



April 18, 2024

TO: Legal Counsel

News Media

Salinas Californian

El Sol

Monterey County Herald

Monterey County Weekly

KION-TV

KSBW-TV/ABC Central Coast

KSMS/Entravision-TV

The next regular meeting of the **FINANCE COMMITTEE - COMMITTEE OF THE WHOLE** of **SALINAS VALLEY HEALTH**¹ will be held **MONDAY, APRIL 22, 2024, AT 12:00 P.M., DOWNING RESOURCCE CENTER ROOMS A, B, & C, SALINAS VALLEY HEALTH MEDICAL CENTER, 450 E. ROMIE LANE, SALINAS, CALIFORNIA.** (*Visit [SalinasValleyHealth.com/virtualboardmeeting](https://www.SalinasValleyHealth.com/virtualboardmeeting) for Public Access Information*).

A handwritten signature in black ink, appearing to read "Allen Radner".

Allen Radner, MD
Interim President/Chief Executive Officer

Committee Voting Members: **Joel Hernandez Laguna**, Chair, **Juan Cabrera**, Vice-Chair, **Allen Radner, MD**, Interim President/CEO; **Augustine Lopez**, Chief Financial Officer; and **Tarun Bajaj, M.D.**, Medical Staff Member.

Advisory Non-Voting Members: Sanjeev Tandon and Harry Wardwell, Community Members, Administrative Executive Team.

**FINANCE COMMITTEE
COMMITTEE OF THE WHOLE
SALINAS VALLEY HEALTH¹**

**MONDAY, APRIL 22, 2024, 12:00 P.M.
DOWNING RESOURCE CENTER, ROOMS A, B & C**

**Salinas Valley Health Medical Center
450 E. Romie Lane, Salinas, California**

(Visit [SalinasValleyHealth.com/virtualboardmeeting](https://www.SalinasValleyHealth.com/virtualboardmeeting) for Public Access Information)

AGENDA

1. Call to Order / Roll Call
2. Public Comment

This opportunity is provided for members of the public to make a brief statement, not to exceed three (3) minutes, on issues or concerns within the jurisdiction of this District Board, which are not otherwise covered under an item on this agenda.

3. Approve Minutes of the Finance Committee Meeting of March 25, 2024 (HERNANDEZ LAGUNA)
 - Motion/Second
 - Action by Committee/Roll Call Vote
4. Consider Recommendation for Board Approval of the Lease Agreement Amendment One between Salinas Valley Memorial Healthcare System (SVMHS) and Uni-Kool Partners for Parking Located at 241 Abbott Street, Salinas, CA (70,000 sq. ft. supplementation of current leased space). (MILLER/STROTMAN)
 - Staff Report
 - Committee Questions to Staff
 - Public Comment
 - Committee Discussion/Deliberation
 - Motion/Second
 - Action by Committee/Roll Call Vote
5. Consider Recommendation for Board Approval of Valet Services Agreement with Corinthian International Parking Services, Inc. (MILLER/STROTMAN)
 - Staff Report
 - Committee Questions to Staff
 - Public Comment
 - Committee Discussion/Deliberation
 - Motion/Second
 - Action by Committee/Roll Call Vote

¹Salinas Valley Memorial Healthcare System operating as Salinas Valley Health

6. Consider Recommendation for Board Approval to Lease 740 E. Romie (a vacant lot) to SALINASIDENCE OPCO, LLC dba PACIFIC COAST POST ACUTE (MILLER/STROTMAN)
 - Staff Report
 - Committee Questions to Staff
 - Public Comment
 - Committee Discussion/Deliberation
 - Motion/Second
 - Action by Committee/Roll Call Vote
7. Consider Recommendation for Board of Directors to approve procurement to replace our fleet of BD Infusion IV Pump equipment (SPENCER)
 - Staff Report
 - Committee Questions to Staff
 - Public Comment
 - Committee Discussion/Deliberation
 - Motion/Second
 - Action by Committee/Roll Call Vote
8. Closed Session
9. Reconvene Open Session/Report on Closed Session
10. Financial and Statistical Review (LOPEZ)
11. Review Balanced Scorecard (LOPEZ)
12. Capital Spending YTD March 31, 2024 Update (LOPEZ/NORMAN/LYON)
13. Adjournment

The next Finance Committee Meeting is scheduled for **Monday, May 20, 2024 at 12:00 p.m.**

This Committee meeting may be attended by Board Members who do not sit on this Committee. In the event that a quorum of the entire Board is present, this Committee shall act as a Committee of the Whole. In either case, any item acted upon by the Committee or the Committee of the Whole will require consideration and action by the full Board of Directors as a prerequisite to its legal enactment.

The Committee packet is available at the Committee Meeting, at www.SalinasValleyHealth.com, and in the Human Resources Department of the District. All items appearing on the agenda are subject to action by the Committee.

Requests for a disability related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting should be made to the Board Clerk during regular business hours at 831-759-3050. Notification received 48 hours before the meeting will enable the District to make reasonable accommodations.

¹Salinas Valley Memorial Healthcare System operating as Salinas Valley Health

**FINANCE COMMITTEE MEETING
COMMITTEE OF THE WHOLE
SALINAS VALLEY HEALTH¹**

AGENDA FOR CLOSED SESSION

Pursuant to California Government Code Section 54954.2 and 54954.5, the board agenda may describe closed session agenda items as provided below. No legislative body or elected official shall be in violation of Section 54954.2 or 54956 if the closed session items are described in substantial compliance with Section 54954.5 of the Government Code.

CLOSED SESSION AGENDA ITEMS

REPORT INVOLVING TRADE SECRET

(Government Code §37606 & Health and Safety Code § 32106)

Discussion will concern: (Specify whether discussion will concern proposed new service, program, or facility): Trade secrets, strategic planning/proposed new programs and services

Estimated date of public disclosure: (Specify month and year): Unknown

ADJOURN TO OPEN SESSION

¹Salinas Valley Memorial Healthcare System operating as Salinas Valley Health

CALL TO ORDER
ROLL CALL

(Chair to call the meeting to order)

PUBLIC COMMENT

DRAFT SALINAS VALLEY HEALTH¹
FINANCE COMMITTEE
COMMITTEE OF THE WHOLE
MEETING MINUTES MARCH 25, 2024

Committee Voting Members Present: **Joel Hernandez Laguna**, Chair; **Juan Cabrera**, Vice-Chair; **Allen Radner, MD**, Interim President/CEO; **Augustine Lopez**, Chief Financial Officer; and **Tarun Bajaj, M.D.**, Medical Staff Member.

Advisory Non-Voting Members Present: Sanjeev Tandon (via teleconference) and Harry Wardwell (in person), Community Members; and Administrative Executive Team Members Clement Miller, COO, Michelle Childs, CHRO, (via teleconference), Gary Ray, CLO, and Lisa Paulo, CNO, (via teleconference).

Other Board Members Present, Constituting Committee of the Whole: Rolando Cabrera, MD, (via teleconference), Catherine Carson (via teleconference) and Victor Rey (via teleconference).

Tarun Bajaj, MD, arrived at 12:11 p.m.

Juan Cabrera arrived at 12:18 p.m.

1. CALL TO ORDER/ROLL CALL

A quorum was present and Chair Joel Hernandez Laguna, called the meeting to order at 12:02 p.m. in the Downing Resource Center, Rooms A, B, and C.

2. PUBLIC COMMENT:

Harry Wardwell stated he would like his role clarified and asked if there is a new charter for Finance Committee. Gary Ray discussed the need for restructuring related to the requirement for voting members to be in person. As an Advisory Non-Voting Member, Mr. Wardwell's role is to share observations, provide advice and provide guidance. Mr. Ray will forward a copy of the charter.

3. MINUTES OF THE FINANCE COMMITTEE FEBRUARY 21, 2024

Approve the minutes of the February 21, 2024 Finance Committee meeting. The information was included in the Committee packet.

COMMENTS FROM THE BOARD:

None

PUBLIC COMMENT:

None

MOTION:

Upon motion by Committee member Dr. Radner, and second by Committee member Lopez, the minutes of the February 21, 2024 Finance Committee were approved as presented.

ROLL CALL VOTE:

Ayes: Hernandez-Laguna, Cabrera, Dr. Radner, and Lopez;

Nays: None;

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Abstentions: None;
Absent: Dr. Bajaj, Cabrera.

Motion Carried

4. CONSIDER RECOMMENDATION TO THE SVH BOARD OF DIRECTORS TO APPROVE (i) THE PURCHASE OF AN ADDITIONAL 5.9143 UNITS OF VOTING MEMBERSHIP INTEREST IN MONTEREY PENINSULA SURGERY CENTER, AND (ii) THE EXECUTION OF THE SUBSCRIPTION AGREEMENT BY THE INTERIM PRESIDENT/CEO, AS PRESENTED.

Gary Ray reported that key strategic objective for Salinas Valley Health is to develop and expand partnerships that drive value for our patients. Recognizing the importance of providing a low cost, high quality option for surgical services needed by our residents, Salinas Valley Health has pursued greater investment in our partnership with Monterey Peninsula Surgery Center (MPSC). SVH presently owns slightly more than 13.5% of MPSC, which operates surgery centers in Salinas, Monterey, and Santa Cruz. MPSC has notified SVH that there are additional shares available for purchase and MPSC's board has approved the sale of an additional member interest to SVH. The company valuation of MPSC was most recently appraised at six hundred fifty-five thousand dollars (\$655,000) per one percent (1%) for voting units. The proposed transaction is the acquisition of 5.9143 voting membership interests at a purchase price of one hundred ninety-six thousand five hundred dollars (\$196,500.00). This additional investment will increase SVH's total ownership interest in MPSC to just under fourteen percent (13.8206%). A full report including estimated MPSC market value was included in the packet.

COMMITTEE MEMBER DISCUSSION: The current relationship with Monterey Peninsula Surgery Center has been a lucrative and profitable. Strategically a higher percentage of voting units will be a benefit to SVH and our patients. There was a clarification of voting units versus ownership interest. This purchase would bring our interest to 13.8206%. It was noted this topic is also within our Service Pillar.

PUBLIC COMMENT:

None

MOTION:

Upon motion by Committee member Dr. Radner and second by Committee member Lopez, the Finance Committee recommends Board of Directors approve (i) the purchase of an additional 5.9143 units of voting membership interest in Monterey Peninsula Surgery Center for the amount of \$196,500.00, and (ii) the execution of the subscription agreement by the Interim President/CEO, as presented.

ROLL CALL VOTE:

Ayes: Hernandez-Laguna, Dr. Radner, Lopez, and Bajaj;

Nays: None;

Abstentions: None;

Absent: Cabrera.

Motion Carried

5. CONSIDER RECOMMENDATION FOR BOARD APPROVAL OF CONTRACT FOR PERFUSION SERVICES WITH PRIME PERFUSION, INC.

Clement Miller, COO, Perioperative Services Director reported the perioperative services department is seeking approval to enter into a Perfusion Services Agreement between Salinas Valley Health and Prime Perfusion, Inc. for a two (2) year term through March 2026. Approval of this contract will allow the Cardiac Service line to transition to a new provider of perfusion services, following the completion of the required RFP process. This transition is a 27% increase over our current provider, increasing our monthly expense from \$54,337.50 to \$69,000.00, but was the lowest bidder of the three proposals received.

The current demand for perfusionists is exceedingly high, with staffing shortages in hospitals throughout the country. At most, there are 120-150 new perfusion graduates in a year in the United States. The low rate of available perfusionists coupled with the increased demand for their services has dramatically increased the rate required to secure a team that can effectively support our cardiac surgery and structural heart programs 24 hours a day, 7 days a week. In addition to Prime, our team reached out to an additional three perfusion service providers to assess the availability and cost of potentially transitioning to a new provider. The outcome of the inquiry confirmed that transitioning to a relationship with Prime Perfusion, Inc is the best option for Salinas Valley Health, due to availability of services in our area, the overall cost of the contract, and the team's commitment to our organizations cardiac program. A full report was included in the packet.

COMMITTEE MEMBER DISCUSSION: It was noted our previous provider retired. Prime Perfusion has filled in gaps of service in the past. Open heart surgery is steady, and perfusion services are also used in structural heart procedures.

PUBLIC COMMENT:

None

MOTION:

Upon motion by Committee member Dr. Radner and second by Committee member Dr. Bajaj, the Finance Committee recommends Board of Directors approve the Two (2) year Perfusion Services Agreement with Prime Perfusion, Inc., for total cost of \$1,656,000.

ROLL CALL VOTE:

Ayes: Hernandez-Laguna, Cabrera, Dr. Radner, Lopez, and Bajaj;

Nays: None;

Abstentions: None;

Absent: None.

Motion Carried

6. CLOSED SESSION

Chair Hernandez Laguna announced that items to be discussed in Closed Session as listed on the posted Agenda are *Report Involving Trade Secrets, strategic planning/proposed new programs and services.*

The meeting recessed into Closed Session under the Closed Session Protocol at 12:22 p.m.

7. RECONVENE OPEN SESSION/REPORT ON CLOSED SESSION

The Board reconvened Open Session at 1:26 p.m. Chair Hernandez Laguna announced that in Closed Session, the Board received a *Report Involving Trade Secrets, strategic planning/proposed new programs and services*. No action was taken.

8. FINANCIAL PERFORMANCE REVIEW

An update was received from Augustine Lopez, Chief Financial Officer on the Financial Performance Review for the month of February 2024. Highlights included Income from Operations (\$0.5), Net Income \$.1M, Consolidated Net Income (\$1.7M), and Days Cash on hand of 337. A full report was included in the packet.

COMMITTEE MEMBER DISCUSSION: Bottom line is still positive; the total margin is a positive number.

9. BALANCED SCORECARD – INFORMATIONAL ONLY

The Balanced Scorecard Summary for FY2024, year-to-date January 2024 was included in the Committee packet for committee review. Mr. Lopez provided a brief review.

10. ADJOURNMENT

There being no other business, the meeting was adjourned at 1:32 p.m. The next Finance Committee Meeting is scheduled for **Monday, April 22, 2024 at 12:00 p.m.**

Joel Hernandez Laguna, Chair

Board Paper: Finance Committee

Agenda Item: Consider Recommendation for Board Approval of the Lease Agreement Amendment One between Salinas Valley Memorial Healthcare System (SVMHS) and Uni-Kool Partners for Parking Located at 241 Abbott Street, Salinas, CA (70,000 sq. ft. supplementation of current leased space).

Executive Sponsor: Clement Miller, Chief Operating Officer
Earl Strotman, Director Facilities Management & Construction

Date: April 22, 2024

Executive Summary

As part of the strategy to relieve vehicle-parking shortages at and around the hospital site, a recommendation is presented to extend the lease an 87,120 sq. ft. parking lot located at 241 Abbott Street, to ensure that we maintain adequate patient and visitor parking at and around the hospital campus in addition to ensuring the availability of parking at the surrounding clinic offices.

Background/Situation/Rationale

SVMHS currently leases 157,120 sq. ft. of parking space at 241 Abbott Street which accommodates 441 parking spaces, through two lease agreements for adjoining lots (Lot A – 87,120 sq ft, Lot B – 70,000 sq ft). These lease agreements were initiated to support vehicle parking at and around the hospital campus during the construction of the DRC Annex in addition to 355 Abbott (Primecare / Diabetes and Endocrine Center) which does not meet the then current demand (defined by the city of Salinas).

- Lot A – 230 Spaces currently on a month to month agreement
- Lot B – 211 Spaces, currently in the second year of a 5 year lease
 - Requires an easement through Lot A, to access.

With construction of the Downing Resource Center Parking Garage Annex completed SVH entered into negotiations with Uni-Kool Partners to exit the five year lease for Lot B, while committing to a five year lease extension for Lot A exercising the previously approved extension clause in alignment with the language proposed in the original lease agreement.

Reducing the overall square footage outlined in the current leases, reduces the organization’s annual expense by \$117,600, while maintaining adequate off-site parking for clinic staff who work around the hospital campus as well as Primecare.

Pillar/Goal Alignment:

Service People Quality Finance Growth Community

Financial Implications

The essential terms of the proposed Lease are as follows:

Key Contract Terms	Uni-Kool Partners
1. Proposed effective date	May 1, 2024
2. Term of agreement	Five (5) years with 1 option to extend, for five (5) years commencing May 1, 2024
3. Renewal terms	N/A
4. Cost	70,000 square feet at \$0.14 / sq. ft. at the cost of \$711,068.40 over the duration of initial contract (\$11,851.14 month / \$142,213.68 annually)
5. Budgeted (indicate y/n)	Yes

Schedule:

March 2024 – Negotiations completed
May 2024 – Anticipated Start Date of Parking Space Lease.

Recommendation

Consider Recommendation for Board Approval of the Lease Agreement Amendment One between Salinas Valley Memorial Healthcare System and the Uni-Kool Partners for 87,120 square feet of finished parking area located at 241 Abbott Street, Salinas, CA 93901, at the annual rate of \$142,213.68 for a 5 year term.

Attachments

- Amendment One – Lot A
- Lease Termination – Lot B

**AMENDMENT ONE TO STANDARD INDUSTRIAL/COMMERCIAL
SINGLE-TENANT LEASE - GROSS**

This Amendment One is entered into this ___st day of May ___, 2024 by and between THE UNI-KOOL PARTNERS as “Lessor” and SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM, a California Health Care District operating as SALINAS VALLEY HEALTH as “Lessee” pertaining to the real property and improvements located at 241 Abbott Street, Salinas, California.

Recitals

WHEREAS, Lessor and Lessee entered into a Standard Industrial/Commercial Single-Tenant Lease on February 18, 2018 (hereinafter “Lease Agreement”) concerning the Premises located at 241 Abbott Street and further described as 87,120 square feet of finished parking area as reflected on Exhibit “A” to the Lease Agreement and to this Amendment; and

WHEREAS, in accordance with the terms of the Lease, Lessee had an option to extend the term of the lease for a period of five (5) years, which Lessee failed to exercise; and

WHEREAS, as a result of the non-exercise of the option to extend the Lease, Lessee’s term was converted to a month-to-month tenancy; and

WHEREAS, the parties have agreed to enter into an extended Term for a period of Five (5) years, and

WHEREAS, Lessor is in the process of development its real property which will have temporary and long-term impacts to the Premises; and

WHEREAS, the parties desire to enter into an Amendment to the Lease extending the term, modifying the base rent and addressing the short-term and permanent changes to the Premises; and

THEREFORE, the parties agree to the following Amendment One to the Lease Agreement:

Agreement

1. The lease term shall be extended for a period from May 1, 2024 to April 30, 2029 (hereinafter “Extended Term”).
2. The Base Rent as specified in Article 3 of the Lease Agreement shall be modified to a fixed rate of \$11,851.14 per month for the Extended Term.
3. In the event Lessor needs to reduce allowable parking spaces located at 241 Abbott Street, the Lessor will provide the Lessee with the equivalent number of spaces in an adjacent location.
4. The parties agree that there shall be no further Options to Extend the Lease pursuant to Section 52 of the Lease Agreement.
5. Contingencies. This Amendment One shall be contingent upon the following:
 - a. Approval of the Board of Directors of Salinas Valley Memorial Healthcare System; and

- b. Execution of a Termination of Lease Agreement between Lessor and Lessee, dated March 1, 2022 pertaining to an additional 70,000 square feet of parking immediately adjacent to the Premises described herein.

6. Lessee agrees that the property is in good current condition and does not require any improvements and repairs at this time.

7. All remaining terms and conditions of the Lease Agreement, as amended, will remain in full force and effect.

LANDLORD

TENANT

THE UNI-KOOL PARTNERS

SALINAS VALLEY MEMORIAL
HEALTHCARE SYSTEM

By: Steve Kovacich, General Manager

By: Dr. Allen Radner, M.D.,
Interim President/CEO

AGREEMENT TO TERMINATE LEASE

This AGREEMENT TO TERMINATE LEASE is entered into this __st day of May __, 2024 by and between THE UNI-KOOL PARTNERS as “Lessor” and SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM, a California Health Care District operating as SALINAS VALLEY HEALTH as “Lessee” pertaining to the real property and improvements located at 341 Abbott Street, Salinas, California.

