Board ("Board") of Directors
From: Deb Muro, CIO; Omar Chughtai, Vice President of Operations
Date: August 12, 2020
Subject: Status Report on the El Camino Healthcare District Community COVID-19 Testing Program (the "District Program")

Purpose: To provide Board with updated information about the District Program.

Summary:

1. **Situation:** On May 19, 2020, the Board approved funding and operations of a no-cost Community COVID-19 testing program for asymptomatic individuals who live, work, or go to school in the District. Thereafter, on June 16, 2020, the Board modified the approval to authorize (1) prepaying of \$1.2 million in FY20 to El Camino Health to implement and manage the District Program in FY20 and FY21 and (2) distribution of \$1.2 million in FY21 to provide ongoing services to the District Program in FY21.
2. **Authority:** The District Board has authority to authorize the District CEO to distribute funding and manage public health initiatives in furtherance of its purpose which includes providing assistance in the operation of health care services for the benefit of the District and the people served by the District. Pursuant to this authorization, the District entered into a Services Agreement with El Camino Health to operate the District Program.

Background: Pursuant to the Agreement with El Camino Health, tests are currently being performed at the El Camino Health Mountain View hospital campus. To provide good stewardship of the District's tax revenues, El Camino Health is billing third party insurance and reserving District funds to cover the costs of testing when insurance is not available. As of July 31, 2020, 2,082 tests have been provided. The testing program is patient centered to facilitate quick-prescheduled appointments. Enhancements to the program included online scheduling, extended hours for appointments, and electronic results. Testing is currently being offered Monday through Friday from 7:30 am until 7:00 pm. The length of time to obtain results fluctuates with demand. As of August 3rd, we were receiving results in 3-5 days, but in prior weeks, it was taking as long as 7-10 days. We are carefully communicating with patients to set expectations accordingly. Our marketing and communications plan, which includes radio, social, and print media, dramatically increased the number of tests requested and we expanded hours of operations at the MV hospital campus to meet demand.

We are now focused on expanding the program to additional sites throughout the District in ways that will be of greatest benefit to the District. To that end, we are working with leaders of the Mountain View and Los Altos Chambers of Commerce and Sunnyvale Downtown Association to provide mobile testing sites within the District's business districts, particularly for employees of small businesses who are less likely to have insurance and whose work schedules make traveling to the El Camino Hospital campus impractical. Sites have been identified at the Center for the Performing Arts in downtown Mountain View, the Assistance League of Los Altos, and Murphy Park in Sunnyvale. We expect all of these sites to be up and running by no later than the last week in August.

Status Report on District Funded Community COVID-19 Testing Program
August 12, 2020

We are also working with public school districts that have school sites within the District boundaries to plan for testing of school district personnel in advance of the beginning of the school year, even though it is anticipated that many schools will begin the year with distance learning. The timing of the intervals as well as the duration of the program has yet to be determined, but we hope to begin no later than the last week of August. We are monitoring third party insurance reimbursement for re-testing as that will impact how far the District funds can be stretched. As well, we recently reached out to the Community Services Agency of Sunnyvale and are in discussions about providing testing to their vulnerable clientele. Finally, we are working with Santa Clara County to identify “hot spots” of infection within the District where additional mobile sites may provide added benefit.

3. Assessment: The District Program operations are in place and are now being expanded.
4. Other Reviews: N/A
5. Outcomes: Addressing the COVID-19 pandemic through providing community testing to decrease spread of COVID-19 in the community.

List of Attachments: None.

Suggested Board Discussion Questions:

1. Does the Board have any concerns or suggestions about the execution of the District Program?



Dedicated to improving the health and well being of the people in our community.

