

February 8, 2016

District Board Meeting

Packet Addendum

CITY OF ALAMEDA HEALTH CARE DISTRICT

DATE: February 8, 2016
TO: City of Alameda Health Care District, Board of Directors
FROM: Kristen Thorson, District Clerk
SUBJECT: Acceptance of December 2015 District Financials

Action

Acceptance of the December 2015 District Financials

Discussion Highlights

As requested by the Board, I have provided several areas in which I believe the Board should have additional knowledge of that relates to the monthly financial statements. I would appreciate feedback on content and format. It may be beneficial to have the financial consultant come to a future Board meeting to review in depth the financials and answer questions that I may not be able to answer.

I have attached a copy of the approved budget for reference. I believe there are many opportunities to improve our budgeting process for future years.

Notes on the Balance Sheet:

- Cash and Cash Equivalents as of 12/31/15 were \$3,415,237 due to the December parcel tax installment.

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

- The financials show a comparison of Actual (prior fiscal year and YTD, 12/31/2015) to Budget.
- The budget has been spread evenly over 12 months and the financials reflects 6 months or half of the total budgeted amount.
- Professional Fees comprise of five categories from the budget. A detailed listing of the expenses to budget for the specific categories is listed below in the table.

	YTD Actual 12/31/16	FY 2015-2016 Budget
Accounting	2,250	9,000
Consultant Fees	2,750	25,400
Legal Fees	20,923	36,000
Annual Independent Audit	10,500	10,500
Mngt Fees Jaber	4,486	30,000 ¹
Total Professional Fees	40,910	110,900

¹The \$30,000 budget includes Repairs and Maintenance which is separated out as a separate line item on the Statement of Revenues and Expenses

- Utilities are over budget due to a budgeting error in which utilities associated with the Jaber properties were not accounted for in the FY15-16 budget. This line item will remain over budget for the remainder of the fiscal year.

City of Alameda Health Care District
Proposed FY15-16 Budget

	FY 2014-2015	FY 2015-2016	Variance	% Change
District Revenue Sources				
Jaber Property Gross Revenues	166,800	172,112	5,312	
District Property Tax Revenues	5,780,000	5,830,966	50,966	
Other				
Interest				
Total Revenues	5,946,800	6,003,078	56,278	
Administrative Expenses				
Salary, Wages and Benefits	49,500	95,000	45,500	
Board Stipend	6,000	3,000	(3,000)	
Education & Conferences	5,000	10,000	5,000	
Dues & Subscriptions	5,000	5,000	-	
Insurance - General, D&O, Property	138,000	60,000	(78,000)	
Accounting	10,000	9,000	(1,000)	
Annual Independent audit	17,500	10,500	(7,000)	
Legal Fees	60,000	36,000	(24,000)	
Office Expenses	4,800	2,500	(2,300)	
District Marketing, Promotions	2,500	2,500	-	
Consultant Fees	25,400	25,400	-	
Lease expense (Equipment & Building)	27,700	24,600	(3,100)	
Utilities, Phones, Maintenance	4,800	2,500	(2,300)	
Jaber Property (Mngt Fees, Repairs & Maintenance)	38,997	30,000	(8,997)	
Interest Expense	51,672	49,075	(2,597)	
Other Misc Operating Expenses	3,600	2,500	(1,100)	
Food/Meals	2,250	1,650	(600)	
Election Year Expenses	120,000	-	(120,000)	
Total Administrative Expenses	572,719	369,225	(203,494)	
Capital Outlay				
Principal on Note	25,808	28,405	2,597	
Leasehold Improvements, Furnishings	15,000	2,500	(12,500)	
Sum of Total Uses	613,527	400,130	(213,397)	
Total Revenue Sources	5,946,800	6,003,078	56,278	
Minus Total District Uses	613,527	400,130	(213,397)	-35%
Balance to Transfer to Alameda Health System	5,333,273	5,602,947	269,675	