Recitals

WHEREAS, Lessor and Lessee entered into a Lease Agreement entitled “Abbott Street Lease” on March 1, 2022 (hereinafter “Lease Agreement”) concerning the Premises located at 241 Abbott Street and further described as 70,000 square feet of finished parking area described as the “Extended Parking Area” located “adjacent to the Blue Lot” which is subject to a separate lease agreement (“Blue Lot Agreement”) between the parties; and

WHEREAS, the parties have negotiated to extend the lease for the Blue Lot to meet the System’s immediate needs for off-site parking for its employees; and

WHEREAS, the term of the Lease Agreement for the Extended Parking Area is for approximately three (3) additional years, ending February 28, 2027; and

WHEREAS, the parties desire to terminate the Lease Agreement for the Extended Parking Area early.

THEREFORE, for good consideration, the parties agree to the following:

Agreement

1. The term of the Lease Agreement lease shall terminate May 1, 2024.
2. Lessee shall remove all items of personal property, and Lessor shall erect a fence limiting any access to Lessee, its employees and agents, to access the Extended Parking Area.

LESSOR

LESSEE

THE UNI-KOOL PARTNERS

SALINAS VALLEY MEMORIAL
HEALTHCARE SYSTEM

By: Steve Kovacich, General Manager

By: Dr. Allen Radner, M.D.,
Interim President/CEO

Board Paper: Finance Committee

Agenda Item: Consider Recommendation for Board Approval of Valet Services Agreement with Corinthian International Parking Services, Inc.

Executive Sponsor: Earl Strotman, Director Facilities Management & Construction
Clement Miller, Chief Operating Officer

Date: April 4, 2024

Executive Summary

Salinas Valley Memorial Healthcare System (SVH) is replacing the Health Care Security Services of California (HSS) service agreement for Valet services for hospital patients and visitors. HSS is exiting this line of service effective June 1, 2024 as previously notified. SVH is entering into a contract for Valet services with Corinthian International Parking Services, Inc.

Background/Situation

HSS notified SVH that they would be exiting the Valet services arena effective June 1, 2024. SVH created a Request For Proposal search for suitable vendors for Valet services. That search identified Corinthian International Parking Services, Inc., as a replacement partner for Valet services here at SVH. Valet services are needed to alleviate the parking burden imposed on all hospital patients/visitors and to help improve the SVH patient experience.

Timeline/Review Process to Date:

05/31/2024: Current Contract Expires

04/14/2024: Board Finance Committee Review

04/25/2024: Board Committee Review

06/01/2024: Commence Corinthian International Parking Services Agreement

Strategic Plan Alignment:

Provide staff, patients, and visitors with a safe work environment/health care setting by providing patients and visitors with better access to parking

Pillar/Goal Alignment:

Service People Quality Finance Growth Community

Financial/Quality/Safety/Regulatory Implications:

Key Contract Terms	Vendor: Corinthian International Parking Services, Inc.
1. Proposed effective date	6/01/2024
2. Term of agreement	6/01/2024 – 5/31/2027
3. Renewal terms	No Automatic Renewal. Renewal terms to be renegotiated prior to end of contract (5/31/2027).
4. Termination provision(s)	May be terminated upon thirty (30) days' prior written notice by either party, with or without stating a cause or reason.
5. Payment Terms	Net 45
6. Annual cost	Year One: \$715,513; Year Two: \$736,908; Year Three: \$759,166
7. Budgeted (indicate y/n)	No (FY2024) / Yes (FY2025)

VALET SERVICES		Change
Current	\$538,039	
Year 1	\$715,513	33%
Year 2	\$736,908	3%
Year 3	\$759,166	3%
Total	\$2,211,587	

Recommendation

Consider Recommendation for Board Approval of Valet Service Agreement between Salinas Valley Memorial Healthcare System and Corinthian International Parking Services, Inc. for three years in the amount of \$2,211,587.

Attachments

(1) Independent Contractor Agreement for Professional Services (Corinthian International Parking Services, Inc.)

INDEPENDENT CONTRACTOR AGREEMENT
FOR PROFESSIONAL SERVICES

This Independent Contractor Agreement (“Agreement”) is entered into and effective **June 1, 2024** (“Effective Date”), by and between **Salinas Valley Memorial Healthcare System**, a local health care district organized and operated pursuant to Division 23 of the California Health & Safety Code, operating as Salinas Valley Health (“SVMHS”), and **Corinthian International Parking Services, Inc.** (“Contractor”).

RECITALS

- A. SVMHS is the owner and operator of Salinas Valley Health Medical Center, an acute care facility located at 450 East Romie Lane, Salinas, California (“Hospital”).
- B. Contractor provides valet parking services.

SVMHS and Contractor hereby agree to the following terms and conditions:

ARTICLE 1. SERVICES TO BE PERFORMED BY CONTRACTOR

- 1.1 **Services.** Contractor shall perform the services set forth in Exhibit A of this Agreement and such other services as mutually agreed upon with SVMHS from time to time (“Services”). Contractor agrees to consult with SVMHS regarding the methods and means for carrying out the Services to the extent that such Services might impact the Hospital’s obligations or operations.
- 1.2 **Performance of Services.** SVMHS shall not have or exercise any control or direction over the methods by which Contractor shall perform its Services under this Agreement. The sole interest of SVMHS is to assure that Contractor’s Services are performed and administered in a competent, efficient and satisfactory manner. The Services provided by Contractor under this Agreement are intended to be non-exclusive in nature, and both parties expressly reserve the right to contract with other entities for the same or similar services.
- 1.3 **Independent Contractor.** In the performance of Services under this Agreement, it is mutually understood and agreed that the parties to this Agreement are at all times acting and performing as independent contractors, and nothing in this Agreement shall be construed to create between SVMHS and Contractor an employer/employee relationship or a joint venture relationship. No offer or obligation of permanent employment with SVMHS is intended or implied in any manner by this Agreement. Contractor understands and agrees that Contractor is not entitled to and shall not receive any healthcare, retirement, workers’ compensation or other benefits available to SVMHS employees.

ARTICLE 2. COMPENSATION

- 2.1 **Fees for Services.** Contractor’s fee for Services provided pursuant to this Agreement is as specified in Exhibit A, paid on a monthly basis. Contractor’s fee for Services will be fixed for the term of this Agreement or until modified by written agreement of the parties to this Agreement.
- 2.2 **Payment of Contractor Invoices.** Contractor will invoice SVMHS for Services provided under this Agreement on a monthly basis and shall include total hours worked and detail of Services provided. Contractor’s invoices are payable by SVMHS within forty-five (45) days of receipt by SVMHS of a complete invoice.
- 2.3 **Reimbursements.** SVMHS shall have no obligation to reimburse Contractor for reasonable business expenses incurred by Contractor during the course of performing Services under this Agreement (including, but not limited to, training, travel expenses, mileage, transcription services).

ARTICLE 3. TERM AND TERMINATION

- 3.1 Term. This Agreement is effective and shall commence on the Effective Date first set forth above, and will continue for a period of three (3) years, unless earlier terminated pursuant to the terms of this Agreement.
- 3.2 Automatic Termination. This Agreement shall terminate automatically on the occurrence of any of the following events: (i) upon the bankruptcy or insolvency of either party; or (ii) upon thirty (30) days' prior written notice by either party, with or without stating a cause or reason.

ARTICLE 4. COMPLIANCE

- 4.1 Compliance with Laws, Rules and Regulations, Compliance Program. Contractor shall provide Services in strict accordance with all applicable state and federal laws and regulations, accreditation requirements, SVMHS rules, regulations, policies and procedures, without limitation. Contractor shall comply with the SVMHS Compliance Program ("Program") and any Program policies and procedures, as applicable to the Services provided under this Agreement.
- 4.2 Patient Record Confidentiality. While access of patient medical records is not anticipated under this Agreement, Contractor may have access to medical records and other information regarding patients of Hospital ("Protected Health Information") while providing Services under this Agreement. Contractor may not use or disclose Protected Health Information at any time. Contractor shall maintain the confidentiality of all Protected Health Information in accordance with all applicable federal, state and local laws and regulations, including, but not limited to, the California Confidentiality of Medical Information Act and the Federal Health Insurance Portability and Accountability Act of 1996, and regulations from time to time promulgated thereunder ("HIPAA").
- 4.3 Metrics. Contractor acknowledges that, in accordance with regulatory and accreditation requirements, the quality of Services provided will be evaluated by SVMHS in accordance with established indicators/metrics, and shall include data reporting requirements by Contractor. Under this Agreement, Contractor shall provide the following data to SVMHS:
- 4.3.1 On a quarterly basis, data regarding the ratio of vehicles parked relative to labor hours worked.
- 4.3.2 On a quarterly basis, data regarding customer satisfaction survey responses.

ARTICLE 5. OBLIGATIONS OF CONTRACTOR

- 5.1 Insurance Coverage. Contractor shall maintain in effect throughout the term of this Agreement:
- 5.1.1 General Liability Insurance in the amount of \$1,000,000 per occurrence and \$3,000,000 annual aggregate;
- 5.1.2 Comprehensive Automobile Liability Insurance in the amount of \$100,000 per occurrence and \$300,000 annual aggregate covering all motor vehicles, including owned, leased, non-owned, and hired vehicles that are or will be used in providing Services under this Agreement, with coverage that complies with California statutory insurance requirements.

Evidence of insurance coverage shall be submitted to SVMHS as of the Effective Date of this Agreement.

- 5.2 Indemnification. Contractor shall indemnify and hold harmless SVMHS, its officers, directors, agents, and employees from and against any and all claims, liabilities, and losses occurring or resulting to any person or entity for damage, injury, or death, to the extent such claims, liabilities, or losses arise out

of, are alleged to arise out of, or are connected with the wrongful, willful or negligent act or omission of the Contractor or its agents in the performance of this Agreement.

- 5.3 Contractor Not Excluded. Contractor warrants that, to its knowledge, neither Contractor nor its employees or agents performing services under this Agreement have been excluded from participation in federal or state healthcare programs. If an employee/agent performing services under this Agreement is excluded, Contractor will replace that employee/agent within a reasonable time. If Contractor is excluded, SVMHS may terminate this Agreement, without penalty and with applicable refund, upon written notice to Contractor.

ARTICLE 6. RECORDS AND CONFIDENTIALITY

- 6.1 Confidentiality. Contractor shall comply with any and all federal, state, and local laws that provide for the confidentiality of records and other information. Contractor shall not disclose any confidential records or other confidential information received from the Hospital or prepared in connection with the performance of this Agreement unless Contractor is specifically authorized in writing to disclose such records or information. Contractor shall promptly transmit to SVMHS any and all requests for disclosure of any such confidential records or information. Contractor shall not use any confidential information gained by Contractor in the performance of this Agreement except for the sole purpose of carrying out Contractor's obligations under this Agreement.
- 6.2 Access to Records. SVMHS shall have the right to examine and audit all records and documents of Contractor and its subcontractors related to services provided under this Agreement. In accordance with Section 952 of the Omnibus Reconciliation Act of 1980, Contractor agrees that the books and records of Contractor will be available to the Secretary of Department of Health and Human Services and the Comptroller General of the United States, or their duly authorized representatives, for four (4) years after termination of this Agreement. In the event that any of the Services to be performed under this Agreement are performed by any subcontractor of Contractor at a value or cost of \$10,000 or more over a twelve (12) month period, Contractor shall comply and assure that such subcontractor complies with the provisions of Section 952 of the Omnibus Reconciliation Act of 1980. This Section shall be of no force and effect if it is required by law.
- 6.3 Exclusive Property of SVMHS. All data, files, records, documents, specifications, promotional materials and similar items relating to the business of SVMHS, whether prepared by or with the assistance of Contractor or otherwise coming into Contractor's possession shall remain the exclusive property of SVMHS and shall not be removed from SVMHS' facilities under any circumstances without the prior written consent of SVMHS.
- 6.4 Return of Records. When this Agreement expires or terminates, Contractors shall return to SVMHS any SVMHS or Hospital records which Contractor utilized or received from or through SVMHS to perform Services under this Agreement.

ARTICLE 7. GENERAL PROVISIONS

- 7.1 Entire Agreement/Amendment. This Agreement constitutes the entire agreement between the parties pertaining to the subject matter. This Agreement supersedes all prior agreements, representations and understandings of the parties pertaining to subject matter of this Agreement. No amendment or modification of this Agreement shall be binding unless in writing and signed by the parties.
- 7.2 Waiver. Any waiver of any term or condition of this Agreement must be in writing and signed by the parties. The waiver of any of the term or condition shall not be construed as a waiver of any other terms or conditions in this Agreement.
- 7.3 Assignment and Subcontracting. Contractor shall not assign, subcontract or transfer its interest or obligations in this Agreement without the prior written consent of SVMHS.

- 7.4 Successors and Assigns. This Agreement and the rights, privileges, duties and obligations of the parties hereunder, to the extent assignable or delegable, shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns.
- 7.5 Governing Law/Venue. This Agreement shall be governed by and interpreted under the laws of the State of California. Venue shall rest in Monterey County, California.
- 7.6 Severability. If any provision of this Agreement is declared illegal, unenforceable or in conflict with any governing law, it shall not affect the validity of the remaining portion of this Agreement.
- 7.7 Notices. Any notices under this Agreement may be effected either by personal delivery in writing or by mail, registered or certified, postage prepaid with return receipt requested. Mailed notices shall be addressed to the parties at the addresses appearing at the end of this Agreement, but each party may change the address by written notice in accordance with this paragraph.

The parties have executed this Agreement to be effective as of the Effective Date first set forth above.

SVMHS
 Salinas Valley Memorial Healthcare System
 450 East Romie Lane, Salinas, CA 93901

Contractor
 Corinthian International Parking Services, Inc.
 2990 South Winchester Blvd.
 Campbell, CA 95008

By: _____
 Allen Radner, MD, Interim President/CEO

By: 

Name: Sherri Carnesecca

Title: CFO

Date: _____

Date: 04/8/2024

Exhibit A

Contractor Services

Contractor: Corinthian International Parking Services, Inc.

Scope of Work: Valet Services

The valet services means a valet attendant that provides traffic and parking related services, while reporting any observed suspicious activity in the area.

- Greets and assists customers while in the parking booth.
- Parks and retrieves vehicles when stacking is needed
- Provides light clean-up services of parking structure and valet areas
- Assists patients, visitors and guests with information, directions, and other requests
- Monitors parking area for any suspicious activity that could result in injury to a person or damage to/loss of property and reports incidents to the security supervisor
- Maintains a thorough knowledge of a facility or, where applicable, multiple facilities
- Abides by all regulations and guidelines of SVMHS
- Maintains a positive working relationship with HSS security employees, SVMHS employees, patients, visitors, physicians, and general public
- Performs other work-related responsibilities as assigned
- No tips will be accepted by attendants

At the start of services under this Agreement, Contractor shall provide valet services during the hours of 5:00 AM – 8:30 PM, Monday through Friday. Thereafter, SVMHS and Contractor shall assess utilization and need and routinely confer to consider revisions to the schedule. Revisions to the valet schedule can be made as needed by mutual agreement of the parties.

Liability for Vehicles

Contractor shall be responsible for any damage or harm to a vehicle that occurs during the time that Contractor or Contractor’s employees are in custody of that vehicle. Any SVMHS-owned vehicle utilized by an attendant shall be maintained by SVMHS at SVMHS’s cost. If an accident occurs in an SVMHS-owned vehicle while being driven by Contractor personnel, and Contractor personnel is deemed to be at-fault, Contractor shall provide for the full costs of repair.

Personnel Screening

1. Minimum Hiring Profile. All Contractor personnel assigned to SVMHS will meet the following minimum hiring profile:

- Possess a current state license/registration and/or certification, as applicable and appropriate for the Services provided to SVMHS and as required by applicable laws, regulations, or accreditation standards;
- possess high school education or GED equivalent;
- possess ability to effectively speak, read, and write the English language;
- possess the physical ability required by the position;
- pass a multi-panel drug screen; and
- meet Contractor requirements for employment history, security clearance and any other applicable hiring criteria.

2. Drug, Criminal, Education and Employment Checks. For each applicant meeting the minimum hiring profile described above, Contractor will also check the candidate’s:

- previous employment history (dating back the legally permissible period),
- motor vehicle records (where legally permitted and as applicable to the position),
- achievement of education level required for the applicable position, and
- criminal background/record where legally available.

3. Attestation and Provision of Certain Policies. Upon request, Contractor will provide SVMHS with: (i) an attestation, in the form attached as Exhibit A-1 (“Employee Attestation”), showing that any individual Contractor personnel assigned to SVMHS have met Contractor minimum hiring requirements as described in this Exhibit A; (ii) copies of Contractor policies and procedures related to personnel competency assessments and evaluations; and (iii) evidence of accreditation by the relevant accrediting body as appropriate to the Services provided.

4. Inoculations. Contractor personnel assigned to SVMHS shall have initiated the process of meeting the following requirements prior to beginning work at any SVMHS facility:

- (a) tuberculosis (“TB”) testing (SVMHS will accept TB skin test or IGRA negatives with the following proof:
 - A two-step TB skin test (first TB in last twelve (12) months, most recent within the last thirty (30) days)
 - IGRA (QuantiFERON Gold or Tspot)

TB testing as described hereunder shall be performed by SVMHS at no cost to Contractor. Any Contractor personnel failing to meet these requirements may be asked to be removed by the SVMHS. Additional testing may be requested by SVMHS and, in that case, the SVMHS shall pay all costs associated with any vaccinations or testing. All inoculations shall be performed at SVMHS facility or at such site as the parties may otherwise agree in writing.

5. Personnel Files and Personnel Screening Records. Contractor shall retain all documentation related to Personnel Screening for each of such Contractor personnel for at least five (5) years after each of such Contractor personnel last provides Services under this Agreement; and upon SVMHS’s request, and subject to the requirements of applicable federal and state privacy laws, Contractor will not unreasonably withhold such information from SVMHS. A computerized summary of personnel file information shall be readily available to SVMHS for review upon request. In the event of an audit by the Joint Commission or another healthcare accreditation organization, Contractor shall produce the necessary documentation within forty-eight (48) hours of SVMHS’s request. Contractor shall maintain personnel files that shall include the following documents as applicable to the Services provided:

- copy of relevant certifications, registrations, licenses, and picture identification;
- results of annual competency assessments;
- In-service Certification, as appropriate to services provided, including for infection control, universal precautions, and OSHA standards for blood-borne pathogens;
- inoculation results;
- annual performance evaluations;
- criminal background checks;
- motor vehicle record checks (if applicable);
- drug and, if applicable, alcohol screens;
- job description with signature; and
- documentation of SVMHS orientation.

6. Removal, Reassignment and Exclusion of Personnel. SVMHS shall have the right to request removal or reassignment of any individual Contractor personnel assigned to any SVMHS facility only for a legally permissible cause; provided that, no personnel shall be permanently removed or reassigned without first consulting with Contractor personnel, which may include HR and Legal representatives, as appropriate. SVMHS is required to send any request for removal or reassignment of any Contractor personnel to Contractor in writing and SVMHS shall provide reasons for the request. A removed or reassigned individual shall be replaced by Contractor within a reasonable amount of time depending on the circumstances.

Contractor shall not knowingly retain or employ any individual to provide Services under this Agreement who is a former SVMHS employee not eligible for rehire provided that Contractor has been notified who these excluded persons are in writing.

7. Training of Personnel. Each attendant assigned to SVMHS shall receive the following training:

- New valet orientation. The cost for new valet orientation is incurred by Contractor.
- Valet pre-assignment training and orientation specific to the SVMHS facility and environment, codes and responsibilities, SVMHS policies and procedures. The cost for pre-assignment training and orientation is incurred by Contractor.
- All valet personnel will undergo SVMHS customer service expectation training and shadow senior valet until new valet understands traffic flow patterns, safe parking practices, and locations of designated valet parking stalls.

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EXHIBIT A-1: EMPLOYEE ATTESTATION

On behalf of Corinthian International Parking Services, Inc., I acknowledge and attest to SVMHS that Corinthian International Parking Services, Inc. owns, and has in its possession, a background investigation report on the individual identified below. Such background investigation report is satisfactory in that it:

_____ confirms that the individual is eligible to work in the United States;

_____ does not reveal criminal history that would preclude employment of the individual under the circumstances, including all factors related to the contemplated position;

_____ does not reveal ineligibility for rehire with any former employer, or otherwise indicate poor performance;

_____ confirms that the individual is not on either the SAM or OIG exclusion lists;

_____ confirms that the individual is not listed as a violent sexual offender;

_____ confirms the individual’s eligibility under the E-Verify Program; and

_____ confirms that the individual is not on the U.S. Treasury Department’s Office of Foreign Assets Control list of Specially Designated Nationals.