**El Camino Healthcare District
Fiscal Year 2021 Budget**

Mike Moody, Interim CFO
August 12, 2020

Basis of the El Camino Healthcare District FY 2021 Budget

- *The District budget is first shown in “stand-alone” format, including those transactions which occur at the District level.*
 - This presentation will cover the assumptions driving the District’s budget and will provide information on District–level revenues and expenditures.
 - The budget for El Camino Hospital and its affiliates was reviewed at the hospital’s joint finance committee meeting and special board meeting on July 27th. Those meetings were both noticed on the hospital’s website and were open to the public. Additional information on the budget for El Camino Hospital and its affiliates is available on the hospital’s website (www.elcaminohospital.org).
- *The District budget is also shown in consolidated format in this presentation as it is the District’s responsibility to approve the consolidated budget.*



Major Assumptions – El Camino Healthcare District

Excludes El Camino Hospital & its affiliates

- Other Operating Revenue is based on the existing ground lease agreement.
- This year the Redevelopment Agency revenues were once again budgeted as they continue to be distributed by the County without any lapse in payments in the past years.
- Operating Expenses are based on historical payment information with adjustments made for non-recurring expenses, which for budget FY2021 a placeholder of \$250,000 is projected for the November District Board election costs from the Santa Clara County Registrar of Voters.
- Community Benefit Support fee based on the cost of services as follows:

Community Benefit Staff FY2021	Total Paid FTEs
VP Corp Comm Hlth Svcs	0.25
Director Community Benefit	0.75
Administrative Assistant	1.00
Sr Community Benefit Spec	2.00
Business Coordinator	0.21
Total	4.21
Total Salaries, Wages & Benefits	\$ 771,414
Estimated allocation of time at 54% =	\$ 416,564

- Supplies and Other Expenses includes modest increases for Direct Mail material, website development, advertising and postage. The District's budgeted dues are expected to remain a constant of LAFCO at an amount of \$25,000 and \$7,000 for California Special Districts Association.
- Expenses related to the G.O. bonds are based on the 2017 G.O. Refunding outcomes and required payment schedules.
- Investment income is based on the expected return rate provided by our Investment Consultant of .09% for FY2021, based on the conservative investment position of the District, on an average cash balance of \$40M.
- Community Benefit expenditures are based on the Community Benefit plan.
- IGT – Medi-Cal (PRIME) program - It is expected that the District/Hospital will participate in the program again this year.



El Camino Healthcare District

Information excludes El Camino Hospital & its affiliates
(in 000s)

Revenues	FY2019 Actual	FY2020 Actual	FY 2021 Budget	Change Favorable / (Unfavorable)	% Change
(A) Other Operating Revenue	96	92	103	11	12.0%
(B) Unrestricted M&O Property Taxes	8,429	8,845	9,221	376	4.3%
(B) Restricted M&O Taxes	8,989	9,676	9,300	(376)	-3.9%
(B) Taxes Levied for Debt Service	9,989	10,493	10,200	(293)	-2.8%
(B) Investment Income (net)	1,307	1,495	359	(1,136)	-124.0%
(B) Other - Redevelopment Agency	268	325	300	(25)	-7.7%
Total Net Revenue	29,078	30,926	29,483	(1,443)	-4.7%
Expenses					
(A) Community Benefit Support	397	397	417	(20)	5.0%
(A) Fees & Purchased Services	232	201	447	(246)	-55.0%
(A) Supplies & Other Expenses	62	45	112	(67)	-59.8%
(A) Depreciation/Amortization/Interest Expense	212	57	53	4	7.5%
(B) G.O. Interest Expense (net)	2,805	2,462	2,770	(308)	-11.1%
(B) Community Benefit Program	7,337	7,409	7,665	(256)	-3.3%
(B) IGT Medi-Cal Program Expense	6,829	4,048	2,603	1,445	55.5%
Total Expenses	17,874	14,619	14,067	552	3.9%
NET INCOME	11,204	16,307	15,416	(891)	-5.5%

FY21 BUDGET RECAP STATEMENT OF REVENUES & EXPENSE

(A) Net Operating Revenues & Expenses	(873)
(B) Net Non-Operating Revenues & Expenses	16,289
NET INCOME	15,416



El Camino Healthcare District

Statement of Fund Balance Activity for Budget 2021

Information excludes El Camino Hospital & its affiliates

(in 000s)

