



**NOTICE AND AGENDA
PALM DRIVE HEALTH CARE DISTRICT**

**FINANCE COMMITTEE
Special Meeting**

**OPEN SESSION 3:30 p.m.
January 22, 2018**

Sonoma West Medical Center

Conference Room
501 Petaluma Avenue
Sebastopol, CA 95472
(707) 823-3586

Our Vision: Through engagement with our diverse West County population the district will promote improved health and wellbeing.

Our Mission: Palm Drive Health Care District exists to deliver access to quality and compassionate health services responsive to the needs of our District.

Our Values: Integrity- Leadership – Caring - Perseverance

PLEASE TURN YOUR CELL PHONES OFF

CALL TO ORDER

ROLL CALL

APPROVAL OF AGENDA

PUBLIC COMMENTS

Comments from the audience will be accepted for items listed on the agenda. Questions may be referred to staff for response at a later time. Please limit your comments to 3 minutes.

CONSENT CALENDAR

1. Approval of the Finance Committee Meeting Minutes of December 18, 2017 (Action)(G. Thomas)

DISCUSSION AND ACTION ITEMS

1. Introduction of New Members. (Discussion)(G.Thomas)
2. Overview of the Finance Committee Business for New Members. (Discussion)(G.Thomas)
3. Review of PDHCD December Financials. (Action)(G. Thomas/G Houston)

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|--|--------------------------------|
| 4. Review of the First Six Months of the Fiscal Year and Budget Review For January 2018 through June 2018. | (Action)(G. Thomas/G. Houston) |
| 5. Discussion, Consideration and Possible Action on Back Issues Of Finance Items: <ul style="list-style-type: none"> • Bank Charges for SWMC Account • C-Arm – July 2015 | (Action)(G. Thomas/G. Houston) |
| 6. Reconsideration of the Time/Date Calendar for 2018. | (Action)(G.Thomas) |
| 7. Discussion, Consideration and Possible Action on the Hospital Electrical Panel Replacement Contract/Payment. | (Action)(A.Brogan) |
| 8. Cell Tower Update. | (Discussion)(A.Brogan) |
| 9. Discussion, Consideration and Possible Action on Reserve Account For the District. | (Action)(A.Brogan/G. Thomas) |
| 10. Discussion, Consideration and Possible Action on Setting Up a Reserve Account for Prime Grant Funds. | (Action)(A.Brogan/G.Thomas) |

ADJOURNMENT

Palm Drive Health Care District

Members of the public have the right to speak on any item on the published agenda. If you wish to speak at a regular meeting about a matter not on the published agenda, please make your comments during the portion of the meeting designated for Public Comments. Please limit your remarks to three minutes. Please note that, with some exceptions, the District Board does not engage in discussion or take action on non-agenized matters. However, the board may respond briefly to public comments, refer matters to staff; ask questions for clarification, or schedule matters for future agenda. Materials related to open session items on this agenda that are submitted to the Board or committee after distribution of the agenda packet are available for public inspection during normal business hours at 612 Petaluma Avenue, Sebastopol, CA.

Consent Items:

The Board agenda may include items on a consent calendar. Consent calendar items are routine matters or matters which have been reviewed by the board previously. These items may be approved by one motion without discussion unless a board member requests that the item be taken off the consent calendar. Items removed from the consent calendar will be taken up upon completion of action on the remainder of the items on the consent calendar.

American Disability Act (ADA)

The Sonoma West Medical Center complies with ADA (American Disabilities Act) requirements and upon request, will attempt to reasonably accommodate individuals with disabilities by making meeting material available in appropriate alternative formats (pursuant to Government Code Section 54953.2). Anyone requiring reasonable accommodation to participate in the meeting should contact Janet Harris, Executive Assistant at (707) 823-3586.

PALM DRIVE HEALTH CARE DISTRICT FINANCE COMMITTEE

Minutes

Purpose: Palm Drive Health Care District Finance Committee Meeting

Date/Time: December 18, 2017

**Location: Sonoma West Medical Center
Conference Room
501 Petaluma Avenue
Sebastopol, CA 95472**

Call to Order by Director Thomas, Treasurer at 3:05 p.m.