I further attest that the background investigation report does not include any information about prior or pending investigations, reviews, sanctions, or peer review proceedings; or limitations of any licensure, certification or registration.

I further attest that the individual below:

_____ has cleared a panel drug screen in accordance with the Agreement between SVMHS and Corinthian International Parking Services, Inc.

Identified individual subject to the background investigation and health requirements:
Name: _____
Last four digits of Social Security Number: _____

This attestation is provided in lieu of providing a copy of the background investigation report. Corinthian International Parking Services, Inc., by its authorized representative:

Signature: _____

Print Name: _____

Title: _____

Date: _____

Board Paper: Finance Committee

Agenda Item: Consider Recommendation for Board Approval to lease 740 E. Romie (a vacant lot) to SALINASIDENCE OPCO, LLC dba PACIFIC COAST POST ACUTE.

Executive Sponsor: Clement Miller, Chief Operating Officer
Earl Strotman, Director Facilities Management and Construction

Date: April 8, 2024

Executive Summary

Salinas Valley Memorial Healthcare System is looking to lease a District owned undeveloped vacant lot located at 740 E. Romie Lane, Salinas, CA to Pacific Coast Post Acute, a business located adjacent to said property for the purposes of employee parking.

Background/Situation

740 E. Romie Lane, Salinas, CA is an undeveloped mix-use zoned lot located 0.2 miles from the hospital, at just over ½ acre, or 25,000 square feet. The District has no immediate plans for developing this property.

A local business Pacific Coast Post Acute inquired with Hospital Management into the possibility of leasing this vacant lot just south of their main business located at 720 E. Romie Lane, Salinas, CA for the purposes of expanded employee parking as a means to alleviate congested parking along the 700 block of E. Romie.

Under the terms of the Proposed Lease, Pacific Coast Post Acute will be responsible for improvements on the property, including permitting, paving, fencing, security access and fencing. Pacific Coast Post Acute is ideally situated to minimally develop this land for the purpose of employee parking without inferring City and other local code required improvements rendering any use of property cost prohibitive.

Timeline/Review Process to Date:

04/22/2024: Board Finance Committee Review

04/25/2024: Board Committee Review

05/01/2024: Commence HSS Agreement

Pillar/Goal Alignment:

Service People Quality Finance Growth Community

Financial/Quality/Safety/Regulatory Implications:

Key Contract Terms	Vendor: SALINASIDENCE OPCO, LLC dba PACIFIC COAST POST ACUTE
1. Proposed effective date	5/01/2024
2. Term of agreement	5/01/2024 – 4/30/2029
3. Renewal terms	Automatically renew for one (5) year periods subject to section 3 original contract and annual adjustment of fees.
4. Termination provision(s)	May be terminated in accordance with Section 3 of original contract (180 days prior written notice with or without cause).
5. Payment Terms	Net 30
6. Annual rent	\$21,600.00
7. Budgeted (indicate y/n)	No

Recommendation

Consider Recommendation for Board Approval to approve 5 year lease of property located at 740 E. Romie Lane, Salinas, CA to Pacific Coast Post Acute for purposes of employee parking.

Attachments

- (1) Ground Lease 740 E. Romie Lane, Salinas, CA
- (2) Plot Plan – 740 E. Romie Lane, Salinas, CA
- (3) Policy: Sale, Purchase, and Lease of District Real Property
- (4) Analysis of Parking Rates – City of Salinas

GROUND LEASE

THIS GROUND LEASE (“Lease”) is entered into this ___ day of April , 2024, and commencing as of Commencement Date (as defined below) by and between SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM, a California Health Care District (“Landlord”) and SALINASIDENCE OPCO, LLC dba PACIFIC COAST POST ACUTE, a California limited liability company (“Tenant”). In consideration of the mutual covenants, agreements, representations and warranties contained in this Lease, the parties agree to enter into this transaction based upon the following recitals, terms and conditions.

1. Recitals.

1.1 Landlord is the owner of record of that certain unimproved real property consisting of .61 acres, located at 740 East Romie Lane, Salinas, California designated as Monterey County Assessor’s Parcel Number 002-721-033-00 and more particularly described and **Exhibit A** attached hereto and incorporated herein by this reference (the “Property”).

1.2 Tenant desires to lease the Property for purposes of construction of an employee parking space to service their property located immediately adjacent to the west of the Property. The Property, together with all rights, privileges and easements appurtenant to the Property, are collectively referred to as the “Premises.”

1.3 The parties now enter into this Lease on the following terms and conditions.

2. **Lease of Premises.** Landlord hereby leases, transfers and demises to Tenant, and Tenant hereby leases and takes from Landlord, the Premises for the terms and upon the agreements, covenants and conditions set forth in this Lease.

3. **Term and Termination.** The term (“Term”) of this Lease shall be for five (5) years. The Term shall commence upon such date that Tenant upon execution of this lease, and the approval of the Lease by the Landlord’s Board of Directors (the “Commencement Date”). The Term shall automatically renew on each five year anniversary of the Commencement Date for an additional five (5) year term (the “Renewal Term”), unless sooner terminated as herein provided. Either party may terminate this Lease at any time, with or without cause, by providing the other party 180 days prior written notice. The date stated in such notice or the date stated in any notice pursuant to the other termination provisions provided herein shall be deemed the date upon which this Lease terminates (the “Termination Date”).

4. **Rent.** Tenant shall pay to Landlord as rent for the Premises the amount of **One Thousand Eight Hundred (\$1,800.00) per month**, payable on the 1st day of each month for the Term of the Lease. Despite any other provision of this Section 5, beginning on the First Anniversary of the Commencement Date, and on each successive anniversary thereafter during the Term (“Adjustment Date”) Rent shall be increased by one-hundred percent (100%) of the percentage of increase, if any, shown by the Consumer Price Index for All Urban Consumers U.S. City Average, All Items (base years 1982-1984 = 10) (“Index”), published by the United States Department of

Labor, Bureau of Labor Statistics, for the month immediately preceding the Adjustment Date as compared with the Index for the month immediately preceding the Commencement Date but in no event shall the increase be more than more than 3.0% per year. Tenant shall calculate the amount of this increase in Rent after the Department of Labor publishes the statistics on which the amount of the increase will be based. Tenant shall provide landlord notice of the amount of the increase, and shall pay this amount, together with the month rent next becoming due under this Lease, and shall thereafter pay the monthly rent due under this Leas at this increased rate, which shall constitute the Rent.

5. **Taxes and Assessments.**

5.1 **Tenant's Liability.** Tenant covenants and agrees to pay and discharge, during the entire Term, before delinquency, all assessments, possessory interest taxes, water charges, sewer charges, utility rates and fees, levies or other charges, general, special, ordinary, extraordinary and otherwise, of every kind and character that are or may during the Term be levied, charged, assessed or imposed as a result of Tenant's use of the Premises, or against any of Tenant's personal property now or hereafter located thereon, or that may be levied, charged, assessed or imposed upon or against the leasehold estate created hereby. At the Commencement Date and the Termination Date, such taxes, assessments and other charges to be paid by Tenant shall be prorated on the basis of the fiscal year of the taxing authority in question so that, at the Commencement Date and the Termination Date, as to any such taxes, assessments and other charges levied or assessed for a fiscal year preceding the commencement or extending beyond the end of the Term, Tenant will pay only such proportion of such taxes, assessments and other charges as the portion of such fiscal year following the commencement and preceding the end of the Term bears to the entire fiscal year. Each party will be responsible for paying its own income taxes with respect to any and all income derived from the Premises or from the rental payments from Tenant to Landlord. The Parties acknowledge that the Premises is currently exempt from real property taxes and assessments, and that the Premises (and any improvements thereto) shall continue to remain exempt from real property taxes and assessments as both Landlord and Tenant are exempt from real property taxes, except for the imposition of possessory interest taxes to be levied against the property due to Tenant's leasehold interest.

5.2 **Limitation on Tenant's Liability.** Notwithstanding anything herein to the contrary, Tenant shall not be required to pay any franchise, capital levy, or transfer tax of Landlord, or any net income tax measured by the income of Landlord from all sources, or any tax that may, at any time during the Term, be required to be paid on any gift, demise, deed, mortgage, descent or other alienation of any part or all of the estate of Landlord in and to the Premises or any buildings or improvements that are now or hereafter located thereon, except as hereinafter provided. If Tenant shall be required by law to pay and pursuant thereto does pay any tax, assessment or charge specified in this Section 5.2, then Landlord shall, immediately upon request, reimburse Tenant for any such payments. Any documentary transfer tax assessed upon the creation of a leasehold interest in the Premises under this Lease shall be paid by Tenant.

6. **Quiet Enjoyment.** Landlord covenants that upon payment by Tenant of the rent herein reserved and upon performance and observance by Tenant of all of the agreements, covenants and conditions herein contained on the part of Tenant to be performed and observed, Tenant shall

peaceably hold and quietly enjoy the Premises during the entire Term without hindrance, molestation or interruption by Landlord or by anyone lawfully or equitably claiming by, through or under Landlord.

7. **Use.** Tenant shall have the right to use the Premises for any lawful purpose; provided, however, in no event shall the Premises be used for any purpose or use (nor shall any activity be carried on upon the Premises) that in any manner causes, creates or results in a public or private nuisance or would be deemed by Landlord, in its' sole discretion, to be inconsistent with the Landlord's mission. Tenant plans to develop and use the Premises for parking purposes, and no other uses of the Premises shall be undertaken by Tenant without the express written permission of Landlord. In addition, Tenant agrees as follows:

7.1 **Changes in Permitted Uses.** If Tenant desires to change the use from parking, such change in use shall require the prior approval of Landlord, which shall not unreasonably withheld provided that said change will not require the construction of permanent structures on the Premises.

7.2 **Compliance With Laws.** Tenant shall, at Tenant's sole cost, promptly comply with all Laws, and with the requirements of any governmental authority having jurisdiction over the Premises, utility companies serving the Premises, or other similar bodies now or hereafter constituted, relating to, or affecting the Premises or the condition, use, or occupancy of the Premises, including the obligation to make improvements, repairs, and alterations required by such Laws, regardless of the cost thereof, at what point in time during the Term compliance is required, and whether such compliance was foreseen or unforeseen. The judgment of any court of competent jurisdiction or the admission of Tenant in any action against Tenant, whether Landlord is a party thereto or not, that Tenant has violated any of the foregoing shall be conclusive of that fact between Landlord and Tenant. Tenant shall immediately furnish Landlord with a copy of any notices received from any governmental agency, insurance company, or inspection bureau in connection with the Premises.

Tenant may reasonably and in good faith contest any Law through appropriate proceedings, and, during such contest, Tenant need not comply therewith; provided further that Tenant shall at all times reasonably protect the interests of Landlord under this Lease, shall Indemnify Landlord from all Claims actually and reasonably incurred as a result of the contest, and shall promptly comply with any such contested Law if any such contest is resolved against Tenant. Tenant agrees to Indemnify Landlord or any officer, director, employee, partner, agent, or contractor of Landlord (Authorized Representative) from and against any Claims imposed or sought to be imposed on or involving Landlord for any violation or alleged violation of any such Laws.

7.3 **Landlord's Access to Premises.** In addition to Landlord's rights pursuant to the following paragraph, Landlord reserves the right for Landlord and Landlord's Authorized Representatives to enter the Premises at any reasonable time (a) to inspect the Premises; (b) to determine whether Tenant is complying with Tenant's obligations under this Lease; (c) to perform any other obligation of Tenant after Tenant's failure to perform same; or (d) if Tenant defaults under this Lease.

8. **Title to Buildings and Improvements.**

8.1 **Assignment to Tenant.** Title to all structures and improvements (collectively, the “Improvements”) that now, or may from time to time constitute a part of the Premises, machinery, equipment and fixtures that are now, or may from time to time be, used, or intended to be used in connection with the Premises, shall be and remain in Tenant until the termination of this Lease. Landlord and Tenant expressly acknowledge that, attendant to the transfer of title to any existing improvements, Tenant shall succeed to the position of Landlord with respect to any such improvements. Upon the termination of this Lease, title to all Improvements, equipment and fixtures shall pass to and vest in Landlord without cost or charge to it.

8.2 **Transfer to Landlord.** Tenant, on termination of this Lease, shall execute and deliver any and all deeds, bills of sale, assignments and other documents that in Landlord’s reasonable judgment may be necessary or appropriate to transfer, to evidence or to vest in Landlord clear title to any of the property described in Section 8.1 located on the Premises at the time of such termination.

9. **Permits and Licenses.** Landlord will from time to time during the Term execute and deliver all applications for permits, licenses or other authorizations relating to the Premises required by any municipal, county, state or federal authorities, or required in connection with the construction, reconstruction, repair or alteration of the Parking lot, the Improvements now or hereafter constituting a part of the Premises. Landlord will from time to time during the Term execute, acknowledge and deliver any and all instruments required to grant rights-of-way and easements (in accordance with Section 7) in favor of municipal and other governmental authorities or public utility companies incident to the installation of utilities reasonably required for the use and occupancy of the Premises. Tenant shall reimburse Landlord for any sum paid by Landlord in respect of the matters specified in this Section 9.

10. **Repairs, Governmental Regulations and Waste.**

10.1 **Tenant’s Obligation.** Tenant shall, during the Term, at its own cost and expense and without any cost or expense to Landlord:

10.1.1 Keep and maintain all improvements now or hereafter located on the Property (subject to Tenant’s right to demolish) and all appurtenances thereto in good and neat order and repair and shall allow no nuisances to exist or be maintained therein. Tenant shall likewise keep and maintain the grounds, sidewalks, roads and parking, and landscaped areas in good and neat order and repair. Landlord shall not be obligated to make any repairs, replacements or renewals of any kind, nature or description whatsoever to the Premises or any buildings or improvements now or hereafter located thereon, and Tenant hereby expressly waives all right to make repairs at Landlord’s expense under California Civil Code Sections 1941 and 1942 or any amendments thereof; and

10.1.2 Comply with and abide by all federal, state, county, municipal and other governmental statutes, ordinances, laws and regulations affecting the Premises, all buildings and improvements now or hereafter located thereon, or any activity or condition on or in the Premises.

10.2 **No Waste.** Tenant agrees that it will not commit or permit waste upon the Premises other than to the extent necessary for the removal of any buildings or improvements upon the Premises or for the purpose of constructing and erecting thereon other buildings and improvements in accordance with the rights set forth in Section 11, below.

11. **Improvements, Changes, Alterations, Demolition and Replacement.**

11.1 **Improvements.** Tenant shall have the right at any time and from time to time during the Term to make such improvements to the Premises and such changes and alterations, to any buildings, improvements, fixtures and equipment now or hereafter located on the Property, including demolition of any or all buildings and improvements now or hereafter located on the Property and replacement thereof, as Tenant shall deem necessary or desirable and subject to Landlord's prior approval, which approval will not be unreasonably withheld. Reasonable withholding of consent includes a determination by Landlord that such improvements may adversely impact upon Landlord's ability to use its adjoining property to serve its mission.

11.2 **Demolition.** Any demolition activity and all improvements, changes and alterations (other than changes or alterations of movable trade fixtures and equipment or improvements, changes or alterations involving costs less than Ten Thousand Dollars (\$10,000) pursuant to Section 11.1 above) shall be undertaken in all cases subject to the following additional conditions, which Tenant covenants to observe and perform:

11.2.1 No improvement, change or alteration, and no demolition and replacements shall be undertaken until Tenant shall have procured and paid for, so far as the same may be required from time to time, all municipal and other governmental permits and authorizations of the various municipal departments and governmental subdivisions having jurisdiction, and Landlord agrees to join in the application for such permits or authorizations whenever such action is necessary.

11.2.2 All work done in connection with any improvement, change, alteration or demolition and replacement shall be done promptly and in a good and workmanlike manner and in compliance with all laws, ordinances, orders, rules, regulations and requirements of all federal, state and municipal governments and the appropriate departments, commissions, boards and officers thereof. All such work shall be at the sole cost and expense of Tenant.

12. **Damage or Destruction.** No loss or damage by fire or other cause required to be insured against hereunder resulting in either partial or total destruction of any building, structure or other improvement on the Property, shall operate to terminate this Lease or to relieve or discharge Tenant from the payment of rents or amounts payable as rent as they become due and payable, or from the performance and observance of any of the agreements, covenants and conditions herein contained on the part of Tenant to be performed and observed. Tenant hereby waives the provisions of subsection 2 of Section 1932 and subsection 4 of Section 1933 of the California Civil Code, as amended from time to time.

13. **Assignment and Subletting.**

13.1 **Tenant May Assign.** Subject to the provisions of Section 14 and Section 15.7 hereof, Tenant may assign this Lease, or any interest therein, at any time with Landlord's prior consent, which consent will not be unreasonably withheld, provided that, (i) no default exists in the performance or observance of any agreement, covenant or condition of this Lease on the part of Tenant to be performed or observed as of the date of such assignment, (ii) the assignment shall be in writing, duly executed and acknowledged by Tenant and the assignee, providing that the assignee assumes and agrees to perform and observe all the agreements, covenants and conditions of this Lease on the part of Tenant to be performed and observed, and (iii) an executed original of such assignment shall be delivered to Landlord.

14. *[Reserved]*

15. *[Reserved]*

16. **Fire and Extended Coverage and Liability Insurance.**

16.1 **During Construction.** During the period of the construction of any Improvements upon the Property, Tenant shall at its sole expense obtain and keep in force builder's risk insurance, insuring Tenant, Landlord, Lender, and such other parties as Tenant may designate as an additional insured hereunder, against all risks of physical loss and/or damage from any cause (exclusive of earthquake and subject to usual policy exclusions) to all structures, materials and real property to be improved, located on or forming a part of the Premises under improvement.

16.2 **After Completion of Improvements.** Tenant shall, at its sole expense, obtain and keep in force during the Term, after substantial completion of any Improvements upon the Premises fire and extended coverage insurance (excluding earthquake insurance) naming Landlord, Lender and such other parties as Tenant may designate, as additional insureds thereunder, on all improvements located on the Premises, and on all machinery, fixtures and equipment located therein. The amount of such insurance at all times during the Term shall not be less than one hundred percent (100%) of the actual replacement cost of such improvements, machinery, fixtures and equipment. The actual replacement cost of such improvements shall be determined by Tenant at the time the fire and extended coverage insurance is initially taken out and periodically over time as to increases in value.

16.3 **General Liability Insurance.** Tenant shall, at its sole expense, obtain and keep in force after completion of all construction of the Improvements, general liability insurance with limits of not less than One Million Dollars (\$1,000,000) for injury to, or death of, any number of persons in one occurrence, and Two Million Dollars (\$2,000,00.00) in the aggregate; not less than One Million Dollars (\$1,000,000) for damage to property, insuring against any and all liability of Landlord and Tenant including, without limitation, coverage for contractual liability, broad form property damage, personal injury and non-owned automobile liability, with respect to the Premises or arising out of the maintenance, use or occupancy thereof, in an amount not less than One Million Dollars (\$1,000,000). All of such insurance shall insure the performance by Tenant of the indemnity agreement as to liability for injury to or death of persons and damage to property set forth in Section 18.2 hereof. It is the intent of the Parties hereto to maintain throughout the Term

of this Lease insurance coverage appropriate to a development of comparable size and of the standard of the Improvements, given changes in coverage and types of policies available, market conditions and other factors affecting insurance coverage generally. In this regard, not more frequently than once every three (3) years, either party may request modifications to the insurance coverage required to be maintained by this section to provide for coverage against the same or other insurable liability hazards that at the time are commonly insured against by prudent operators of other developments of comparable size and similarly situated, with due regard being given to the type of the Improvements and their use and occupancy.

16.4 Workers Compensation Insurance. Tenant shall maintain Workers Compensation insurance coverage in compliance with California law.