UNRESTRICTED FUND ACTIVITY BALANCE

Opening Balance at 7/1/2020	\$56,982
Budgeted Net Income for FY2021	15,416
Projected Transfer to ECH for Capital Outlay Projects (Women's Hospital)	(7,831)

PROJECTED ENDING BALANCE @ 6/30/2021	\$64,567
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El Camino Healthcare District

Sources & Uses of Tax Receipts (in 000s)

Budget for 2021

Sources of District Taxes

(1) Maintenance and Operation and Government Obligation Taxes	\$28,721
(2) Redevelopment Agency Taxes	\$300
Total District Tax Receipts	\$29,021

Uses Required Obligations / Operations

(3) Government Obligation Bond (Principal & Interest & Surplus)	\$10,200	
Total Cash Available for Operations, CB Programs, & Capital Appropriations		18,821
(4) Capital Appropriation Fund – Excess Gann Initiative Restricted*	9,300	
Subtotal		9,521
(5) Operating Expenses (net)	873	
Subtotal		8,648
(6) Capital Replacement Fund (Park Pavilion)	70	
Funds Available for Community Benefit Program		\$8,578

*Gann Limit Calculation for FY2021

\$9,221

(1) M&O and G.O. Taxes	• Cash receipts from the 1% ad valorem property taxes and Measure D taxes
(2) Redevelopment Agency Taxes	• Cash receipts from dissolution of redevelopment agencies
(3) Government Obligation Bond	• Levied for debt service
(4) Capital Appropriation Fund	• Excess amounts over the Gann Limit are restricted for use as capital
(5) Operating Expenses	• Expenses incurred in carrying out the District's day-to-day activities
(6) Capital Replacement Fund	• Fund to ensure that the District has adequate resources to fund repair and replacement of its capital assets (Park Pavilion at 130% of original cost)



El Camino Healthcare District - CONSOLIDATED

(\$ In 000s)

	Standalone	El Camino Hospital	El Camino Hospital Affiliates	Total
REVENUES				
Net Patient Service Revenue	\$0	\$857,291	\$35,793	\$893,084
Other Operating Revenue	103	23,308	30,775	54,186
Total Net Revenue	103	880,599	66,568	947,270
EXPENSES				
Salaries & Benefits	0	509,083	25,126	534,209
Supplies & Other Expenses	976	282,503	74,632	358,111
Interest	0	11,058	0	11,058
Depreciation/Amortization	53	65,336	3,164	68,553
TOTAL EXPENSES	1,029	867,979	102,922	971,930
OPERATING INCOME	(\$926)	\$12,620	(\$36,355)	(\$24,659)
Non Operating Income	16,342	31,858	3,647	51,847
NET INCOME	\$15,416	\$44,478	(\$32,706)	\$27,187
<i>Operating EBIDA</i>	<i>(872.9)</i>	<i>89,014</i>	<i>(33,191)</i>	<i>54,951</i>
<i>EBIDA Margin Percentage</i>	<i>(846.8%)</i>	<i>10.1%</i>	<i>(49.9%)</i>	<i>5.8%</i>
<i>Operating Margin Percentage</i>	<i>(897.9%)</i>	<i>1.4%</i>	<i>(54.6%)</i>	<i>(2.6%)</i>



El Camino Healthcare District - CONSOLIDATED

(\$ in 000s)

	FY2019 Actual	FY2020 Actual	FY2021 Budget	Change Favorable/ (Unfavorable)	% Change
REVENUES					
Net Patient Service Revenue	951,821	967,655	893,084	(74,571)	(7.7%)
Other Operating Revenue	47,122	56,010	54,186	(1,825)	(3.3%)
Total Net Revenue	998,942	1,023,665	947,270	(76,395)	(7.5%)
EXPENSES					
Salaries & Benefits	511,640	543,403	534,209	9,194	1.7%
Supplies & Other Expenses	317,403	370,793	358,111	12,682	3.5%
Interest	4,240	9,449	11,058	(1,608)	(14.5%)
Depreciation/Amortization	52,393	54,038	68,553	(14,515)	(21.2%)
TOTAL EXPENSES	885,676	977,683	971,930	5,753	0.6%
OPERATING INCOME	113,267	45,982	(24,660)	(70,642)	(286.5%)
Non Operating Income	66,790	83,566	51,847	(31,719)	(38.0%)
NET INCOME	180,056	129,548	27,186	(102,362)	(79.0%)
Operating EBIDA	169,899	109,469	54,950	(54,519)	(49.8%)
EBIDA Margin Percentage	17.0%	10.7%	5.8%		
Operating Margin Percentage	11.3%	4.5%	-2.6%		