Prepared by Jim Meyers (Treasurer) and Kristen Thorson (Clerk) as of 5/31/2015

City of Alameda Health Care District
Proposed FY15-16 Budget

Administrative Expense Detail Support

	FY 2014 - 15	Comments & Assumptions Description
District Revenue Sources		
Jaber Property Gross Revenues	172,112	Annualized income from FY 2014-2015
District Property Tax Revenues	5,830,966	Assumes FY 2014-2015 parcel tax revenue
Expense		
Salary, Wages and Benefits	95,000	Executive Director (.5 FTE) includes benefits and HR Services. District Clerk (1 FTE) provided by AHS per JPA.
Board Stipend	3,000	Assumes \$100/meeting/Board member at 6 meetings/year. Note that there are 5 scheduled meetings per 4/13/15 approved Board calendar. Allows for 1 special meeting.
Education & Conferences	10,000	Annual continuing education for Clerk and Directors
Dues & Subscriptions	5,000	TBD if board wants to belong to a particular organization and/or other subscriptions
Insurance - General, D&O, Property, Excess	60,000	Per quotes for all insurance coverages to be retained by District
Accounting	9,000	Financial consulting and financial reporting thorough KHJC & Partners, Inc.
Annual Independent audit	10,500	FYE June 30, 2015 JWT & Associates, LLP for annual District audit (NTE)
Legal Fees	36,000	Legal services of Thomas L. Driscoll, General Counsel
Office Expenses	2,500	Supplies, printing, minor office equipment
District Marketing, Promotions	2,500	TBD by District Board
Consultant Fees	25,400	IT for property tax role preparation, Hewitt Jones Fitch (Tax Returns on Related entity), videography service and other as may be needed. support for district operations not provided by Clerk or other contracts
Lease expense (Equipment & Building)	24,600	District Office Building - 888 Willow (\$2050/month)
Utilities, Phones, Maintenance	2,500	Internet/Phone (\$100/month), Electric (\$50/month), Misc Maintenance as needed
Jaber Property (Mngt Fees, Repairs & Maintenance)	30,000	All Expenses associated with management and maintenance of Jaber properties (from HBR Statements)
Interest Expense	49,075	Interest on Loan with Bank of Marin.
Other Misc Operating Expenses	2,500	Other misc items TBD
Food/Meals	1,650	Board meeting dinners (~\$275/meeting)
Election Year Expenses	-	No election in FY2015-2016
Total Administrative Expenses	<u>369,225</u>	
Capital Outlay		
Principal on Note	28,405	Monthly loan payment
Leasehold Improvements, Furnishings	2,500	
Total	<u>400,130</u>	

Prepared by Jim Meyers (Treasurer) and Kristen Thorson (Clerk) as of 5/31/2015

CITY OF ALAMEDA HEALTH CARE DISTRICT

DATE: February 8, 2016

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

FROM: Kristen Thorson, District Clerk

SUBJECT: Approval to Renew General and Excess Liability Insurance for Jaber Properties

Recommendation

Authorize Board President to execute the necessary paperwork to bind General and Excess Liability insurance on the Jaber properties based on one of the following options.

Option 1: Bind a short term policy with term of March 19, 2016 – July 1, 2016. This will move all policies to the same renewal cycle of July 1.

	General Liability	Excess Liability
Coverage	\$1M Each Occurrence / \$2M General Aggregate.	Additional \$5M General Aggregate / Each Occurrence
Premium	\$14.40	\$60.00
Taxes/Fees	\$450.00	\$1,875
Subtotal (Excluding Terrorism Risk Insurance Act, which was declined at last renewal)	\$464.40	\$1,935
Total	\$2,399.40	

Option 2: Renew the annual policy from March 19, 2016 – March 19, 2017 at the same coverage limits. The annual renewal is estimated at a cost of \$4,894 (same as prior year) to \$5,143 (5% increase).

Background / discussion

The Jaber general and excess liability policy has historically renewed on a March to March cycle. In an attempt to streamline the insurance renewal process, I asked Alliant Insurance Services, Inc., to quote a short term policy to align all policies under the same renewal cycle. When analyzed, the cost of the short term policy is more primarily due to the fact that the carrier has minimum premiums for coverage on short term policies.

The annual premium quote was not available at the time of the Board meeting. Alliant has indicated that the annual should stay flat from prior year and at the most a 5% increase.

I feel that having all policies on the same renewal cycle would create efficiencies for the District staff and Broker in the administration of the policies including the annual renewal process and budget planning.

CITY OF ALAMEDA HEALTH CARE DISTRICT

DATE: February 8, 2016

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

FROM: Kristen Thorson, District Clerk

SUBJECT: Alameda County Special District Association CSDA Annual Meeting Attendance and /or Sponsorship

Recommendation

Request that the Board discuss attendance at the Alameda County Chapter of the California Special District's Association Annual Meeting and Dinner and decide who will attend to represent the District. If the District chooses to participate, the designated Director(s) will work with the District Clerk to put together an item for the door prize.

Background / Discussion

The annual meeting and dinner of the Alameda County Chapter of the California Special District's Association will occur on Thursday, March 24, 2016 (Social Hour begins at 6:00 and dinner is served at 7:00) at the Pleasanton Marriott. Invitations are scheduled to be mailed out soon. Congressman Swalwell will be the keynote speaker.

Registration for dinner prior to March 1, 2016 is \$49/person and after March 1, 2016 \$59/person.

Each attending agency is asked to bring a basket or gift (some agencies bring nice bottles of wine) for the door prize. Raffle tickets are sold throughout the night for the baskets / gifts.