16.5 Certificates of Insurance. Upon the issuance thereof, each insurance policy or a duplicate or certificate thereof shall be delivered to Landlord and Lender. Nothing herein shall be construed to limit the right of Lender to cause Tenant to carry or procure other insurance covering the same or other risks in addition to the insurance specified in this Lease.

16.6 Application of Proceeds. All amounts that shall be received under any insurance policy specified in Sections 16.1 or 16.2 shall be first applied to the payment of the cost of repair, reconstruction or replacement of any improvements, or fixtures, equipment and machinery, that is damaged or destroyed. Any amount remaining from the proceeds of any such insurance funds, after the repairing, reconstructing and replacing of any improvements, or fixtures, equipment and machinery, as herein required, shall be immediately paid to and be the sole property of Tenant; provided that, if any governmental law or regulation governing land use prohibits the restoration or reconstruction of the buildings or improvements damaged or destroyed to their pre-casualty state, any excess insurance proceeds over restoration or reconstruction costs that are the consequence of such prohibition shall be allocated pursuant to the priorities set forth in Sections 19.1.1 and 19.1.2 below. If said insurance proceeds shall be insufficient in amount to cover the cost of repairing, reconstructing or replacing any buildings or improvements, or furniture, fixtures, equipment and machinery, as herein required, Tenant shall not be responsible to pay any deficiency.

17. Mechanics' and Other Liens. Tenant shall promptly discharge or remove by bond or otherwise prior to foreclosure thereof, any and all mechanics', materialmen's and other liens for work or labor done, services performed, materials, appliances, teams or power contributed, used or furnished to be used in or about the Premises for or in connection with any operations of Tenant, any alterations, improvements, repairs or additions that Tenant may make or permit or cause to be made, or any work or construction by, for or permitted by Tenant on or about the Premises, and to save and hold Landlord and all of the Premises and all buildings and improvements thereon free and harmless of and from any and all such liens and claims of liens and suits or other proceedings pertaining thereto. Tenant covenants and agrees to give Landlord written notice not less than twenty (20) days in advance of the commencement of any construction, alteration, addition, improvement or repair costing in excess of Twenty Five Thousand Dollars (\$25,000) in order that Landlord may post appropriate notices of Landlord's non-responsibility.

18. **Indemnity.**

18.1 **Tenant Can Contest Assessment.** Tenant shall have the right to contest the amount or validity of any lien of the nature set forth in Section 17 hereof or the amount or validity of any tax, assessment, charge, or other item to be paid by Tenant under Section 5 hereof by giving Landlord written notice of Tenant's intention to do so within twenty (20) days after the recording of such lien or at least ten (10) days prior to the delinquency of such tax, assessment, charge or other item, as the case may be. In any such case, Tenant shall not be in default hereunder, and Landlord shall not satisfy and discharge such lien nor pay such tax, assessment, charge or other item, as the case may be, until ten (10) days after the final determination of the amount or validity thereof, within which time Tenant shall satisfy and discharge such lien or pay such tax, assessment, charge or other item to the extent held valid and all penalties, interest and costs in connection therewith. However, the satisfaction and discharge of any such lien shall not, in any case, be delayed until execution is had upon any judgment rendered thereon, nor shall the payment of any such tax, assessment, charge or other item, together with penalties, interest and costs, in any case be delayed until sale is made or threatened to be made of the whole or any part of the Premises on account thereof, and any such delay shall be a default of Tenant hereunder. In the event of any such contest, Tenant shall protect and indemnify Landlord against all loss, cost, expense and damage resulting therefrom.

18.2 **Damage or Injury.** To the fullest extent allowed by law, Tenant covenants and agrees that Landlord shall not at any time or to any extent whatsoever be liable, responsible or in anywise accountable for any loss, injury, death or damage to persons or property which, at any time may be suffered or sustained by Tenant or by any person who may at any time be using, occupying or visiting the Premises or be in, on or about the Premises, from any cause whatsoever, except when such loss, injury, death or damage shall be caused by or in anywise result from or arise out of the gross negligence or intentional acts or omissions of Landlord. Furthermore, Tenant shall forever indemnify, defend, hold and save Landlord free and harmless of, from and against any and all claims, liability, loss or damage whatsoever on account of any such loss, injury, death or damage occasioned by any cause other than Landlord's intentional or negligent acts or omissions. Tenant hereby waives all claims against Landlord for damages to the improvements now or hereafter located on the Property and to the property of Tenant in, upon or about the Premises, and for injuries to persons or property in, on or about the Premises, from any cause arising at any time, except for any such claims arising from negligent or intentional acts or omissions committed by Landlord. Tenant's indemnity obligation set forth in this Section shall survive the termination or expiration of this Lease with respect to any claims or liabilities arising out of injury or damage to persons or property that occurs during the Term.

19. **Eminent Domain.**

19.1 **Substantial Taking.** If the whole of the Premises should be taken by any public or quasi-public authority under the power or threat of eminent domain during the Term, or if a substantial portion of the Premises should be taken so as to materially impair the use of the Premises contemplated by Tenant, and thereby frustrate Tenant's purpose in entering into this Lease, then, in either of such events, this Lease shall terminate at the time of such taking at Tenant's sole discretion. In such event, of the compensation and damages payable for or on account

of the Property, exclusive of the buildings and improvements thereon, Tenant and Lender, as their interests may appear, shall receive a sum equal to the worth at the time of the compensation award of the amount by which the fair rental value of the Premises exceeds the rental payable pursuant to the terms of this Lease for the balance of the Term; the balance of such compensation and damages shall be payable to and be the sole property of Landlord. All compensation and damages payable for or on account of the buildings and improvements located on the Property and constituting a part of the Premises shall be divided among Landlord, Tenant and Lender as follows:

19.1.1 All compensation and damages payable for or on account of buildings and improvements having a remaining useful life less than the remaining Term as of the date of such taking shall be payable to and be the sole property of Tenant and Lender, as their interests may appear; and

19.1.2 A proportionate share of all compensation and damages payable for or on account of buildings and improvements having a remaining useful life greater than the remaining Term as of the date of such taking, determined by the ratio that the then remaining Term bears to the then remaining useful life of such buildings and improvements, shall be payable to and be the sole property of Tenant and Lender, as their interests may appear, and the remaining share thereof shall be payable to and be the sole property of Landlord.

19.2 **Partial Taking.** If less than the whole of the Premises should be taken by any public or quasi-public authority under the power or threat of eminent domain during the Term and this Lease is not terminated as provided in subsection (a) above, Tenant shall promptly reconstruct and restore the Premises, with respect to the portion of the Premises not so taken, as an integral unit of the same quality and character as existed prior to such taking. There shall be a partial rebate of any rent as a result of such partial taking based upon the value of the taken Premises and the remaining Term. The compensation and damages payable for, or on account of, such taking shall be applied to the reconstruction and restoration of the Premises by Tenant pursuant to this Section 19.2 by application, first, of any sums payable for or on account of the buildings and improvements situated on the Property, and second, of any sums payable for or on account of the Property exclusive of such buildings and improvements. The remainder, if any, after reconstruction and restoration of the Premises shall be divided among Landlord, Tenant and Lender in the manner provided in Section 19.1 above.

19.3 **Termination of Lease.** Except as provided in Section 19.1, no taking of any leasehold interest in the Premises or any part thereof shall terminate or give Tenant the right to surrender this Lease, nor excuse Tenant from full performance of its covenants for the payment of rent and other charges or any other obligations hereunder capable of performance by Tenant after any such taking, but in such case all compensation and damages payable for or on account of such taking shall be payable to and be the sole property of Tenant and Lender.

19.4 **Resolution of Disputes.** Should Landlord and Tenant for any reason disagree (i) as to whether any portion of the Premises taken is so substantial as to impair materially the use of the Premises contemplated by Tenant and thereby trigger Tenant's termination right in Section 19.1, (ii) on the division of any compensation or damages paid for or on account of any taking of all or any portion of the Premises, or (iii) on the amount by which the rent payable by Tenant

hereunder is to be equitably reduced in the event of a partial taking, then, and in any of such events, the matter shall be determined by arbitration in the manner provided in Section 30 hereof.

20. **Landlord's Right of Inspection.** Landlord may, at any reasonable time and from time to time during the Term, enter upon the Property for the purpose of inspecting the buildings or improvements now or hereafter located thereon and for such other purposes as may be necessary or proper for the reasonable protection of its interests.

21. **Tenant's Defaults and Landlord's Remedies.** It shall be an event of default hereunder (each an "Event of Default") if (i) default shall be made by Tenant in the punctual payment of any rent or other moneys due hereunder and shall continue for a period of fifteen (15) days after written notice thereof to Tenant; (ii) default shall be made by Tenant in the performance or observance of any of the other agreements, covenants or conditions of this Lease on the part of Tenant to be performed and observed and such default shall continue for a period of thirty (30) days after written notice thereof to Tenant, or, in the case of a default that cannot be cured by the payment of money and cannot be cured within thirty (30) days, shall continue for an unreasonable period after such written notice; or (iii) Tenant shall abandon the Premises. Upon the occurrence of any Event of Default by Tenant hereunder, Landlord shall have the following rights and remedies, in addition to all other rights and remedies of Landlord provided hereunder or by law:

21.1 **Lease Termination.** The right to terminate this Lease, in which event Tenant shall immediately surrender possession of the Premises with all improvements and pay to Landlord all rent and all other amounts payable by Tenant hereunder to the date of such termination.

21.2 **California Remedies.** Any other remedies as permitted under California law but not those remedies detailed in California Civil Code Section 1951.2 (or any successor statute thereto).

22. **Nonwaiver.** If any action or proceeding is instituted or if any other steps are taken by Landlord or Tenant, and a compromise part payment or settlement thereof shall be made, either before or after judgment, the same shall not constitute or operate as a waiver by Landlord or Tenant of any agreement, covenant or condition of this Lease or of any subsequent breach thereof. No waiver of any default under this Lease shall constitute or operate as a waiver of any subsequent default hereunder, and no delay, failure or omission in exercising or enforcing any right, privilege or option under this Lease shall constitute a waiver, abandonment or relinquishment thereof or prohibit or prevent any election under or enforcement or exercise of any right, privilege or option hereunder. No waiver of any provision hereof by Landlord or Tenant shall be deemed to have been made unless and until such waiver shall have been reduced to writing and signed by Landlord or Tenant, as the case may be. The receipt by Landlord of rent with knowledge of any default under this Lease shall not constitute or operate as a waiver of such default. Payment by Tenant or receipt by Landlord of a lesser amount than the stipulated rent or other sums due Landlord shall operate only as a payment on account of such rent or other sums. No endorsement or statement on any check or other remittance or in any communication accompanying or relating to such payment shall operate as a compromise or accord and satisfaction unless the same is approved in writing by Landlord, and Landlord may accept such check, remittance or payment without prejudice to its right to recover the balance of any rent or other sums due by Tenant and pursue any remedy

provided under this Lease or by law.

23. No Merger.

23.1 No Merger with Other Estates. There shall be no merger of the leasehold estate created by this Lease with any other estate in the Premises, including the fee estate, by reason of the fact that the same person may own or hold the leasehold estate created by this Lease, or an interest in such leasehold estate, and such other estate in the Premises, including the fee estate, or any interest in such other estate; and no merger shall occur unless and until Landlord, Tenant and any Lender shall join in a written instrument effecting such merger and shall duly record the same.

23.2 Termination of Lease. No termination of this Lease shall cause a merger of the estates of Landlord and Tenant unless Landlord so elects and any such termination shall, at the option of Landlord, either work a termination of any sublease in effect or act as an assignment to Landlord of Tenant's interest in any such sublease.

24. No Partnership. It is expressly understood and agreed that Landlord does not, in any way or for any purpose by executing this Lease, become a partner of Tenant in the conduct of Tenant's business, or otherwise, or a joint venturer or a member of a joint enterprise with Tenant.

25. Covenants Run With Land.

25.1 Binding on Successors. The agreements, covenants and conditions in this Lease are and shall be deemed to be covenants running with the land and the reversion and shall be binding upon and shall inure to the benefit of Landlord and Tenant and their respective successors and assigns and all subsequent Landlords and Tenants respectively hereunder.

25.2 References. All references in this Lease to "Tenant" or "Landlord" shall be deemed to refer to and include successors and assigns of Tenant or Landlord, respectively, without specific mention of such successors or assigns.

26. Notices. Except as otherwise provided hereunder, any notice or communication to Landlord, Tenant or Lender shall be in writing and be mailed by certified mail, postage prepaid. Notices or communications shall be addressed to Landlord at 450 E. Romie Lane, Salinas, CA 93901 or such other address or addresses as Landlord shall from time to time designate, or to such agent of Landlord as it may from time to time designate, by notice in writing to Tenant. Notices or communications shall be addressed to Tenant, Attn: PACS, 262 North University Ave., Farmington, UT 84025 or such other address or addresses as Tenant shall from time to time designate, or to such agent of Tenant as it may from time to time designate, by notice in writing to Landlord. Notices or communications to Lender shall be addressed to Lender at such address as Lender shall from time to time designate by notice in writing to Landlord. All notices, communications and deliveries hereunder shall be made in writing signed by the party making the same, shall specify the Section hereunder pursuant to which it is given or being made, and shall be deemed given or made on either 1) the date delivered if delivered in person, 2) on the date initially received if delivered by facsimile transmission followed by registered or certified mail confirmation, 3) on the date delivered if delivered by a nationally recognized overnight courier service or 4) on the

third (3rd) business day after it is mailed if mailed by registered or certified mail (return receipt requested), with postage and other fees prepaid.

27. **Limitation of Landlord's Liability.** In the event of any transfer of Landlord's interest in this Lease, the Landlord herein named (and in case of any subsequent transfer, the then transferor) shall be automatically freed and relieved from and after the date of such transfer of all personal liability for the performance of any covenants or obligations on the part of Landlord contained in this Lease thereafter to be performed. However, any funds in the hands of Landlord or the then-transferor at the time of such transfer, in which Tenant has an interest, shall be turned over to the Tenant. Furthermore, upon any such transfer, the transferee shall expressly assume, subject to the limitations of this Section 27, all of the agreements, covenants and conditions in this Lease to be performed on the part of Landlord, it being intended hereby that the covenants and obligations contained in this Lease on the part of Landlord shall, subject as aforesaid, be binding on each Landlord, its successors and assigns, only during its period of ownership.

28. **Estoppel Certificates.** Tenant or Landlord, as the case may be, will execute, acknowledge and deliver to the other and/or to Lender, promptly upon request, its certificate certifying (a) that this Lease is unmodified and in full force and effect (or, if there have been modifications, that this Lease is in full force and effect, as modified, and stating the modifications), (b) the dates, if any, to which the rent and other monetary obligations have been paid, (c) whether there are then existing any charges, offsets or defenses against the enforcement by Landlord of any agreement, covenant or condition hereof on the part of Tenant to be performed or observed (and, if so, specifying the same), and (d) whether there are then existing any defaults by Tenant in the performance or observance by Tenant of any agreement, covenant or condition hereof on the part of Tenant to be performed or observed and whether any notice has been given to Tenant of any default which has not been cured (and, if so, specifying the same). Any such certificate may be relied upon by a prospective purchaser, mortgagee or trustee under a deed of trust of the Premises or any part thereof.

29. **Holding Over.** This Lease shall terminate without further notice upon the expiration of the Term or, in the event either party gives notice of early termination as provided herein, the Termination Date, and any holding over by Tenant after either of expiration of the Term, or the Termination Date shall not constitute a renewal hereof or give Tenant any rights hereunder or in or to the Premises, except as otherwise herein provided, it being understood and agreed that this Lease cannot be renewed, extended or in any manner modified except in writing signed by Landlord and Tenant.

30. **Arbitration.** Whenever, under any provision of this Lease, arbitration is required, then the matter shall be determined by arbitration under the rules of the Judicial Arbitration and Mediation Service (also known as "JAMS"), or its successor in interest, or if there is no successor, then under the rules of the American Arbitration Association (collectively the "Arbitration Service"), in Monterey County, California, with one arbitrator to make such determination.

30.1 **Selection of Arbitrator.** Landlord and Tenant shall select one neutral arbitrator from the panel presented by the Arbitration Service within thirty (30) days of notice of one party to another of the need to commence arbitration. If Landlord and Tenant cannot mutually agree

upon an arbitrator, then the Arbitration Service will select the arbitrator to hear the dispute (the "Arbitrator").

30.2 **Qualification.** To be qualified as an Arbitrator hereunder, a person must have a minimum of five (5) years' experience in any one of the following lines of work: experience in large residential real estate complexes; a real estate broker specializing or at least dealing substantially in similar type properties in the County of Monterey; or real estate development with substantial experience in dealing with similar type properties in the County of Monterey.

30.3 **Governed by Lease.** The Arbitrator shall be governed by the provisions of this section and any other relevant provisions of the Lease. In the event of any ambiguity in such provisions or in the event such provisions are silent on a particular issue, the Arbitrator shall apply generally accepted accounting principles regularly applied in similar real estate operations.

30.4 **Fees.** Arbitration fees payable to the Arbitration Service and to the Arbitrator shall be paid one-half by Landlord and one-half by Tenant.

30.5 **Binding.** The determination of the Arbitrator shall be binding and may be entered as a judgment in any court having jurisdiction hereof.

31. **Severability.** In case any one or more of the provisions contained in this Lease shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Lease, but this Lease shall be construed as if such invalid, illegal or unenforceable provisions had not been contained herein.

32. **Time of the Essence.** Time is of the essence of each and all of the agreements, covenants and conditions of this Lease.

33. **Consents.** Whenever in this Lease the consent or approval of either Landlord or Tenant is required or permitted, the party requested to give such consent or approval will act promptly (and if any time period is specified in this Lease, then within such designated time period).

34. **Memorandum of Lease.** Contemporaneously with the execution of this Lease, Landlord and Tenant will execute and acknowledge for recordation in the Official Records of the County of Monterey a Memorandum of Lease in the form of **Exhibit B** hereto.

35. **Attorney Fees.** In the event of any action or proceeding at law or in equity between Landlord and Tenant to enforce any provision of this Lease or to protect or establish any right or remedy of either party hereunder, the unsuccessful party to such litigation shall pay to the prevailing party all costs and expenses, including reasonable attorney's fees, incurred therein by such prevailing party, and if such prevailing party shall recover judgment in any such action or proceeding, such costs, expenses and attorney's fees shall be included in and as a part of such judgment.

36. **Integration.** This instrument constitutes the entire agreement between Landlord and Tenant with respect to the subject matter hereof and supersedes all prior offers and negotiations,

oral or written. No representation, statement, condition or warranty not contained in this Lease or the attached exhibits will be binding on the parties or have any force or effect whatsoever, notwithstanding the provisions of Civil Code section 1698.

37. **Rent.** All monetary obligations of Tenant to Landlord under the Lease shall be deemed rent.

38. **Amendments.** This Lease may be modified only in writing and only if signed by the parties at the time of the modification.

39. **Governing Law.** This Lease shall be governed by and construed in accordance with the laws of the State of California.

40. **Captions.** The titles and captions contained in this Lease are inserted herein only as a matter of convenience and for reference and in no way define, limit, extend or describe the scope of this Lease or the intent of any provision hereof. Unless otherwise specified to the contrary, all references to Sections are references to Sections of this Lease and all references to Exhibits are references to Exhibits to this Lease.

41. **Counterparts.** This Lease may be executed simultaneously in one (1) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

42. **Enforcement of Certain Rights.** Nothing expressed or implied in this Lease is intended, or shall be construed, to confer upon or give any person, firm or corporation other than the parties hereto, and their successors or assigns, any rights, remedies, obligations or liabilities under or by reason of this Lease, or result in such person, firm or corporation being deemed a third party beneficiary of this Lease.

43. **Exhibits.** The Exhibits attached hereto are incorporated into and made a part of this Lease as if set out in full in this Lease.

45. **Jurisdiction and Venue.** The parties acknowledge and understand that the making of this Lease is in Monterey County, California. Any suit, arbitration, mediation or other remedial process shall be filed and maintained in Monterey County, California.


44. **Number; Gender.** Whenever the context so requires, the singular number shall include the plural and the plural shall include the singular, and the gender of any pronoun shall include the other genders.