El Camino Healthcare District Consolidated Capital Budget

Note: There are no plans to expend capital at the District level in Fiscal Year 2020. All capital spending is budgeted to occur at El Camino Hospital and its affiliates



FY 2021 Capital Spending Trend

(in 000s)

Capital Spending (in 000's)	Actual FY2016	Actual FY2017	Actual FY2018	Projected FY2019	Budget 2020
EPIC	20,798	2,755	1,114	-	-
IT Hardware / Software Equipment	6,483	2,659	1,108	6,000	6,000
Medical / Non Medical Equipment	17,133	9,556	15,780	18,000	* 18,000
Non CIP Land, Land I , BLDG, Additions	4,189	-	2,070	-	-
Facilities	48,137	82,953	137,364	205,451	268,937
GRAND TOTAL	96,740	97,923	157,435	229,451	292,937
*Includes \$5M unallocated amount					



Routine Capital Budget Pool

- Due to the current environment and other priorities management has not performed the typical standard capital budget forecast for Fiscal Year 2021
- Routine Capital Budget for ECH and affiliates
 - Establish a ***routine*** capital pool of \$20 million based on the EBIDA forecast less other cash flow items including principal and interest payments. This pool of funds is meant for the following categories:
 - Medical Equipment
 - Equipment
 - IT



Routine Capital Budget Pool

- Additionally there are currently approved fully funded projects & partially funded projects
 - For fully funded projects management estimates \$51.4 million in expenditures for Fiscal Year 2021
 - For partially funded projects management estimates \$42.6 million in potential expenditures for Fiscal year 2021
 - The outstanding projects will be assessed and evaluated during Fiscal year 2021 by management



Fully Approved Projects FY 21 Cash Flows

		Estimated Total Project	Total Funded \$\$	Spend to Date	Remaining	Projected
		Cost	To Date	through FY 20	Spend based on	Spend FY 21
		July 2020		Per 12	current Funding	
Fully Funded Projects [Sorted by Funded Amt.]						
1414	Integrated Medical Office Building	302,100,000	302,100,000	285,608,994	16,491,006	16,491,006
1245	BHS Replacement	96,100,000	96,100,000	90,500,809	5,599,191	5,599,191
1801	Demo Old Main & Related Site Work	172,500,000	24,900,000	3,081,165	21,818,835	5,454,709
1413	North Dr Parking Structure Expansion	24,500,000	24,500,000	24,444,816	55,184	0
1422	CUP Upgrades	9,000,000	9,250,000	8,709,422	540,578	540,578
1804	Primary Care Clinic (TI's Only) FY 19 (237 @ N. 1st)	8,000,000	8,000,000	7,652,634	347,366	(300,000)
1905	Radiation Oncology Equipment Replacement	10,300,000	6,750,000	2,238,918	4,511,082	8,061,082
1709	ED Remodel Triage / Psych Observation	6,750,000	6,750,000	4,356,768	2,393,232	2,393,232
1712	LG Cancer Center	6,400,000	6,400,000	6,266,522	133,478	103,478
1711	Emergency Sanitary & Water Storage	3,900,000	3,900,000	3,350,600	549,400	504,916
1702	LG Modular MRI & Awning	3,900,000	3,900,000	711,359	3,188,641	2,488,641
1917	Willow Surgery Dept. Improvements - Phase 2	3,800,000	3,800,000	0	3,800,000	760,000
1902	Site Signage & Other Improvements	2,500,000	2,500,000	593,021	1,906,979	1,506,979
1917	Willow Surgery Dept. Improvements - Phase 1	2,400,000	2,400,000	1,665,187	734,813	734,813
1931	SVMD - Sobrato Fit Up	1,000,000	1,000,000	917,899	82,101	82,101
2006	SVMD Clinic Morgan Hill	998,000	998,000			998,000
1921	LG MOB FY-20 Paving Upgrades	996,018	996,018	0	996,018	996,018
1713	Flooring Replacement	990,000	990,000	527,558	462,442	462,442
1916	LG Hospital Paving Upgrades	979,756	979,756	0	979,756	979,756
1920	SVMD Infrastructure Support & Equipment	898,500	898,500	647,014	251,486	102,986
1930	SVMD - Willow Glen CT Replacement	673,655	673,655	53,000	620,655	597,000
1802	LG MOB Improvements FY-19	498,300	498,300	328,538	169,762	169,762
1900	MV Infrastructure Upgrades Misc	402,500	402,500	287,814	114,686	114,686
1914	LG Rehab Finish Upgrades	373,000	373,000	82,460	290,540	290,540
1929	MV Sterile Processing Upgrades	1,850,000	250,000	82,182	167,818	1,767,818
1933	MV MOB Upgrades FY 20	1,000,000	250,000	0	250,000	250,000
1925	LG Equipment & Infrastructure Upgrades FY 20	240,000	240,000	78,766	161,234	161,234
2004	COVID-19 Response	175,000	175,000	88,003	86,997	46,997
Total Fully Funded Projects			509,974,729	442,273,448	66,703,281	51,357,965