ROLL CALL

Gail Thomas, PDHCD Board Treasurer.... Present

Jim Horn, PDHCD Board Member..... Present

Rob Cary, MemberPresent

Administrative Staff/Others Present

Geni Houston, Elephant Ear Systems

Bill Arnone, Legal Counsel

John Peleuses, CEO, SWMC

Alanna Brogan, PDHCD Executive Director

APPROVAL OF THE AGENDA

Motion to approve agenda as published, moved by Director Horn and Seconded by Member Cary which motion passed unanimously, with a yea vote by Director Thomas.

PUBLIC COMMENTS

None

CONSENT CALENDAR

Motion to approve the Minutes of November 20, 2017 with the correction of Cary being a Member and not a Consultant made by Director Horn, Seconded by Member Cary, which motion passed unanimously.

DISCUSSION/ ACTION ITEMS

1. Review of the November Financials and Budget Overview.

Ms. Houston reviewed financial information provided in the agenda packet.

Discussion ensued concerning the lease payable liabilities and bankruptcy and possible changes needed.

Director Thomas gave an overview of the Cash Accounting Spreadsheet that was also provided in the agenda packet.

2. Discussion, Consideration and Possible Action on 90 Day Review of Time/Date Calendar for the PDHCD Finance Committee.

After discussion it was determined that the Finance Committee would continue to meet on the third (3rd) Monday of the month with a new starting time of 3:00 p.m. with a motion made by Director Horn, Seconded by Member Cary which passed unanimously.

3. Discussion, Consideration and Possible Action on Bond Refinancing.

Ms. Brogan reviewed the report included in the agenda packet.

4. Review of the Beta HealthCare Group WC Dividend.

Ms. Brogan reviewed the letter received from Beta Healthcare Group concerning the \$7,410.19 work comp dividend received.

ADJOURNMENT

There being no further business the meeting was adjourned at 4:09 p.m.

Respectively Submitted
Janet Harris
Clerk of the Board

10:12 AM
01/19/18
Accrual Basis

Palm Drive Healthcare District
Balance Sheet
As of December 31, 2017

	Dec 31, 17	Nov 30, 17	\$ Change
ASSETS			
Current Assets			
Checking/Savings			
Cash			
1000-00 · EB Operating 4276	1,692,567.39	435,082.29	1,257,485.10
1002-02 · EB Bkpcy Con 6292	125,442.81	125,462.13	-19.32
1001-00 · EB SWMC Clear 9508	208,598.03	1,341.37	207,256.66
Total Cash	2,026,608.23	561,885.79	1,464,722.44
Restricted Cash			
1009-12 · WF 8805 2010 Secured	10,361.44	10,353.54	7.90
1009-23 · WF 8300 2005 Bond	1,647,879.70	1,151,854.77	496,024.93
1009-50 · WF 8801 2010 Reserve	980,674.63	979,926.80	747.83
1900 · GO Bond Reserve SCAO (Non Cash)	697,592.97	697,592.97	0.00
Total Restricted Cash	3,336,508.74	2,839,728.08	496,780.66
Total Checking/Savings	5,363,116.97	3,401,613.87	1,961,503.10
Other Current Assets			
1061 · Due from SWMC	3,320.50	3,320.50	0.00
1062 · Property Tax Receivable	-155,681.38	-181,629.38	25,948.00
1069-01 · Parcel Tax Receivable.	-157,913.17	1,334,780.00	-1,492,693.17
1069-02 · Due to/From Prima Medical Group	-33,643.43	0.00	-33,643.43
1107 · Prepaid Deposits	15,539.51	18,061.81	-2,522.30
Total Other Current Assets	-328,377.97	1,174,532.93	-1,502,910.90
Total Current Assets	5,034,739.00	4,576,146.80	458,592.20
Fixed Assets			
Property Plant & Equipment			
1265 · CIP-NPC2 Work	604,073.29	604,073.29	0.00
1245 · Leased Assets Farnam	2,237,901.03	2,237,901.03	0.00
1241 · Major Moveable Equipment	8,446,172.84	8,446,172.84	0.00
1221 · Hospital Buildings	3,830,747.69	3,830,747.69	0.00
1230 · Leasehold Improvements	734,627.28	734,627.28	0.00
1201 · Land	5,876,900.00	5,876,900.00	0.00
1210 · Land Improvements	34,492.65	34,492.65	0.00
1285-00 · Accum Dep Farnam Leased Assets	-2,741,738.20	-2,698,363.20	-43,375.00
1275-00 · Accum Dep Fixed Equip	-8,766,523.96	-8,700,437.96	-66,086.00
1271-00 · Accum Dep Hosp Bldg	-2,525,418.32	-2,507,320.32	-18,098.00
1260-00 · Accum Dep Land Impr	-34,493.18	-34,493.18	0.00
Total Property Plant & Equipment	7,696,741.12	7,824,300.12	-127,559.00
Total Fixed Assets	7,696,741.12	7,824,300.12	-127,559.00
TOTAL ASSETS	12,731,480.12	12,400,446.92	331,033.20
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
2020 · Post Petition AP	17,757.99	14,665.14	3,092.85
2020-99 · Pre-Petition Liabilities			
2021-00 · Pre Petition Trade Payables	6,762,791.05	6,762,791.05	0.00
2029-99 · Escheatment Refunds	140,273.08	140,273.08	0.00
2030-00 · Wages & Benefits	1,299,276.33	1,299,276.33	0.00
2020-99 · Pre-Petition Liabilities - Other	91,261.00	91,261.00	0.00
Total 2020-99 · Pre-Petition Liabilities	8,293,601.46	8,293,601.46	0.00
Total Accounts Payable	8,311,359.45	8,308,266.60	3,092.85
Other Current Liabilities			
2040 · SWMC AR Held	211,466.20	3,773.81	207,692.39
2014-10 · Accrued Bond Interest Pay	473,540.82	371,335.57	102,205.25
2063-10 · Cost Report Liability Medicare	233,178.01	238,445.98	-5,267.97