45. **Reliance on Authority of Person Signing Lease.** If a party is not a natural person, then no other party will (a) be required to determine the authority of the individual signing this Lease to make any commitment or undertaking on behalf of such entity or to determine any fact or circumstance bearing upon the existence of the authority of such individual, or (b) be responsible for the application or distribution of proceeds paid or credited to individuals signing this Lease on behalf of such entity.

IN WITNESS WHEREOF, the parties have executed this Ground Lease as of the date first written above.

LANDLORD:

SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM, a
California Health Care District

By:  _____

Print Name: **Travis Devashrayee**

Title: **Administrator**

TENANT:

SALINASIDENCE OPCO, LLC dba PACIFIC COAST POST ACUTE,
a California limited liability company

By: _____

LIST OF EXHIBITS:

- Exhibit A Legal Description of Property
- Exhibit B Memorandum of Lease

EXHIBIT "A"

Parcel 2 as shown on the Parcel Map filed for record in the Monterey County Recorder's Office on December 21, 1988 in Book 17 of Parcel Maps, Page 150.

740 E Romie Parking Exhibit



SCALE: 1"=40'

Status **Active** PolicyStat ID **12515266**

Last Approved 09/2020
 Last Revised 09/2020
 Next Review 09/2023

Owner **Lorrie Oelkers:**
Director Internal
Audit &
Compliance
 Area **Administration**

Sale, Purchase, and Lease of District Real Property

I. POLICY STATEMENT

- A. It is the policy of Salinas Valley Health (SVH) to ensure compliance with all Federal, State, and local laws concerning district real property ownership, leasing, and management, including Division 23 of the Health and Safety Code of the State of California ("Local Health Care District Law").

II. PURPOSE

- A. The purpose of this policy is to ensure that all Real Property Transactions undertaken by SVH are in compliance with Local Health Care District Law, applicable state and federal laws, and this Policy and Procedure.
- B. This Policy standardizes the process and procedures for the determination the following:
1. The evaluation and selection of District Real Property to be involved in a Real Property Transaction;
 2. The selection of real estate brokerages ("Brokers") to be engaged by SVH;
 3. The sale, purchase, or lease term and conditions for District Real Property; and
 4. The processes to be used by SVH' executive management and administration (collectively, "Administration") in connection with a Real Property Transaction of District Real Property.

III. DEFINITIONS

- A. "Real Property" means land together with all the property on it that cannot be moved, together with any attached right.
- B. "Fair Market Value" means the price that an interested but not desperate buyer would be willing to pay and an interested but not desperate seller would be willing to accept on the open market assuming a reasonable period of time for an agreement to arise.

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3. Upon receipt of an offer to purchase District Real Property by a third-party, the offer shall be initially delivered to Administration for review. Administration shall review the offer for completeness. However, if by the terms of the offer, the period to reply is within the period of a regular meeting of the Board of Directors, Administration shall present the material terms and conditions of the offer to the Board of Directors for consideration with a recommendation.
4. Any offer, acceptance of offer, or counter-offer pertaining to the sale or purchase of District Real Property shall include a provision requiring and shall be contingent upon the approval of the definitive terms and conditions for sales and purchase agreement by the SVH Board of Directors.

B. Purchase of Real Property

1. Purchase of District Real Property must be supported as being consistent with fair market value by an independent opinion from a certified licensed real-estate professional. The Board has discretion in determining the purchase price of District Real Property, but such discretion should be consistent with the fair market value analysis in the opinion of value. Additional information and data that are unique to the District's specific needs and strategic objectives that are not utilized in determining the appraised value of the property may be taken into consideration for purposes of determining an appropriate purchase price. A property inspection will be performed as a condition of the purchase. This inspection will be made available to the Board of Directors for consideration.

C. Lease of Real Property where SVH is the lessee

1. Lease of District Real Property where SVH is the lessee must be supported by a market analysis of recent transactions in the surrounding area. This analysis is exempt from public records disclosure under the California Public Records Act during the period of time of negotiations and should be used to assist in the negotiation of price and terms. A property inspection will be performed as a condition of the lease. This inspection will be made available to the Board of Directors for consideration with the lease.

D. Lease of Real Property where SVH is the lessor

1. All inquiries to lease district real property shall be directed to Facilities and Construction Department for initial review. All inquiries shall be in written form, containing the proposed essential terms of the lease, including leasing party, location, square footage, price per square foot, length.
2. In the event that the inquiry is made through a listing agent employed by the District to actively market and lease district real property, the listing agent's primary contact shall be the Facilities and Construction Department.
3. Upon receipt of the written lease inquiry, the Facilities and Construction Department will incorporate the proposed terms into the attached Leasing Term Sheet, attached as Exhibit A.
4. Initially, the Facilities and Construction Department will consult with Business Development and Physician Integration to determine if any of the parties to the lease are members of the Hospital's Medical Staff or any other existing healthcare

Approval Signatures

Step Description	Approver	Date
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Standards

No standards are associated with this document

COPY



Home (<https://www.cityofsalinas.org/Home>) / Residents (<https://www.cityofsalinas.org/Residents>) / Parking and Citations (<https://www.cityofsalinas.org/Residents/Parking-and-Citations>) / **Downtown Parking District**

Downtown Parking District



Parking Rates

Monthly Rates:

- Monterey Street Garage: \$50.00/month
- Salinas Street Garage: \$40.00/month
- Parking Lot 5 & 8: \$55.00/month
- Parking Lot 12: \$40.00/month

Hourly Rates:

- Monterey Street Garage: \$1.25/hour

Please select an option below to learn more about the different parking options available:

Short Term Parking: Downtown Validation Program

The **Downtown Parking Validation Program** is available to businesses in the Downtown Parking District. Currently, parking validation only applies to the *Monterey Street Parking Garage*, although the program may be extended to other parking locations in the future. There are two forms of validation available to businesses: Parking Validation Coupons & Parking Validation Encoder Machines.

Please visit the Downtown Parking Validation Program webpage to learn more about the Downtown Parking Validation Program:

<https://www.cityofsalinas.org/our-city-services/public-works/traffic-transportation-engineering/services/downtown-parking-validation-program> (<https://www.cityofsalinas.org/our-city-services/public-works/traffic-transportation-engineering/services/downtown-parking-validation-program>).

Long Term Parking: Monthly Parking Permits

Downtown monthly parking permits are available now for the months of June through December. *Please note that a parking permit is valid only for a specific lot for which it is purchased.*

Please visit the Parking Permits webpage for more information:

Board Paper: Finance Committee

Agenda Item: **Consider Recommendation for Board of Directors to approve procurement to replace our fleet of BD Infusion IV Pump equipment**

Executive Sponsor: Carla Spencer, Associate Chief Nursing Officer
Lisa Paulo, Chief Nursing Officer
Clement Miller, Chief Operating Officer

Date: April 22, 2024

Executive Summary

The clinical departments are requesting approval to enter into a new agreement with BD (Carefusion/Alaris) to replace our aging fleet of IV Infusion Pump equipment. Our current equipment ranges from 7yrs to 22 years old. Average life span for this equipment is 5-7 years.

The Infusion pumps allow for the precise delivery of fluids and medications, reducing the risk of errors and improving patient outcomes. Increased safety, as the infusion pumps can be programmed with safety limits to prevent over or under-dosing a patient, reducing the risk of adverse events.

Background/Situation/Rationale

On July 21, 2023, BD receives FDA 510(k) Clearance to update their BD Alaris Infusion Systems.

This FDA approval contains requirements that all Alaris Infusion equipment must be brought up to the new standard.

Then on Sept 9, 2023, we received notice from BD that they have finalized their FDA Remediation Plan on how they will execute the FDA requirement to upgrade all equipment;

*Units 6 years or newer will be upgraded at no cost to their Members.

*Units 7 years or older will need to be upgraded at reduced cost to their Members.

Following this announcement, we did a Market review for IV Infusion pump equipment, there are 7 vendors in this category, with BD at 43% market share and ICU Medical at 36% market share.

We invited ICU Medical to share with SVH leaders, their technology, and provide comparable opportunity.

The outcome of the inquiry confirmed that BD provided the lowest responsive responsible outcome.

Timeline/Review Process to Date:

[4/2021] BD submitted a 510 (k) notice to FDA for modifications: Software and Hardware

[7/2023] BD received approval of their 510 (k) clearance from the FDA, with Remediation needed

[9/2023] BD and FDA finalized FDA Remediation plan, held webcast to update Members

[10/2023] Discussion with BD on pricing

[10/2023] SVH started Market review for IV Infusion pump vendors

[1/2024] BD provides initial remediation quotes to SVH

[2/2024] ICU Medical presentation to SVH

[3/2024] SVH compares opportunity, selects the lowest responsive, responsible vendor

[4/2024] SVH brings opportunity to the Board

Meeting our Mission, Vision, Goals

Strategic Plan Alignment:

Approval of this contract will allow our organization to continue to provide high quality patient care services.

Pillar/Goal Alignment:

Service People Quality Finance Growth Community

Financial/Quality/Safety/Regulatory Implications:

Key Contract Terms	Vendor: BD (Carefusion/Alaris)
1. Proposed effective date	4/29/2024
2. Term of agreement	Capital Purchase
3. Renewal terms	NA – Purchase, 2 year warranty
4. Termination provision(s)	NA - Purchase
5. Payment Terms	Net 30
6. TOTAL cost	\$1,182,987.48 (\$1,082,826.07 + \$100,161.41 Tax)
7. Cost over life of agreement	\$1,182,987.48 (Biomed to service equipment)
8. Budgeted (indicate y/n)	Yes, FY24 Capital budget \$1,769,747.00

Recommendation

Consider Recommendation for Board of Directors to approve procurement of the BD Infusion IV Pump equipment, in the amount of \$1,182,987.48

Attachments

- (1) BD Quote CPQ-15211



SALINAS VALLEY MEMORIAL HOSPITAL

Quote Date: April 02, 2024

Pricing stated is offered by CareFusion for acceptance by Customer until June 30, 2024

Toni Daniels (408) 495-1043

toni.daniels@bd.com

GPO: Vizient

Commitment: Disposables commitment >\$100,000 Annually and minimum \$200/bed Non-Dedicated commitment.

Alaris™ System Equipment (Hardware)				
Model	Product Description	Quantity	Unit Price	Extended Price
8015 BD	BD Alaris PC unit, model 8015 (v12.3.1)	249	\$2,533.68	\$630,886.32
8100 BD	BD Alaris Pump module, model 8100 (v12.1.2)	172	\$1,681.56	\$289,228.32
8110 BD	BD Alaris Syringe module (v12.3)	25	\$2,829.00	\$70,725.00
8120	Alaris PCA module (v12.3)	40	\$3,183.00	\$127,320.00
8300 BD	BD Alaris EtCO2 module (v12.3)	33	\$3,276.00	\$108,108.00
Subtotal				\$1,226,267.64

Guardrails™ Suite License for Alaris™ System (Software)			
Product Description	Quantity	Unit Price	Extended Price
Guardrails Point-of-Care Software for Pump modules	34	\$225.00	\$7,650.00
Subtotal			\$7,650.00

Implementation for Alaris™ System (Services) - Implementation costs are based on a single-phase Implementation.		
Services below provided per the Customer Order Attachments	Extended Price	
Equipment Check-in Services	\$31,140.00	
Subtotal		\$31,140.00

Total-Equipment, Licenses and Services	\$1,265,057.64
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Incentives		
Description of Incentives	Extended Price	
In consideration of Customer executing the applicable Agreement or Customer Order and providing a non-contingent purchase order on or before 06/30/2024, CareFusion shall provide a(n) Age-Based incentive in the amount of 15% for the return of Alaris devices between 7-10 years old incentive to be issued as a credit to Customer's account upon receipt of the confirmation form pursuant to Equipment Check-in.	(\$127,788.03)	
In consideration of Customer executing the applicable Agreement or Customer Order and providing a non-contingent purchase order on or before 06/30/2024, CareFusion shall provide a(n) Implementation incentive to be issued as a credit to Customer's account upon receipt of the confirmation form pursuant to Equipment Check-in.	(\$31,140.00)	
In consideration of Customer executing the applicable Agreement or Customer Order and providing a non-contingent purchase order on or before 06/30/2024, CareFusion shall provide a(n) Partnership incentive to be issued as a credit to Customer's account upon receipt of the confirmation form pursuant to Equipment Check-in.	(\$23,303.54)	
Subtotal		(\$182,231.57)

TOTAL ACQUISITION COST	\$1,082,826.07
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GRAND TOTAL	\$1,082,826.07
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Notes:

The Equipment purchased will be covered under the Partnership Warranty Repair Program for two (2) years.

The above BD Alaris™ Infusion System Equipment and the serial numbers associated with it are covered by the BD Alaris™ Infusion System 7-year Limited Parts Warranty. To view the service description, go to bd.com/self-service and sign in or register for an account. Once logged in, entering **BD-95176** in the top search bar will bring up the document to view or download.

For additional assistance, you can send an email to G-CTS-AlarisServiceSales@bd.com and include your name, phone number, city and state, along with any questions you may have.

This Alaris Product Agreement is governed by the Master Terms and Conditions and relevant Products Agreements, as applicable.

Applicable sales and use taxes are not included. If Customer is tax exempt, Customer must ensure that a tax exemption certificate is on file with CareFusion.

Equipment Disposal or Trade-In			
Quantity	Equipment	Owned or Leased	Value per Unit

Quotation: CPQ-15211

Product Agreement



SALINAS VALLEY MEMORIAL HOSPITAL

Quote Date: April 02, 2024

Pricing stated is offered by CareFusion for acceptance by Customer until June 30, 2024

Toni Daniels (408) 495-1043

toni.daniels@bd.com

GPO: Vizient

Commitment: Disposables commitment >\$100,000 Annually and minimum \$200/bed Non-Dedicated commitment.

249	Alaris PCU Module	Owned - Returned	\$0.00
138	Alaris LVP Module	Owned - Returned	\$0.00
25	Alaris SYR Module	Owned - Returned	\$0.00
74	Alaris PCA Module	Owned - Returned	\$0.00
33	Alaris ETCO2 Module	Owned - Returned	\$0.00

Quotation: CPQ-15211

Product Agreement



SALINAS VALLEY MEMORIAL HOSPITAL

Quote Date: April 02, 2024

Pricing stated is offered by CareFusion for acceptance by Customer until June 30, 2024

Toni Daniels (408) 495-1043

toni.daniels@bd.com

GPO: Vizient

Commitment: Disposables commitment >\$100,000 Annually and minimum \$200/bed Non-Dedicated commitment.

Customer and CareFusion, by their duly authorized representatives, have entered into this Product Agreement effective as of the date of CareFusion's signature below ("Effective Date").

Customer

CareFusion Solutions, LLC

By: _____

By: _____

Print: _____

Print: _____

Title: _____

Title: _____

Date: _____

Date: _____

These Terms apply to hardware, including replacement and spare parts associated with such hardware (collectively, “**Equipment**”) and associated Software (as defined in the Master Agreement) (collectively the “**Alaris Products**”) shown in the Equipment table of the Product Agreement.

1. **Remediation Plan.** As detailed in the BD Alaris™ Infusion System Remediation Plan letters dated August 28, 2023 and October 16, 2023, which are incorporated herein by reference, your facility was informed of certain details of CareFusion’s plan for remediation of existing Equipment, including the published expected service life of Customer’s fleet of existing Equipment, the need to remediate Customer’s Equipment that are within their expected service life (“**Remediated Devices**”), the need to replace Equipment that is nearing or has exceeded expected service life, and the requirement to return Equipment that cannot be remediated to CareFusion for destruction (“**Replaced Devices**”) (collectively, the “**Remediation Plan**”).
2. **Remediation Plan Process.** In connection with the Remediation Plan, Customer agrees to promptly meet and confer with CareFusion to provide site specific details needed to plan specific actions to be taken with respect to the Remediation Plan. CareFusion will then designate a Remediation Plan Project Manager and assign a Remediation Plan Project Team to Customer. Customer and CareFusion agree to conduct planning sessions, including kickoff meetings and meetings to address specific Remediation Plan topics with respect to Nursing, IT/Biomed and Pharmacy. Following the planning sessions, CareFusion will assign field service resources, conduct a detailed Biomed planning call, deliver a detailed report of specific actions to be taken with respect to the Remediation Plan, and schedule remediation.
3. **Further Acknowledgments.**
 - a. CareFusion shall conduct the Remediation Plan in accordance with all applicable laws and execute the Remediation Plan in a workmanlike manner, conforming to generally accepted applicable standards. Customer shall provide cooperation and assistance that is required or requested by CareFusion in connection with the completion of the Remediation Plan, including using commercially reasonable efforts to assist CareFusion with the resolution of any problems that may impede or delay the timely completion of the Remediation Plan. Customer further acknowledges that the delivery, installation, and implementation of Alaris Products required for remediation is contingent upon Customer’s acknowledgement and its surrender of Replaced Devices. When CareFusion delivers Alaris Products to Customer pursuant to these Terms, Customer will be deemed to transfer to CareFusion, all right, title, and interest in and to Replaced Devices. Customer’s existing paid-up software licenses that attach to the Replaced Devices will transfer 1:1 to Alaris Products delivered pursuant to these Terms, solely to the extent Replaced Devices are returned to CareFusion. Un-remediated Equipment, whether identified during the Remediation Plan or thereafter, is not compatible with Alaris Products and should be promptly returned to CareFusion or scheduled for remediation or replacement, as applicable. Such un-remediated Equipment shall not be eligible for software license or contracted services.
 - b. Customer hereby commits to completion of the Remediation Plan pursuant to these Terms and CareFusion will commence scheduling of remediation activities as soon as possible following execution of this Product Agreement.
 - c. CareFusion is making available certain incentives based on unique Customer circumstances and the age of Equipment in view of expected service life, terms and conditions of which are attached hereto as Exhibit A. Customer must acknowledge and agree to the terms and conditions herein prior to receiving such discounts or incentives.
 - d. The value of any rebates, discounts or incentives provided to you may constitute a “discount or other reduction in price” under Section 1128B(b)(3)(A) of the Social Security Act 42 U.S.C. Sec. 1320a-7b(b)(3)(A). CareFusion and Customer shall satisfy any and all requirements imposed on buyers or sellers, as applicable, relating to discounts or reductions in price, including, when required by law, to disclose all discounts or other reductions in price received from CareFusion and to accurately report under any state or federal health care program the net cost actually paid by Customer.



Remediation Plan and Decommissioning Agreement

EXHIBIT A REMEDIATION PLAN INCENTIVES

Replacement Program. For BD Alaris™ PC Unit, BD Alaris™ Pump, Alaris™ PCA, BD Alaris™ Syringe and BD Alaris™ EtCO₂ modules less than 7 years old as of July 21, 2023 ship date, CareFusion will replace Customer's existing operating Equipment with cleared Alaris Products ("**Placed Devices**") 1:1 at CareFusion's expense. Customer acknowledges and agrees that CareFusion will retrieve all Equipment ("**Replaced Devices**"), including associated replacement and spare parts. Customer acknowledges that Replaced Devices and associated replacement and spare parts are under recall, are not compatible with Placed Devices and must be returned to CareFusion. In the event Customer does not return Replaced Devices 1:1 for each unit of Placed Devices within 3 months of completion of the Remediation Plan, CareFusion has the right to invoice Customer the price per unit listed on the Product Agreement issued pursuant to the applicable Customer Order for the equivalent number of Placed Devices representing the shortfall of Replaced Devices. Customer's existing paid-up Software licenses that attach to the Replaced Devices will transfer 1:1 to Placed Devices.