Partially Approved Projects FY 21 Cash Flows

			Total Funded \$	Spend to Date	Remaining	
			To Date	through FY 20	Spend based on	Projected
Fully Funded Projects [Sorted by Funded Amt.]			Cost	Per 12	current Funding	Spend FY 21
Paritally Funded Projects (Additioanal Approvals TBD) [Sorted by Current Priority]						
1707	Imaging Equipment Replacement	26,022,000	16,900,000	341,279	16,558,721	3,311,744
1708	IR / Cath Lab Equipment Replacement	22,800,000	13,000,000	1,580,439	11,419,561	4,567,824
2005	MV Willow CPWC Relocation	5,500,000	150,000	0	150,000	3,150,000
1430	Women's Hosp Expansion	150,000,000	16,000,000	10,102,265	5,897,735	25,897,735
2002	LG IR Upgrades	3,250,000	250,000	0	250,000	750,000
2002	LG IR Upgrades	1,500,000	250,000	0	250,000	250,000
2001	LG Nuc Med Equipment Replacement	950,000	250,000	0	250,000	250,000
1908	LG Decontamination in OR	900,000	250,000	0	250,000	250,000
1922	LG Pharmacy USP 797 & 800 Upgrades	750,000	250,000	5,090	244,910	48,982
1923	MV Main Pharmacy USP 797 & 800 Upgrades	600,000	250,000	56,892	193,108	38,622
1924	MOV Oak Pharmacy USP 797 & 800 Upgrades	600,000	250,000	0	250,000	50,000
1926	LG Security System	460,000	242,000	21,298	220,702	420,702
1909	LG Campus Redevelopment	820,000,000	980,000	474,511	505,489	1,505,489
1602	Patient Family Residence	57,750,000	500,000	411,611	88,389	2,088,389
Total Partially Funded Projects		1,091,082,000	49,522,000	12,993,385	36,528,615	42,579,487





EL CAMINO HEALTHCARE DISTRICT BOARD MEETING MEMO

To: El Camino Healthcare District Board of Directors
From: Michael Walsh, Controller
Date: August 12, 2020
Subject: Draft Resolution 2020-07: Establishing Tax Appropriation Limit for FY21 (Gann Limit)

Recommendation(s): To approve Resolution 2020-07.