10:12 AM

Palm Drive Healthcare District

01/19/18

Balance Sheet

Accrual Basis

As of December 31, 2017

	Dec 31, 17	Nov 30, 17	\$ Change
2064 · Unearned Revenue - GO Bond	697,592.97	697,592.97	0.00
24000 · Payroll Liabilities	0.00	-4,976.56	4,976.56
Total Other Current Liabilities	1,615,778.00	1,306,171.77	309,606.23
Total Current Liabilities	9,927,137.45	9,614,438.37	312,699.08
Long Term Liabilities			
2270-00 · Bonds Payable			
2255-00 · 2000 Go Bonds Payable (BYM)	3,950,000.00	3,950,000.00	0.00
2274-01 · 2005 Revenue Bonds Payable	6,320,000.00	6,320,000.00	0.00
2274-02 · 2010 Bonds Payable	9,535,000.00	9,535,000.00	0.00
Total 2270-00 · Bonds Payable	19,805,000.00	19,805,000.00	0.00
2271-99 · Leases Payable			
2271-00 · Notes & Loan Pay Non curr	31,267.00	31,267.00	0.00
2271-02 · Note Payable GE C Arm	57,385.65	57,385.65	0.00
2271-05 · Lease payable Farnam	1,750,106.59	1,750,106.59	0.00
Total 2271-99 · Leases Payable	1,838,759.24	1,838,759.24	0.00
Total Long Term Liabilities	21,643,759.24	21,643,759.24	0.00
Total Liabilities	31,570,896.69	31,258,197.61	312,699.08
Equity			
Restricted Fund Balance	2,988,108.00	2,988,108.00	0.00
Unrestricted Fund Balance	-21,044,791.74	-21,044,791.74	0.00
32000 · Retained Earnings	-1,047,454.42	-1,047,454.42	0.00
Net Income	264,721.59	246,387.47	18,334.12
Total Equity	-18,839,416.57	-18,857,750.69	18,334.12
TOTAL LIABILITIES & EQUITY	12,731,480.12	12,400,446.92	331,033.20

Palm Drive Healthcare District
Profit & Loss Budget vs. Actual Reporting Month
December 2017