Product Agreement Alaris® Products Equipment Check-In

These terms apply to the Equipment Check-In services described below (“Services”) provided by CareFusion to Customer pursuant to the applicable Product Agreement between the Parties

1. **Customized Data Set; Modules.** “Customized Data Set” means the unique data set developed by Customer for use with the Software. Customer shall complete the Customized Data Set at least two (2) weeks before CareFusion begins performance of the Services. “Modules” shall mean the number of Alaris® System devices (Alaris® PC Units and/or Alaris® System modules) equal to the Number of Modules stated above.
2. **Project Management.** Each Party will designate an experienced project manager to serve as its point of contact during performance of the Services. The Parties will jointly develop an implementation project plan and timeline.
3. **Equipment Check-In.** CareFusion shall:
 - unpack and test each Module in accordance with the applicable DFU and provide Customer with summary test report;
 - unpack and assemble CareFusion purchased IV stands that are available before the scheduled unpacking date;
 - affix non-electronic Customer-provided self-adhesive asset identifying stickers, if any, onto Modules; and
 - if applicable, upload and confirm presence of the Customized Data Set.Customer shall:
 - provide an adequate workspace with wireless access for the CareFusion technical team;
 - if applicable, complete the Customized Data Set at least two (2) weeks before CareFusion begins performance of the services.
4. **Confirmation Form.** Upon CareFusion’s completion of the Services, Customer shall execute an Equipment Check-In Confirmation Form confirming CareFusion’s completion of the Services.
5. **Fee.** In consideration of CareFusion’s performance of the Services, Customer shall pay CareFusion the Implementation Fee stated in the Product Agreement.

CLOSED SESSION

*(Report on Item to be
Discussed in Closed Session)*

*RECONVENE OPEN SESSION/
REPORT ON CLOSED SESSION*

Financial Performance Review

March 2024

Finance Committee - Open Session

Augustine Lopez

Chief Financial Officer

Consolidated Financial Summary

For the Month of March 2024

\$ in Millions	For the Month of March 2024					
			Variance fav (unfav)			
	Actual	Budget	\$VAR	%VAR		
Operating Revenue	\$ 63.4	\$ 62.0	\$ 1.4	2.3%		
Operating Expense	\$ 62.3	\$ 61.8	\$ (0.5)	-0.8%		
Income from Operations	\$ 1.1	\$ 0.2	\$ 0.9	450.0%		
<i>Operating Margin %</i>	1.7%	0.3%	1.4%	466.67%		
Non Operating Income	\$ 3.9	\$ 1.9	\$ 2.0	105.3%		
Net Income (*)	\$ 5.0	\$ 2.1	\$ 2.9	138.1%		
<i>Net Income Margin %</i>	7.9%	3.4%	4.5%	132.4%		

* **Non-Operating Revenue** was favorable by \$2 million primarily as the result of favorable investment performance and mark to market adjustment for the month.

Consolidated Financial Summary

YTD March 2024

\$ in Millions	FY 2024 YTD March				
			Variance fav (unfav)		
	Actual	Budget	\$VAR	%VAR	
Operating Revenue (*)	\$ 543.5	\$ 540.9	\$ 2.6	0.5%	
Operating Expense	\$ 552.0	\$ 539.0	\$ (13.0)	-2.4%	
Income from Operations	\$ (8.5)	\$ 1.9	\$ (10.4)	-547.4%	
Operating Margin %	-1.6%	0.4%	-2.0%	-500.0%	
Non Operating Income	\$ 31.3	\$ 17.2	\$ 14.1	82.0%	
Net Income	\$ 22.8	\$ 19.1	\$ 3.7	19.4%	
Net Income Margin %	4.2%	3.5%	0.7%	20.0%	

Normalizing Item:

The above includes Medicare and Medi-Cal prior year favorable cost report settlements totaling \$1.2M.

Consolidated Financial Summary

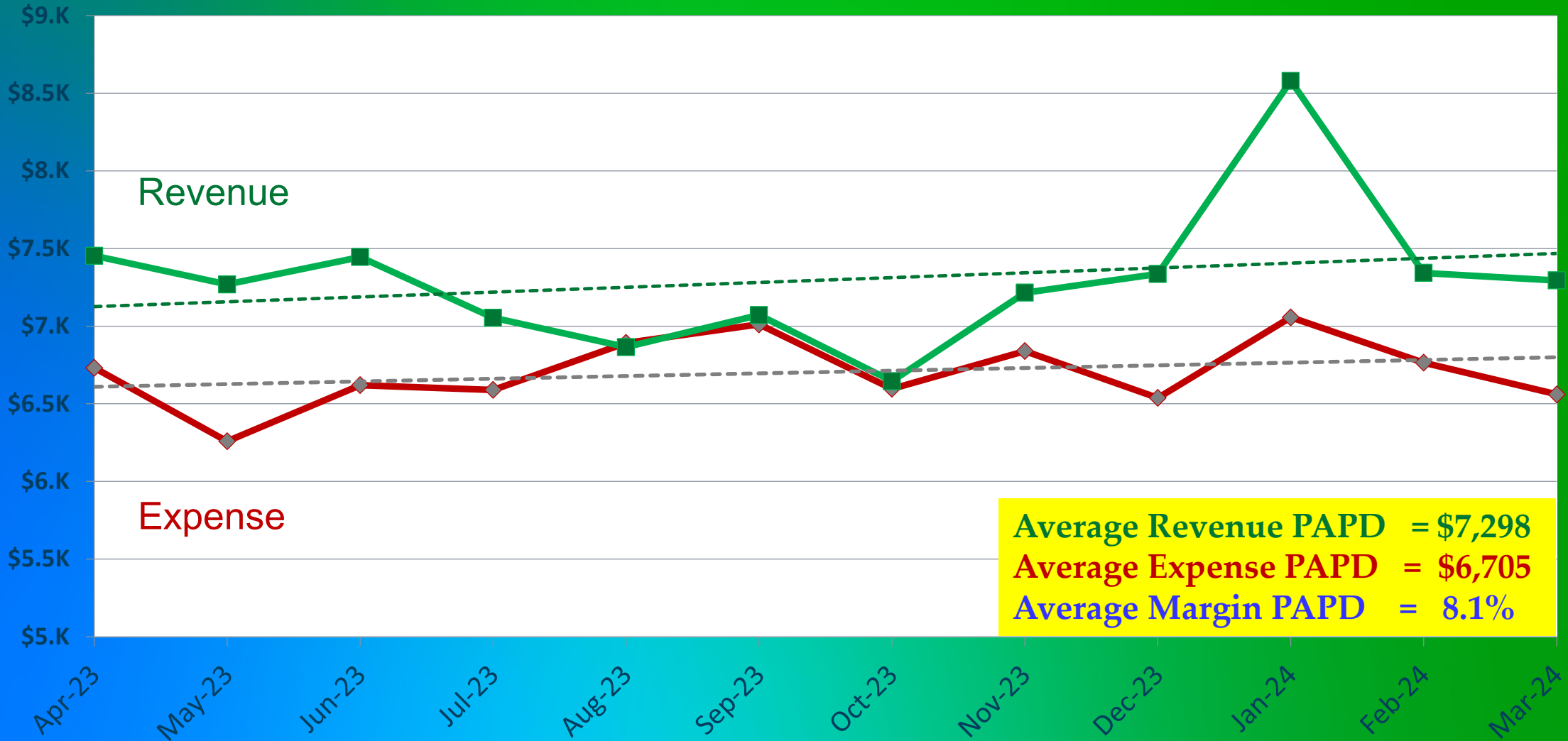
YTD March 2024 - Normalized

\$ in Millions	FY 2024 YTD March				
			Variance fav (unfav)		
	Actual	Budget	\$VAR	%VAR	
Operating Revenue (*)	\$ 542.3	\$ 540.9	\$ 1.4	0.3%	
Operating Expense	\$ 552.0	\$ 539.0	\$ (13.0)	-2.4%	
Income from Operations	\$ (9.7)	\$ 1.9	\$ (11.6)	-610.5%	
Operating Margin %	-1.8%	0.4%	-2.2%	-550.0%	
Non Operating Income	\$ 31.3	\$ 17.2	\$ 14.1	82.0%	
Net Income	\$ 21.6	\$ 19.1	\$ 2.5	13.1%	
Net Income Margin %	4.0%	3.5%	0.5%	14.3%	

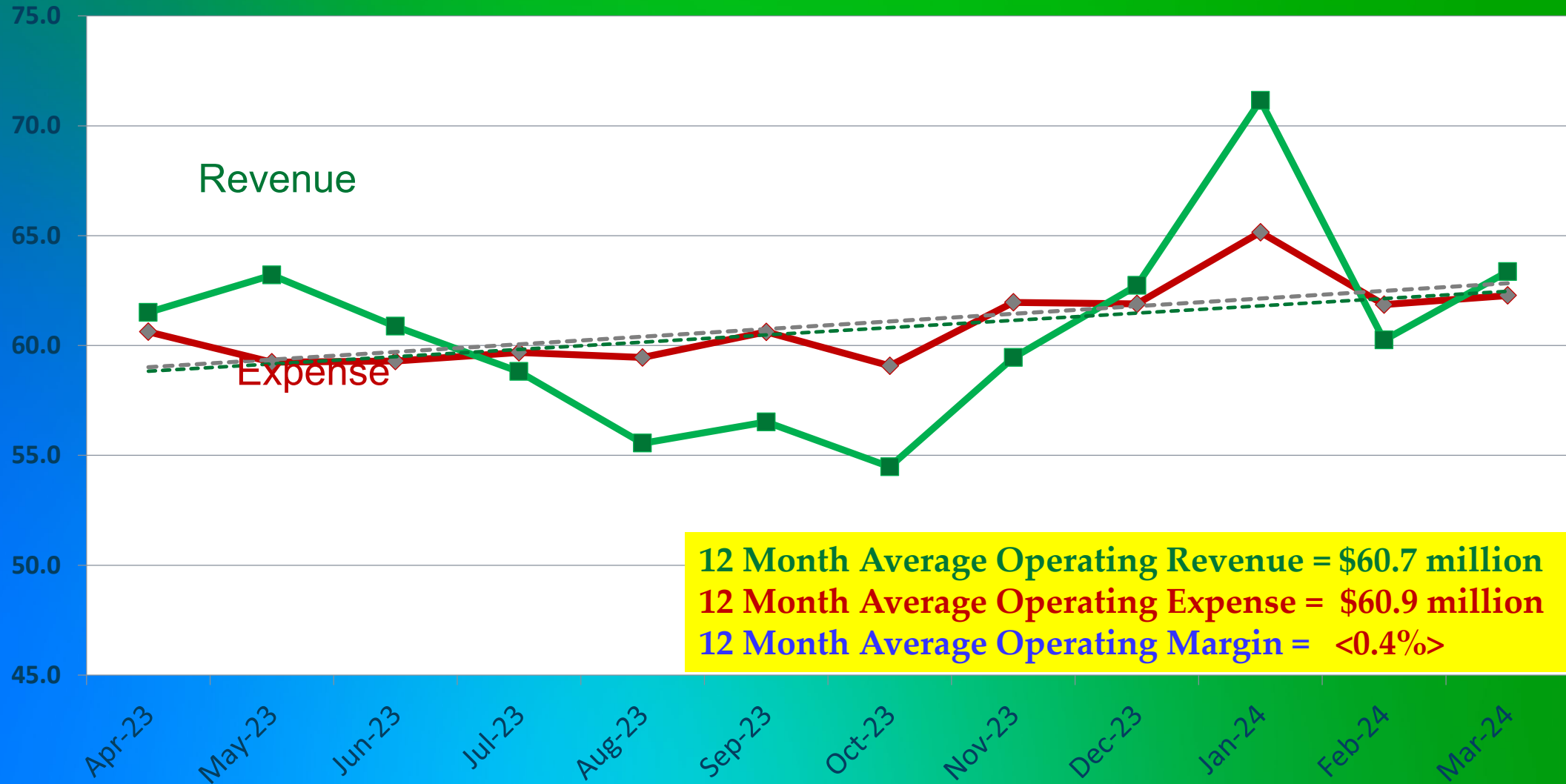
Normalizing Item:

The above excludes Medicare and Medi-Cal prior year favorable cost report settlements totaling \$1.2M.

SVHMC Revenues & Expenses Per Adjusted Patient Day Rolling 12 Months: April 23 to March 24



SVH Consolidated Revenues & Expenses Rolling 12 Months: April 23 to March 24



Salinas Valley Health Key Financial Indicators

Statistic	YTD	SVH		S&P A+ Rated		YTD	
	03/31/24	Target	+/-	Hospitals	+/-	3/31/23	+/-
Operating Margin*	-1.8%	5.0%		4.0%		2.9%	
Total Margin*	4.0%	6.0%		6.6%		4.7%	
EBITDA Margin**	3.0%	7.4%		13.6%		7.1%	
Days of Cash*	338	305		249		339	
Days of Accounts Payable*	43	45		-		52	
Days of Net Accounts Receivable***	51	45		49		48	
Supply Expense as % NPR	13.8%	14.0%		-		12.8%	
SWB Expense as % NPR	55.6%	53.0%		53.7%		53.1%	
Operating Expense per APD*	6,706	6,739		-		6,224	

All metrics above are consolidated for SVH except Operating Expense per APD

*These metrics have been adjusted for normalizing items

**Metric based on Operating Income (consistent with industry standard)

***Metric based on 90 days average net revenue (consistent with industry standard)

Questions/Comments

SALINAS VALLEY HEALTH MEDICAL CENTER
SUMMARY INCOME STATEMENT
March 31, 2024

	<u>Month of March,</u>		<u>Nine months ended March 31,</u>	
	<u>current year</u>	<u>prior year</u>	<u>current year</u>	<u>prior year</u>
Operating revenue:				
Net patient revenue	\$ 53,215,935	\$ 49,844,938	\$ 455,805,479	\$ 466,237,581
Other operating revenue	<u>1,120,312</u>	<u>1,259,573</u>	<u>9,861,505</u>	<u>7,610,514</u>
Total operating revenue	<u>54,336,247</u>	<u>51,104,511</u>	<u>465,666,984</u>	<u>473,848,095</u>
Total operating expenses	48,872,883	49,562,364	431,546,230	426,612,464
Total non-operating income	<u>(979,261)</u>	<u>1,318,403</u>	<u>(12,873,368)</u>	<u>(18,063,520)</u>
Operating and non-operating income	<u>\$ 4,484,102</u>	<u>\$ 2,860,550</u>	<u>\$ 21,247,386</u>	<u>\$ 29,172,111</u>

SALINAS VALLEY HEALTH MEDICAL CENTER
BALANCE SHEETS
March 31, 2024

	<u>Current year</u>	<u>Prior year</u>
ASSETS:		
Current assets	\$ 347,471,311	\$ 412,304,760
Assets whose use is limited or restricted by board	165,022,784	157,466,029
Capital assets	249,123,680	242,653,986
Other assets	288,659,194	180,814,794
Deferred pension outflows	<u>116,911,125</u>	<u>95,857,027</u>
	<u>\$ 1,167,188,094</u>	<u>\$ 1,089,096,597</u>
LIABILITIES AND EQUITY:		
Current liabilities	86,207,551	106,221,022
Long term liabilities	20,145,488	17,159,971
Lease deferred inflows	1,470,015	1,642,999
Pension liability	118,792,064	79,111,485
Net assets	<u>940,572,973</u>	<u>884,961,119</u>
	<u>\$ 1,167,188,091</u>	<u>\$ 1,089,096,596</u>

SALINAS VALLEY HEALTH MEDICAL CENTER
SCHEDULES OF NET PATIENT REVENUE
March 31, 2024

	Month of March,		Nine months ended March 31,	
	current year	prior year	current year	prior year
Patient days:				
By payer:				
Medicare	1,879	1,743	16,247	18,192
Medi-Cal	1,079	1,348	9,492	10,643
Commercial insurance	581	579	5,157	6,884
Other patient	83	181	904	1,106
Total patient days	3,622	3,851	31,800	36,825
Gross revenue:				
Medicare	\$ 119,887,840	\$ 111,349,836	\$ 1,025,666,955	\$ 940,354,384
Medi-Cal	79,776,827	83,084,260	637,339,335	634,709,357
Commercial insurance	55,257,136	49,120,358	472,536,714	466,534,420
Other patient	8,273,807	11,174,646	79,285,089	78,622,951
Gross revenue	263,195,610	254,729,099	2,214,828,093	2,120,221,113
Deductions from revenue:				
Administrative adjustment	346,040	135,425	2,859,919	2,276,380
Charity care	373,464	543,191	5,912,183	5,589,125
Contractual adjustments:				
Medicare outpatient	37,718,273	35,451,371	318,807,609	271,316,616
Medicare inpatient	47,565,640	47,137,679	423,111,168	421,386,923
Medi-Cal traditional outpatient	971,630	3,533,949	22,939,017	30,948,610
Medi-Cal traditional inpatient	4,959,102	7,916,449	42,988,883	49,024,956
Medi-Cal managed care outpatient	37,814,410	32,755,490	281,784,297	250,666,947
Medi-Cal managed care inpatient	27,818,484	30,967,782	228,999,160	235,916,155
Commercial insurance outpatient	23,462,287	19,870,359	197,856,757	161,588,959
Commercial insurance inpatient	23,686,650	18,857,816	185,080,344	177,050,040
Uncollectible accounts expense	4,486,287	3,988,717	38,395,451	34,617,310
Other payors	777,408	3,725,934	10,287,828	13,601,510
Deductions from revenue	209,979,675	204,884,162	1,759,022,616	1,653,983,532
Net patient revenue	\$ 53,215,935	\$ 49,844,938	\$ 455,805,477	\$ 466,237,581
Gross billed charges by patient type:				
Inpatient	\$ 130,200,066	\$ 134,022,311	\$ 1,122,214,868	\$ 1,145,792,152
Outpatient	102,267,009	90,744,958	827,534,083	715,000,364
Emergency room	30,728,535	29,961,830	265,079,142	259,428,596
Total	\$ 263,195,610	\$ 254,729,099	\$ 2,214,828,093	\$ 2,120,221,113

**SALINAS VALLEY HEALTH MEDICAL CENTER
STATEMENTS OF REVENUE AND EXPENSES
March 31, 2024**

	Month of March,		Nine months ended March 31,	
	current year	prior year	current year	prior year
Operating revenue:				
Net patient revenue	\$ 53,215,935	\$ 49,844,938	\$ 455,805,479	\$ 466,237,581
Other operating revenue	<u>1,120,312</u>	<u>1,259,573</u>	<u>9,861,505</u>	<u>7,610,514</u>
Total operating revenue	<u>54,336,247</u>	<u>51,104,511</u>	<u>465,666,984</u>	<u>473,848,095</u>
Operating expenses:				
Salaries and wages	17,073,137	17,092,063	150,042,155	154,572,504
Compensated absences	3,444,168	2,771,127	27,363,015	25,363,013
Employee benefits	8,499,764	7,835,465	76,429,788	69,460,389
Supplies, food, and linen	7,582,049	7,200,939	65,386,273	61,296,803
Purchased department functions	3,716,049	4,424,389	32,566,197	37,490,274
Medical fees	2,198,594	2,562,755	22,107,686	18,921,225
Other fees	2,192,685	3,182,995	20,476,049	26,644,274
Depreciation	2,453,368	1,879,470	21,616,977	18,507,794
All other expense	<u>1,713,069</u>	<u>2,613,161</u>	<u>15,558,090</u>	<u>14,356,188</u>
Total operating expenses	<u>48,872,883</u>	<u>49,562,364</u>	<u>431,546,230</u>	<u>426,612,464</u>
Income from operations	<u>5,463,364</u>	<u>1,542,147</u>	<u>34,120,754</u>	<u>47,235,631</u>
Non-operating income:				
Donations	270,645	167,066	2,604,212	5,759,969
Property taxes	333,333	333,333	3,000,000	3,000,000
Investment income	2,531,046	4,103,760	22,520,296	4,345,236
Taxes and licenses	0	0	0	0
Income from subsidiaries	<u>(4,114,285)</u>	<u>(3,285,756)</u>	<u>(40,997,876)</u>	<u>(31,168,725)</u>
Total non-operating income	<u>(979,261)</u>	<u>1,318,403</u>	<u>(12,873,368)</u>	<u>(18,063,520)</u>
Operating and non-operating income	4,484,102	2,860,550	21,247,386	29,172,111
Net assets to begin	<u>936,088,874</u>	<u>882,100,572</u>	<u>919,325,589</u>	<u>855,789,004</u>
Net assets to end	<u>\$ 940,572,976</u>	<u>\$ 884,961,121</u>	<u>\$ 940,572,975</u>	<u>\$ 884,961,115</u>
Net income excluding non-recurring items	\$ 4,484,102	\$ 2,860,550	\$ 21,247,386	\$ 29,172,111
Non-recurring income (expense) from cost report settlements and re-openings and other non-recurring items	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Operating and non-operating income	<u>\$ 4,484,102</u>	<u>\$ 2,860,550</u>	<u>\$ 21,247,386</u>	<u>\$ 29,172,111</u>