Summary:

1. **Situation:** Annually, the District Board must set the Tax Appropriation Limit (Gann Limit) for the following fiscal year.
2. **Authority:** See above.
3. **Background:** Every May 1st, the Department of Finance of the State of California sends a letter to all Fiscal officers regarding "Price and Population Information." Since FY 08/09 we have been required to use the California Department of Finance – Demographics website link, which provides the variables for cost-of-living factors and population changes from the prior year from which we select to calculate the Prop 13 Tax Appropriation Limit. Our selections are made to maximize the funds available for Community Benefit Programs and the operational expenses of the District.

A. Cost of Living Category:

- The change in California per capita personal income from the preceding year was a positive 3.73%
- The percentage change in local assessment due to nonresidential new construction from the previous year. This change is no longer provided.

We selected the % change in per capita personal income of a positive 3.73% (1.0373)

B. Change in Population:

- The population change within the District was a positive 0.0051%
- The population change within the County was a positive 0.0037%

We selected the District: 0.0051

C. Calculation:

- Change in Per Capita Income of 1.0373 x Change in District Population of 0.0051 = 1.0426 (multiplier); Last Year's Limit of \$8,844,668 x multiplier of 1.0426 = FY21 Appropriation Limit of \$9,221,451.00.

4. **Assessment:** N/A
5. **Other Reviews:** None.
6. **Outcomes:** N/A

Draft Resolution 2020 - 07
August 12, 2020

List of Attachments:

1. Draft Resolution 2020 - 07

Suggested Board Discussion Questions: None.

ECHD RESOLUTION 2020-07

**RESOLUTION OF THE BOARD OF DIRECTORS OF
EL CAMINO HEALTHCARE DISTRICT
ESTABLISHING THE APPROPRIATIONS LIMIT FOR FISCAL YEAR 2020 -21
IN ACCORDANCE WITH ARTICLE XIIB OF THE CONSTITUTION OF
THE STATE OF CALIFORNIA**

WHEREAS, El Camino Healthcare District (“District”) has completed its budget analysis and preparation for fiscal year 2021 (July 1, 2020 – June 30, 2021) and, pursuant to Article XIIB of the California Constitution and SS7900 et seq of the California Government Code, has computed its appropriations limit for such fiscal year; and

WHEREAS, S7910 requires the District to establish by resolution its appropriations limit for the upcoming fiscal year; and

WHEREAS, Article XIIB S8 (e)(2) directs the District to select its change in the cost of living annually by using either of the following two measurements and to record the vote of the District Board in making this choice:

- a) the percentage change in California per capita personal income from the preceding year, or
- b) the percentage change in the local assessment roll from the preceding year for the District due to the addition of local nonresidential new construction; and

WHEREAS, Article XIII S8 (f) and S790 (b) directs the District to select its change in the population annually by using either of the following two measurement(s) and to record the vote of the District Board in making this choice:

- a) change in population within the District, or
- b) change in population within Santa Clara County

NOW, THEREFORE BE IT RESOLVED that:

1. For fiscal year 2021, the District hereby elects to use the following measurement to calculate the District’s change in the cost of living:

The percentage change in the California per capita personal income from the preceding year (3.73%).

2. For fiscal year 2021, the District hereby elects to use the following measurement to calculate the change in population:

The change in population within the District of 0.0051%.

3. The Secretary of the District is hereby directed to include in the minutes a record of the vote of each member of the District Board as to the choices set forth in paragraphs 1 and 2.
4. For fiscal year 2021, the District's total annual appropriations subject to limitation are \$9,221,451.00 calculated as follows.
 - a. $1.0373 \times 0.0051 = 1.0426$ (multiplier)
 - b. $1.0426 \times \$8,844,668.27$ (FY 2020 limit) = \$9,221,451.00
5. As required by Article XIII B S1, the District's total annual appropriations subject to limitation for fiscal year 2019-20 should not exceed the District's appropriations limit for fiscal year 2021.

DULY PASSED AND ADOPTED at a Regular Meeting held on the 12th day of August, 2020 by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

Julia E. Miller, Secretary/Treasurer
El Camino Healthcare District Board of Directors