SALINAS VALLEY HEALTH MEDICAL CENTER
SCHEDULES OF INVESTMENT INCOME
March 31, 2024

	<u>Month of March,</u>		<u>Nine months ended March 31,</u>	
	<u>current year</u>	<u>prior year</u>	<u>current year</u>	<u>prior year</u>
Detail of income from subsidiaries:				
Salinas Valley Health Clinics				
Pulmonary Medicine Center	\$ (200,041)	\$ (242,922)	\$ (1,823,701)	\$ (1,496,508)
Neurological Clinic	(52,142)	(87,582)	(633,239)	(584,449)
Palliative Care Clinic	(104,060)	(75,161)	(815,953)	(632,457)
Surgery Clinic	(163,352)	(196,396)	(1,641,465)	(1,275,763)
Infectious Disease Clinic	(44,880)	(32,831)	(346,366)	(282,223)
Endocrinology Clinic	(219,792)	(222,732)	(2,085,328)	(1,526,427)
Early Discharge Clinic	0	0	0	0
Cardiology Clinic	(452,610)	(511,189)	(5,183,044)	(3,978,979)
OB/GYN Clinic	(378,048)	(400,421)	(3,687,774)	(2,778,235)
PrimeCare Medical Group	(708,607)	(365,165)	(7,735,313)	(5,225,567)
Oncology Clinic	(386,684)	(40,318)	(3,100,631)	(2,263,724)
Cardiac Surgery	(321,568)	(200,888)	(2,799,513)	(2,506,361)
Sleep Center	(68,071)	(54,247)	(500,328)	(301,220)
Rheumatology	(70,944)	(49,072)	(651,388)	(516,011)
Precision Ortho MDs	(445,839)	(584,704)	(4,327,660)	(3,262,916)
Precision Ortho-MRI	0	0	0	0
Precision Ortho-PT	(57,610)	(51,110)	(436,409)	(335,249)
Vaccine Clinic	0	0	16	(683)
Dermatology	(33,039)	19,610	(358,196)	(162,760)
Hospitalists	0	0	0	0
Behavioral Health	(47,622)	(40,200)	(446,456)	(294,783)
Pediatric Diabetes	(41,423)	(51,298)	(409,834)	(413,109)
Neurosurgery	(110,129)	(11,094)	(435,772)	(257,350)
Multi-Specialty-RR	2,022	(9,206)	23,273	70,666
Radiology	(155,270)	123,148	(2,785,417)	(1,521,481)
Salinas Family Practice	(99,587)	(86,066)	(1,218,500)	(896,500)
Urology	(173,391)	(11,201)	(1,555,613)	(804,138)
Total SVHC	(4,332,687)	(3,181,045)	(42,954,611)	(31,246,227)
Doctors on Duty	(39,737)	(151,217)	286,129	13,051
Vantage Surgery Center	0	0	0	0
LPCH NICU JV	0	0	0	(1,387,567)
Central Coast Health Connect	0	0	0	0
Monterey Peninsula Surgery Center	126,697	(61,616)	1,175,739	1,226,367
Coastal	48,817	8,257	96,226	(29,439)
Apex	0	0	0	0
21st Century Oncology	42,433	99,325	45,656	(53,380)
Monterey Bay Endoscopy Center	40,191	539	352,986	308,470
Total	<u>\$ (4,114,285)</u>	<u>\$ (3,285,756)</u>	<u>\$ (40,997,876)</u>	<u>\$ (31,168,725)</u>

SALINAS VALLEY HEALTH MEDICAL CENTER
BALANCE SHEETS
March 31, 2024

	<u>Current year</u>	<u>Prior year</u>
A S S E T S		
Current assets:		
Cash and cash equivalents	\$ 219,231,264	\$ 302,187,761
Patient accounts receivable, net of estimated uncollectibles of \$44,876,030	97,501,015	81,881,609
Supplies inventory at cost	7,839,589	7,555,263
Current portion of lease receivable	1,033,276	546,861
Other current assets	<u>21,866,166</u>	<u>20,133,266</u>
Total current assets	<u>347,471,311</u>	<u>412,304,760</u>
Assets whose use is limited or restricted by board	<u>165,022,784</u>	<u>157,466,029</u>
Capital assets:		
Land and construction in process	76,674,455	53,155,190
Other capital assets, net of depreciation	<u>172,449,225</u>	<u>189,498,797</u>
Total capital assets	<u>249,123,680</u>	<u>242,653,986</u>
Other assets:		
Right of use assets, net of amortization	6,958,849	5,622,496
Long term lease receivable	551,500	1,186,426
Subscription assets, net of amortization	7,404,479	0
Investment in Securities	253,138,221	145,056,247
Investment in SVMC	2,538,394	10,483,287
Investment in Coastal	1,777,867	1,614,262
Investment in other affiliates	22,494,189	19,950,434
Net pension asset	<u>(6,204,305)</u>	<u>(3,098,358)</u>
Total other assets	<u>288,659,194</u>	<u>180,814,794</u>
Deferred pension outflows	<u>116,911,125</u>	<u>95,857,027</u>
	<u>\$ 1,167,188,094</u>	<u>\$ 1,089,096,597</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	\$ 54,393,468	\$ 65,143,585
Due to third party payers	4,090,793	19,662,420
Current portion of self-insurance liability	20,518,736	18,644,064
Current subscription liability	4,297,497	0
Current portion of lease liability	<u>2,907,057</u>	<u>2,770,954</u>
Total current liabilities	86,207,551	106,221,022
Long term portion of workers comp liability	13,027,333	14,058,922
Long term portion of lease liability	4,267,580	3,101,049
Long term subscription liability	<u>2,850,575</u>	<u>0</u>
Total liabilities	<u>106,353,039</u>	<u>123,380,993</u>
Lease deferred inflows	1,470,015	1,642,999
Pension liability	<u>118,792,064</u>	<u>79,111,485</u>
Net assets:		
Invested in capital assets, net of related debt	249,123,680	242,653,986
Unrestricted	<u>691,449,293</u>	<u>642,307,133</u>
Total net assets	<u>940,572,973</u>	<u>884,961,119</u>
	<u>\$ 1,167,188,091</u>	<u>\$ 1,089,096,596</u>

SALINAS VALLEY HEALTH MEDICAL CENTER
STATEMENTS OF REVENUE AND EXPENSES - BUDGET VS. ACTUAL
March 31, 2024

	Month of March,				Nine months ended March 31,			
	Actual	Budget	Variance	% Var	Actual	Budget	Variance	% Var
Operating revenue:								
Gross billed charges	\$ 263,195,610	\$ 242,821,310	20,374,300	8.39%	\$ 2,214,828,093	\$ 2,112,013,250	102,814,843	4.87%
Deductions from revenue	209,979,675	191,582,454	18,397,221	9.60%	1,759,022,616	1,663,709,218	95,313,398	5.73%
Net patient revenue	53,215,935	51,238,856	1,977,079	3.86%	455,805,477	448,304,032	7,501,445	1.67%
Other operating revenue	1,120,312	1,332,540	(212,228)	-15.93%	9,861,505	11,992,860	(2,131,355)	-17.77%
Total operating revenue	54,336,247	52,571,396	1,764,851	3.36%	465,666,982	460,296,892	5,370,090	1.17%
Operating expenses:								
Salaries and wages	17,073,137	18,183,029	(1,109,892)	-6.10%	150,042,155	154,029,787	(3,987,632)	-2.59%
Compensated absences	3,444,168	2,463,975	980,193	39.78%	27,363,015	26,583,594	779,421	2.93%
Employee benefits	8,499,764	8,549,467	(49,703)	-0.58%	76,429,788	71,406,108	5,023,680	7.04%
Supplies, food, and linen	7,582,049	6,899,278	682,771	9.90%	65,386,273	61,216,799	4,169,474	6.81%
Purchased department functions	3,716,049	3,539,230	176,819	5.00%	32,566,197	31,853,063	713,134	2.24%
Medical fees	2,198,594	2,359,060	(160,466)	-6.80%	22,107,686	21,231,542	876,144	4.13%
Other fees	2,192,685	2,269,528	(76,843)	-3.39%	20,476,049	20,257,766	218,283	1.08%
Depreciation	2,453,368	2,173,882	279,486	12.86%	21,616,977	19,224,475	2,392,502	12.45%
All other expense	1,713,069	1,841,330	(128,261)	-6.97%	15,558,090	16,414,103	(856,013)	-5.22%
Total operating expenses	48,872,883	48,278,780	594,103	1.23%	431,546,230	422,217,237	9,328,993	2.21%
Income from operations	5,463,364	4,292,616	1,170,748	27.27%	34,120,752	38,079,655	(3,958,903)	-10.40%
Non-operating income:								
Donations	270,645	166,667	103,978	62.39%	2,604,212	1,500,000	1,104,212	73.61%
Property taxes	333,333	333,333	(0)	0.00%	3,000,000	3,000,000	0	0.00%
Investment income	2,531,046	1,185,806	1,345,240	113.45%	22,520,296	10,672,250	11,848,046	111.02%
Income from subsidiaries	(4,114,285)	(4,086,573)	(27,712)	0.68%	(40,997,876)	(35,836,013)	(5,161,863)	14.40%
Total non-operating income	(979,261)	(2,400,768)	1,421,506	-59.21%	(12,873,368)	(20,663,763)	7,790,395	-37.70%
Operating and non-operating income \$	4,484,103	\$ 1,891,848	2,592,255	137.02%	\$ 21,247,384	\$ 17,415,892	3,831,492	22.00%

SALINAS VALLEY HEALTH MEDICAL CENTER

PATIENT STATISTICAL REPORT

For the month of Mar and nine months to date

	<u>Month of Mar</u>		<u>Nine months to date</u>		<u>Variance</u>
	<u>2023</u>	<u>2024</u>	<u>2022-23</u>	<u>2023-24</u>	
<u>NEWBORN STATISTICS</u>					
Medi-Cal Admissions	42	31	338	309	(29)
Other Admissions	87	74	777	717	(60)
Total Admissions	129	105	1,115	1,026	(89)
Medi-Cal Patient Days	71	45	543	490	(53)
Other Patient Days	136	106	1,294	1,171	(123)
Total Patient Days of Care	207	151	1,837	1,661	(176)
Average Daily Census	6.7	4.9	6.7	6.0	(0.6)
Medi-Cal Average Days	1.8	1.6	1.7	1.7	0.0
Other Average Days	0.8	1.5	1.7	1.7	(0.0)
Total Average Days Stay	1.7	1.5	1.7	1.7	(0.0)
<u>ADULTS & PEDIATRICS</u>					
Medicare Admissions	403	362	3,622	3,363	(259)
Medi-Cal Admissions	345	281	2,665	2,395	(270)
Other Admissions	368	313	2,811	2,666	(145)
Total Admissions	1,116	956	9,098	8,424	(674)
Medicare Patient Days	1,543	1,509	15,408	13,732	(1,676)
Medi-Cal Patient Days	1,348	1,128	10,933	9,738	(1,195)
Other Patient Days	911	754	9,328	6,434	(2,894)
Total Patient Days of Care	3,802	3,391	35,669	29,904	(5,765)
Average Daily Census	122.6	109.4	129.7	108.7	(21.0)
Medicare Average Length of Stay	3.8	4.1	4.3	4.1	(0.2)
Medi-Cal Average Length of Stay	3.8	3.5	3.6	3.5	(0.0)
Other Average Length of Stay	2.5	1.9	2.7	1.9	(0.7)
Total Average Length of Stay	3.4	3.1	3.5	3.2	(0.3)
Deaths	32	32	229	237	8
Total Patient Days	4,009	3,542	37,506	31,565	(5,941)
Medi-Cal Administrative Days	0	27	81	32	(49)
Medicare SNF Days	0	0	0	0	0
Over-Utilization Days	0	0	0	0	0
Total Non-Acute Days	0	27	81	32	(49)
Percent Non-Acute	0.00%	0.76%	0.22%	0.10%	-0.11%

SALINAS VALLEY HEALTH MEDICAL CENTER

PATIENT STATISTICAL REPORT

For the month of Mar and nine months to date

	<u>Month of Mar</u>		<u>Nine months to date</u>		<u>Variance</u>
	<u>2023</u>	<u>2024</u>	<u>2022-23</u>	<u>2023-24</u>	
<u>PATIENT DAYS BY LOCATION</u>					
Level I	316	266	2,712	2,216	(496)
Heart Center	345	350	3,144	2,971	(173)
Monitored Beds	669	645	6,088	5,592	(496)
Single Room Maternity/Obstetrics	325	278	3,036	2,735	(301)
Med/Surg - Cardiovascular	877	933	8,416	7,588	(828)
Med/Surg - Oncology	290	294	2,502	2,523	21
Med/Surg - Rehab	462	426	4,723	4,100	(623)
Pediatrics	99	134	1,155	1,192	37
Nursery	207	151	1,837	1,661	(176)
Neonatal Intensive Care	114	65	1,242	987	(255)
<u>PERCENTAGE OF OCCUPANCY</u>					
Level I	78.41%	66.00%	76.14%	62.21%	
Heart Center	74.19%	75.27%	76.50%	72.29%	
Monitored Beds	79.93%	77.06%	82.29%	75.59%	
Single Room Maternity/Obstetrics	28.33%	24.24%	29.95%	26.98%	
Med/Surg - Cardiovascular	62.87%	66.88%	68.26%	61.54%	
Med/Surg - Oncology	71.96%	72.95%	70.24%	70.83%	
Med/Surg - Rehab	57.32%	52.85%	66.30%	57.55%	
Med/Surg - Observation Care Unit	0.00%	0.00%	0.00%	0.00%	
Pediatrics	17.74%	24.01%	23.42%	24.17%	
Nursery	40.47%	29.52%	20.32%	18.37%	
Neonatal Intensive Care	33.43%	19.06%	41.21%	32.75%	

SALINAS VALLEY HEALTH MEDICAL CENTER

PATIENT STATISTICAL REPORT

For the month of Mar and nine months to date

	<u>Month of Mar</u>		<u>Nine months to date</u>		<u>Variance</u>
	<u>2023</u>	<u>2024</u>	<u>2022-23</u>	<u>2023-24</u>	
<u>DELIVERY ROOM</u>					
Total deliveries	120	95	1,072	948	(124)
C-Section deliveries	35	26	347	299	(48)
Percent of C-section deliveries	29.17%	27.37%	32.37%	31.54%	-0.83%
<u>OPERATING ROOM</u>					
In-Patient Operating Minutes	19,715	15,899	183,147	141,597	(41,550)
Out-Patient Operating Minutes	31,128	31,837	243,228	265,728	22,500
Total	50,843	47,736	426,375	407,325	(19,050)
Open Heart Surgeries	10	13	125	99	(26)
In-Patient Cases	143	104	1,258	1,009	(249)
Out-Patient Cases	316	312	2,485	2,626	141
<u>EMERGENCY ROOM</u>					
Immediate Life Saving	47	45	293	333	40
High Risk	802	861	5,393	6,876	1,483
More Than One Resource	2,842	2,813	26,526	25,066	(1,460)
One Resource	1,774	1,837	18,792	16,995	(1,797)
No Resources	133	76	855	775	(80)
Total	<u>5,598</u>	<u>5,632</u>	<u>51,859</u>	<u>50,045</u>	<u>(1,814)</u>

SALINAS VALLEY HEALTH MEDICAL CENTER

PATIENT STATISTICAL REPORT

For the month of Mar and nine months to date

	Month of Mar		Nine months to date		Variance
	2023	2024	2022-23	2023-24	
CENTRAL SUPPLY					
In-patient requisitions	15,947	12,909	138,283	116,314	-21,969
Out-patient requisitions	10,832	11,225	85,083	93,723	8,640
Emergency room requisitions	893	643	6,652	6,423	-229
Interdepartmental requisitions	6,466	6,898	63,119	59,647	-3,472
Total requisitions	34,138	31,675	293,137	276,107	-17,030
LABORATORY					
In-patient procedures	39,006	35,978	358,838	328,649	-30,189
Out-patient procedures	11,238	41,866	93,345	249,054	155,709
Emergency room procedures	12,089	12,781	115,930	115,802	-128
Total patient procedures	62,333	90,625	568,113	693,505	125,392
BLOOD BANK					
Units processed	298	226	2,831	2,559	-272
ELECTROCARDIOLOGY					
In-patient procedures	1,163	1,090	10,133	9,878	-255
Out-patient procedures	471	365	3,208	3,507	299
Emergency room procedures	1,227	1,271	10,225	11,011	786
Total procedures	2,861	2,726	23,566	24,396	830
CATH LAB					
In-patient procedures	109	148	877	1,121	244
Out-patient procedures	88	135	728	1,081	353
Emergency room procedures	0	0	1	0	-1
Total procedures	197	283	1,606	2,202	596
ECHO-CARDIOLOGY					
In-patient studies	393	403	3,506	3,435	-71
Out-patient studies	313	271	2,162	2,513	351
Emergency room studies	0	1	11	9	-2
Total studies	706	675	5,679	5,957	278
NEURODIAGNOSTIC					
In-patient procedures	145	121	1,271	1,147	-124
Out-patient procedures	25	9	177	160	-17
Emergency room procedures	0	0	0	0	0
Total procedures	170	130	1,448	1,307	-141

SALINAS VALLEY HEALTH MEDICAL CENTER

PATIENT STATISTICAL REPORT

For the month of Mar and nine months to date

	Month of Mar		Nine months to date		Variance
	2023	2024	2022-23	2023-24	
SLEEP CENTER					
In-patient procedures	0	0	1	0	-1
Out-patient procedures	167	304	1,241	2,186	945
Emergency room procedures	0	0	1	0	-1
Total procedures	167	304	1,243	2,186	943
RADIOLOGY					
In-patient procedures	1,492	1,280	13,079	11,766	-1,313
Out-patient procedures	551	420	3,478	3,629	151
Emergency room procedures	1,449	1,560	13,662	13,379	-283
Total patient procedures	3,492	3,260	30,219	28,774	-1,445
MAGNETIC RESONANCE IMAGING					
In-patient procedures	135	175	1,328	1,296	-32
Out-patient procedures	112	108	904	1,003	99
Emergency room procedures	10	5	57	55	-2
Total procedures	257	288	2,289	2,354	65
MAMMOGRAPHY CENTER					
In-patient procedures	4,263	4,458	35,827	37,119	1,292
Out-patient procedures	4,223	4,447	35,499	36,715	1,216
Emergency room procedures	2	0	9	9	0
Total procedures	8,488	8,905	71,335	73,843	2,508
NUCLEAR MEDICINE					
In-patient procedures	21	14	174	177	3
Out-patient procedures	113	126	826	1,017	191
Emergency room procedures	0	0	2	2	0
Total procedures	134	140	1,002	1,196	194
PHARMACY					
In-patient prescriptions	92,243	85,667	868,734	760,540	-108,194
Out-patient prescriptions	17,689	16,232	134,435	141,966	7,531
Emergency room prescriptions	8,521	9,847	78,315	83,758	5,443
Total prescriptions	118,453	111,746	1,081,484	986,264	-95,220
RESPIRATORY THERAPY					
In-patient treatments	18,646	16,356	162,176	146,158	-16,018
Out-patient treatments	1,038	1,314	9,851	10,065	214
Emergency room treatments	354	441	3,643	4,521	878
Total patient treatments	20,038	18,111	175,670	160,744	-14,926
PHYSICAL THERAPY					
In-patient treatments	2,652	2,604	23,394	22,472	-922
Out-patient treatments	332	230	1,709	2,369	660
Emergency room treatments	0	0	2	0	-2
Total treatments	2,984	2,834	25,105	24,841	-264

SALINAS VALLEY HEALTH MEDICAL CENTER

PATIENT STATISTICAL REPORT

For the month of Mar and nine months to date

	<u>Month of Mar</u>		<u>Nine months to date</u>		<u>Variance</u>
	<u>2023</u>	<u>2024</u>	<u>2022-23</u>	<u>2023-24</u>	
OCCUPATIONAL THERAPY					
In-patient procedures	1,715	1,378	14,615	12,781	-1,834
Out-patient procedures	267	223	1,488	2,172	684
Emergency room procedures	0	0	0	0	0
Total procedures	<u>1,982</u>	<u>1,601</u>	<u>16,103</u>	<u>14,953</u>	<u>-1,150</u>
SPEECH THERAPY					
In-patient treatments	524	461	4,114	4,551	437
Out-patient treatments	32	31	234	349	115
Emergency room treatments	0	0	0	0	0
Total treatments	<u>556</u>	<u>492</u>	<u>4,348</u>	<u>4,900</u>	<u>552</u>
CARDIAC REHABILITATION					
In-patient treatments	0	0	1	11	10
Out-patient treatments	632	636	4,566	4,754	188
Emergency room treatments	0	0	0	0	0
Total treatments	<u>632</u>	<u>636</u>	<u>4,567</u>	<u>4,765</u>	<u>198</u>
CRITICAL DECISION UNIT					
Observation hours	<u>398</u>	<u>337</u>	<u>3,822</u>	<u>2,877</u>	<u>-945</u>
ENDOSCOPY					
In-patient procedures	75	87	764	692	-72
Out-patient procedures	57	58	545	502	-43
Emergency room procedures	0	0	0	0	0
Total procedures	<u>132</u>	<u>145</u>	<u>1,309</u>	<u>1,194</u>	<u>-115</u>
C.T. SCAN					
In-patient procedures	785	744	6,641	6,483	-158
Out-patient procedures	438	349	3,567	3,160	-407
Emergency room procedures	697	758	6,075	6,555	480
Total procedures	<u>1,920</u>	<u>1,851</u>	<u>16,283</u>	<u>16,198</u>	<u>-85</u>
DIETARY					
Routine patient diets	20,660	11,561	215,009	150,306	-64,703
Meals to personnel	23,295	28,908	222,962	254,810	31,848
Total diets and meals	<u>43,955</u>	<u>40,469</u>	<u>437,971</u>	<u>405,116</u>	<u>-32,855</u>
LAUNDRY AND LINEN					
Total pounds laundered	<u>108,367</u>	<u>98,908</u>	<u>920,482</u>	<u>873,505</u>	<u>-46,977</u>

Balanced Scorecard

Year To Date: February 2024

Monthly Scorecard Service (30%)

Organizational Goals by Pillar	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	FY 2024 Act/Proj	TARGET	Var %	FY 2023 Baseline
I. Service												
Average of Inpatient HCAHPS Scores	72.5	72.6	74.6	76.8	73.8	74.0	72.2	70.8	73.4	73.1	0.4%	72.6
<i># of Total Responses - IP</i>	139	189	136	92	138	120	141	136				
Emergency Room Press Ganey Score	63.4	59.4	57.5	53.0	54.8	59.8	53.3	61.9	57.9	58.5	-1.0%	58.0
<i># of Total Responses - ER</i>	223	193	195	224	169	161	195	146				
Average of Ambulatory HCAHPS Scores	92.4	91.6	92.3	90.6	92.9	96.4	93.6	95.8	93.2	92.1	1.2%	91.6
<i># of Total Responses - Ambulatory</i>	61	72	62	47	54	44	48	21				

Notes / Assumptions:

- Source: Press Ganey
- Based on monthly **received date**
- Based on top box scores (highest response possible on the survey scale: Yes, Definitely Yes, Always)
- IP HCAHPS Score FY 2023 Baseline was 72.6. Rationale: Baseline = Threshold is based on FY 2023 Actuals. Target is +0.5 from baseline. Max is +1.0 from baseline.
- ER HCAHPS Score FY 2023 Baseline was 58.0. Rationale: Baseline = Threshold is based on FY 2023 Actuals. Target is +0.5 from baseline. Max is +1.0 from baseline.
- Ambulatory HCAHPS Score FY 2023 Baseline was 91.6. Rationale: Baseline = Threshold is based on FY 2023 Actuals. Target is +0.5 from baseline. Max is +1.0 from baseline.

Monthly Scorecard

Quality & Safety Processes – ER (5%)

Organizational Goals by Pillar	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	FY 2024 Act/Proj	TARGET	Var %	FY 2023 Baseline
Emergency Room Efficiencies												
Median length of stay for non-admits (in minutes)	180.0	189.0	181.0	185.0	183.0	189.0	173.0	174.0	182.0	183.0	0.5%	180.0
Median time from admit decision to time of admission to nursing unit (in minutes)	75.5	71.0	73.0	71.0	76.0	79.0	80.0	77.0	75.0	74.0	-1.4%	76.0

Source: Meditech

ER - LOS for Non-Admits in Minutes: Data Criteria: Calculate the median LOS in minutes for ER Outpatients for each month & YTD for cases in ER (excludes inpatients and patients leaving against medical advice or left without being seen.) Maximum is based the FY23 Baseline. The Target is a 3 minute increase from the Max, and the Threshold is a 6 minute increase from the Max. **Rationale:** SVMH ER has recently experienced a higher volume level, including a surge of patients and provider turnover. According to CMS, the latest available data from 2021 indicates that the State Rate is 196 minutes and the National Rate is 203 minutes for comparable size hospitals.

ER - Time to Admit in Minutes: Data Criteria: Calculate the median time for inpatients from admit decision to time of admission to nursing unit in minutes (includes observation cases). Baseline = Threshold is based on FY 2023 Actuals. The Target is a 2 minute decrease from the Baseline, and the Max is a 4 minute decrease from the Baseline.

Rationale: The ER average daily census is currently averaging at about 186 patients a day compared to the baseline period of 128 (Jul21-Jan22), or a **45%** increase in ER census. We also have continued challenges with COVID and respiratory isolation. The vast increase of volume leads to limited space availability and delays. We have put forth a new initiative called the “Big 5 Handover Process”, which is a streamline handover process between the ED and nursing units, which may reduce admit time.

Monthly Scorecard

Quality & Safety Processes – OR & Cath Lab (5%)

Organizational Goals by Pillar	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	FY 2024 Act/Proj	TARGET	Var %	FY 2023 Baseline
Operating Room Efficiencies												
Turnover Time (Wheels out / Wheels in) (in minutes)	30.2	28.4	30.2	31.0	31.1	31.3	31.8	31.2	30.7	30.5	-0.5%	29.6
Cath Lab Efficiencies												
First Case - On Time Start %	N/A	N/A	N/A	N/A	79.5%	73.7%	88.6%	85.3%	81.8%	75.0%	9.0%	49.0%

OR Turnover Time Measurement: Source is from the **PICIS OR Nurse Record**. Calculate minutes elapsed between the wheels out & wheels in of the next case. Only cases where the time difference is less than or equal to 60 minutes will be included because breaks are often scheduled in a day. Due to MD availability, cases that exceed 60 threshold minutes will not count as a turnover. Excludes non-scheduled cases. Measurement applies to cases for the same physician and same room only. Data will be partitioned by actual date rather than previously scheduled date. **National benchmarks range from 25 to 38 minutes.** FY 2024 Goals are set at a level to continue high efficiency performance and strive to maintain sustainability at these levels. Planning to reduce minutes may cause patient safety risks and other concerns, especially considering the Covid-19 ongoing pandemic and the impact it has had in our hospital capacity as well as in our perioperative operations. Additionally, our OPS department has moved over to the other side of the building into 1 Main, which means the nurse, anesthesiologist and surgeon now have to go that distance to interview and mark the patient. While this isn't a huge distance, it can add 1-2 minutes to each start and/or turnover.

Cath Lab Percentage of 1st case On Time Start Time

- Source is from Meditech Community Wide Scheduling for the first case scheduled in each Cath Lab, where the scheduled time is from 7:00 am to 9:00 am
- Conscious sedation patients prepped and draped 5 minutes before the scheduled start time as measured by "Patient Ready" note charted in McKesson/CPACS
- Anesthesia patients prepped and draped within 60 minutes of scheduled start time as measured by "Patient Ready" note charted in McKesson/CPACS
- *Measurement period is from November 2023 through June 2024.* This is due to adjustments made to the Cath Lab scheduling policy, provider notification and implementation time.

Monthly Scorecard

Quality & Safety Processes – HAC & Hand Hygiene (10%)

Organizational Goals by Pillar	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	FY 2024 Act/Proj	TARGET	Var %	FY 2023 Baseline
Hospital Acquired Conditions Index (Weighted Total)	N/A	N/A	8.3	N/A	N/A	4.3	N/A	N/A	6.3	3.9	-62.8%	4.2
Hand Hygiene (Average Number of Observations Per Quarter Per Nursing Unit)	N/A	N/A	N/A	N/A	N/A	198	N/A	N/A	198	100	98.0%	60

Hospital Acquired Conditions

Source: National Healthcare Safety Network (NHSN) & BD Health Insight Interface

Hospital Acquired Conditions will be measured **quarterly**

Rationale for Targets: Utilizing CMS/NHSN/Magnet benchmarks and last years FY targets for sustainment and ongoing prevention practices. Process improvement measures for Falls, HAPIs, CLABSI, CAUTI, CDI and SSI processes are in place.

- **Falls with injury:** NDNQI Magnet benchmark 0.5- our outcomes in FY2022 and FY2023 are meeting the benchmarks
- **HAPI-** stage 2 and Deep tissue injuries are added to the CMS measures already reported (currently stage 3,4 and unstageable events are reported)- goal expanded. No current benchmark. We have already improved the outcomes in FY 2023 over FY 2021- we are proposing to keep/sustain the current outcomes. Displayed as a rate: number of pressure injuries /over 1000 patient days.
- **CLABSI** (Central Line Associated Bloodstream Infection), Health & Human Services 2023 Goal for CLABSI: SIR <0.50. An HAI Event can create increases above the benchmark SIR due to low utilization. Example: FY Q2 2021 1 CLABSI increased the SIR to 0.63. We will utilize a rate methodology: number of infections/ over 1000 line days – this rate is not risk adjusted like the SIR rate is but it provides us with the ability to display outcome measures after the close of the month instead of waiting from NHSN for benchmarked data. This is important for rapid continuous improvement work.
- **CAUTI** (Catheter Associated Urinary Tract Infection) Health & Human Services 2023 Goal for CAUTI: SIR <0.75. An HAI Event(s) can create increases above the benchmark SIR due to low utilization. Example: FY Q4 2022 1 CAUTI increased the SIR to 0.72 .We will utilize a rate methodology: number of infections/ over 1000 line days – this rate is not risk adjusted like the SIR rate is but it provides us with the ability to display outcome measures after the close of the month instead of waiting from NHSN for benchmarked data.
- **CDI** (Clostridium Difficile Infection), Health & Human Services 2023 Goal for CDI: SIR <0.70. We will utilize a rate methodology: number of infections/ over 1000 patient days – this rate is not risk adjusted like the SIR rate is but it provides us with the ability to display outcome measures after the close of the month instead of waiting from NHSN for benchmarked data.
- **SSI** (Surgical Site Infections), Health and Human Services 2023 Goal for SSI <0.70. We will utilize a rate methodology: number of infections/ over 1000 procedure days – this rate is not risk adjusted like the SIR rate is but it provides us with the ability to display outcome measures after the close of the month instead of waiting from NHSN for benchmarked data.

Hand Hygiene

Source: Hand Hygiene Auditing Tool populated by SVHMC staff, Goal is to reach 100 observations/quarter/unit –Leapfrog minimum recommended goal

Because this is a new program, the measurement period starts October 1st and the first measurement period will be available for FY24 Q2

Monthly Scorecard

Finance (20%)

Organizational Goals by Pillar
IV. Finance
Income from Operations (Normalized & Adjusted) (\$ in Millions)
Operating Margin (Normalized)

Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	FY 2024 Act/Proj	TARGET	Var %
\$3,317	\$5,915	\$6,601	\$5,278	\$2,646	\$5,928	\$10,993	\$4,031	\$67,062	\$50,681	32.3%
6.6%	11.1%	12.4%	10.2%	5.2%	10.9%	17.7%	7.9%	9.4%	8.2%	14.7%

FY 2023 Baseline
\$79,748
12.4%



Notes / Assumptions:

- Target Methodology is based on SVHMC's 100% of FY 2024 Board Approved Annual Operating Budget (in dollars).
- *Targets/actuals will be adjusted for FY24 for any negative impacts from the Anthem negotiations.*

Monthly Scorecard

Growth (10%)

Organizational Goals by Pillar
V. Growth
Percentage of Medicare Patients with <u>Post Discharge Follow Ups</u> within 14 days for an Inpatient Encounter (Attributed to SVH Clinics; Medicare Shared Savings Program and Aspire)
Robotic-Assisted Surgeries (DaVinci X1 System Only)
Expand Epic Access for Hospital Departments (view access to Ambulatory Medical Record)

Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	FY 2024 Act/Proj	TARGET	Var %	FY 2023 Baseline
N/A	N/A	70.5%	N/A	N/A	62.2%	N/A	N/A	69.0%	70%	-1.4%	60.7%
16	21	25	35	28	27	16	17	185	124	49.2%	113
N/A	N/A	3	N/A	N/A	0	N/A	N/A	3	6	-50.0%	3

- **Post Discharge Follow Up:** The eligible population is approximately 13,000 (MSSP=9768 and Aspire=3315). The denominator will consist of any hospital discharges for this eligible population. The numerator will consist of those patients with a post-discharge follow-up within 14 days. [Data will be provided quarterly.](#)
- **Robotic Surgery:** The volume of robotic-assisted surgeries attributed to use of DaVinci system only. Currently 4 surgeons are using the robot. Plan for expansion to urology. [Data will be provided monthly](#) and will be broken down by physician and procedure category.
- **Expanded Epic Access:** Plan is to provide access to various hospital departments with emphasis on departments with clinical staff.
 - Areas of emphasis for FY 2024: L&D, ONS (4th Floor), Med Surg (3rd Floor), Critical Care (1Main), 3rd Tower, 4th Tower, ICU, Telemetry
 - Rollout will require implementation plan and resources to ensure success/adoption
 - Important for care continuity, especially medication reconciliation
 - [Data will be provided quarterly.](#)
 - [As of February 2024, 6 departments have been completed \(HIM, PFS, Lab, Case Management, PDOC, Pathology\)](#)

Monthly Scorecard Community (5%)

Organizational Goals by Pillar	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	FY 2024 Act/Proj	TARGET	Var %	FY 2023 Baseline
VI. Community												
Increase community engagement through a newly designed employee outreach program resulting in community benefit events involving Salinas Valley Health staff. (Number of events)	0	0	0	0	0	1	2	0	3	2	50.0%	NA



- The Community Pillar team will engage employees to create an employee outreach program, designing various program elements and characteristics such as:
 - Method of measuring impact/benefit provided to the community
 - Measurement of employee/family/friends engagement
 - Alignment with Community Benefit Funding
 - Addresses issues identified in Community Health Needs Assessment
 - Communication strategy
 - Measurement and reporting structure
 - Objectives and goals
 - Employee driven
 - Sustainability
 - Processes such as applications and approvals

- The Community Pillar team will engage employees to execute the created employee outreach program resulting in community benefit events.

- Engagement Events:
 1. Christmas in Closer Park, December 4th
 2. Martin Luthor King Day of Service Events, January 15th & January 20th
 3. The next event is April 21st in collaboration with Salinas Regional Sports Complex. This will feature the Mobile Clinic, SVH service lines, a park clean up and other.

Questions / Comments?



APPENDIX

Monthly Scorecard

Quality & Safety Processes – HAC Detail

Organizational Goals by Pillar	Jul	Aug	Sep	Q1	Oct	Nov	Dec	Q2	FY 2024 Act/Proj	TARGET	Variance	Var %	FY 2023 Baseline
Hospital Acquired Conditions Index													
Falls With Injury, Occurance Rate (16.7% Weight)	0.00	0.00	0.74	0.25	0.24	0.47	0.22	0.31	0.28	0.18	-0.1	-51.3%	0.26
# of FALLS EVENTS	0	0	3	3	1	2	1	4					
HAPI Stages 2-4 and Unstageable Rate (16.7% Weight)	1.57	3.41	2.53	2.50	1.45	2.00	0.95	1.47	1.98	2.03	0.0	2.2%	2.03
# of HAPI EVENTS	6	12	9	27	5	7	4	16					
Surgical Site Infections Rate (16.6% Weight)	10.81	0.00	0.00	3.60	0.00	6.80	0.00	2.27	2.94	0.80	-2.1	-268.3%	0.80
# of SSI EVENTS	2	0	0	2	0	1	0	1					
CLABSI Rate (16.7% Weight)	0.00	2.15	0.00	0.72	0.00	0.00	0.00	0.00	0.36	0.27	-0.1	-31.3%	0.41
# of CLABSI EVENTS	0	1	0	1	0	0	0	0					
CAUTI Rate (16.7% Weight)	1.54	0.00	1.44	0.99	0.00	0.00	0.00	0.00	0.50	0.36	-0.1	-39.9%	0.47
# of CAUTI EVENTS	1	0	1	2	0	0	0	0					
CDI Rate (16.6% Weight)	0.29	0.30	0.00	0.20	0.30	0.29	0.27	0.29	0.24	0.23	0.0	-5.5%	0.25
# of CDI EVENTS	1	1	0	2	1	1	1	3					
Hospital Acquired Conditions Index (Weighted Total)				8.26				4.33	6.29	3.87	-2.4	-62.8%	4.22
Hand Hygiene (Average Number of Observations Per Quarter Per Nursing Unit)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	198	198	100			

**Capital Spending Update
Active Projects Approved By The Board
Status As Of: March 2024 YTD**

Rolf Norman & Dave Sullivan

FY24 YTD March Capital Spending, Active Projects

Board Approvals Capital Projects From BOD Minutes Through March 2024						
	(1) Project Name	(2) Board Approved Month	(3) Board Approved Amount	(4) FY2024 Spend	(5) Total Project Spend Since Inception	(6) Under / (Over) Spend Since Inception
1	Parking Garage Annex Design/Build	Mar 20, Jan 21, Jul 21, & Jan 22	\$32,500,000	\$10,228,633	\$28,832,324	\$3,667,676
1a	Medical Center Campus Painting	Sep. 2023 (transfer from garage)	\$3,500,000	\$19,425	\$19,425	\$3,480,575
2	Surgery Addition + Seismic Retrofit, Master Plan	Aug 2019 & Sep 2019 & April 2022	\$12,821,264	\$754,715	\$7,793,980	\$5,027,284
2a	Surgery Addition/Patient Tower (included in #2)			\$0	\$1,012,462	
2b	Seismic Retrofit (included in #2)			\$750,831	\$1,336,730	
2c	Welcome Center (included in #2)			\$0	\$99,067	
3	Renovations to 559 Abbott Street for Urology Services	Sep. 2022	\$3,379,628	\$1,956,995	\$2,859,588	\$520,040
4	CT Equipment Replacement Project,	Aug 2022	\$3,139,050	\$467,376	\$748,688	\$2,390,362
5	Nuclear Medicine Equipment Replacement	Aug 2022	\$3,002,053	\$1,511,740	\$1,839,314	\$1,162,739
6	Elevator Modernization	December 2021	\$2,600,000	\$525,433	\$1,521,479	\$1,078,521
7	Bulk Oxygen tank replacement project	Aug 2022, Oct 2022	\$2,800,000	\$334,490	\$850,581	\$1,949,419
8	SVH Rebranding (Capital Portion - Signage)		\$1,878,690	\$364,822	\$414,877	\$1,463,813
9	HR Replacement system - Workday (Capital Portion)	June 2023	\$1,423,692	\$1,233,631	\$1,233,631	\$190,061
10	Cath Lab 3 Replacement	October 2023	\$3,600,000	\$40,414	\$40,414	\$3,559,586
11	Angio Suite Replacement	October 2023	\$3,300,000	\$21,263	\$21,263	\$3,278,737
12	212 San Jose Street Renovation Cardio/Vascular	October 2023	\$500,000	\$96,650	\$96,650	\$403,350
Total			\$74,444,377	\$17,555,587	\$46,272,214	\$28,172,163
Other projects:						
13	IT Switches, Servers, Network, Computers, AV Upgrades.	N/A		\$1,004,082		
14	All Other SVMH/SVMC Capital Spending	N/A		\$2,232,493		
Grand Total				\$20,792,162		

*QUESTIONS /
COMMENTS?*

ADJOURNMENT