	Dec 17	Budget	\$ Over Budget
Ordinary Income/Expense			
Income			
4000 - Revenue			
Parcel Tax Revenue CY Attached	187,563.00	187,563.00	0.00
Parcel Tax Revenue Detached	79,393.00	79,393.00	0.00
Property Tax Revenue CY	25,948.00	25,948.00	0.00
Cell Tower	0.00	3,500.00	-3,500.00
Misc Revenue	7,855.17	2,000.00	5,855.17
Interest Income	1,791.87	200.00	1,591.87
Total 4000 - Revenue	<u>302,551.04</u>	<u>298,604.00</u>	<u>3,947.04</u>
Total Income	<u>302,551.04</u>	<u>298,604.00</u>	<u>3,947.04</u>
Gross Profit	<u>302,551.04</u>	<u>298,604.00</u>	<u>3,947.04</u>
Expense			
Operating Expenses			
Staff Expenses			
Salaries & Wages	22,912.00	18,316.67	4,595.33
Payroll Tax Expense	2,843.80	1,401.23	1,442.57
Employee Benefits	185.19	1,079.50	-894.31
Worker's Compensation	0.00	183.17	-183.17
Total Staff Expenses	<u>25,940.99</u>	<u>20,980.57</u>	<u>4,960.42</u>
Professional Services			
Bookkeeping	2,000.00	2,000.00	0.00
Legal Fees General	9,900.00	10,000.00	-100.00
Legal Bankruptcy	4,153.56	30,000.00	-25,846.44
Professional Fees Other	0.00	5,000.00	-5,000.00
Total Professional Services	<u>16,053.56</u>	<u>47,000.00</u>	<u>-30,946.44</u>
Office Expenses (H)			
Bank Charges	455.05	200.00	255.05
IT / Computer Expense	486.63	500.00	-13.37
Licenses and Fees	0.00	100.00	-100.00
Rent	0.00	1,275.00	-1,275.00
Storage	0.00	420.00	-420.00
Supplies	11.50	250.00	-238.50
Utilities (Tel/PGE)	252.03	300.00	-47.97
Total Office Expenses (H)	<u>1,205.21</u>	<u>3,045.00</u>	<u>-1,839.79</u>
Directors Expense (H)			
Cont Education	50.16	1,115.00	-1,064.84
Ins Exp D&O/Property	2,522.30	2,700.00	-177.70
Total Directors Expense (H)	<u>2,572.46</u>	<u>3,815.00</u>	<u>-1,242.54</u>
Total Operating Expenses	<u>45,772.22</u>	<u>74,840.57</u>	<u>-29,068.35</u>
Contractual Payments			
Bankruptcy Contingency	0.00	25,100.00	-25,100.00
Medical Records	7,296.08	4,000.00	3,296.08

Palm Drive Healthcare District
Profit & Loss Budget vs. Actual Reporting Month
 December 2017

	Dec 17	Budget	\$ Over Budget
Building Maintenance	0.00	10,000.00	-10,000.00
Interest Exp Cost Report or CMS	384.37	488.00	-103.63
Total Contractual Payments	7,680.45	39,588.00	-31,907.55
Community Health Services			
West County Community Services	0.00	166.67	-166.67
General Community Health	0.00	983.33	-983.33
Sponsorship	0.00	500.00	-500.00
West County Health (H)			
RRARA	0.00	500.00	-500.00
Total West County Health (H)	0.00	500.00	-500.00
Senior Centers	1,000.00	0.00	1,000.00
Total Community Health Services	1,000.00	2,150.00	-1,150.00
Non - Operating (Revenue) / Exp			
NonOp Inc/Exp Parcel Tax Refund	0.00	2,066.67	-2,066.67
Exp - Bond Interest Exp	102,205.25	102,205.25	0.00
Total Non - Operating (Revenue) / Exp	102,205.25	104,271.92	-2,066.67
Depreciation Header			
Dep Exp - Cap Lse Eq	43,375.00	43,375.00	0.00
Dep Exp - Major Mov Eq	66,086.00	66,086.00	0.00
Dep Exp - Bld & Improvements	18,098.00	18,098.00	0.00
Total Depreciation Header	127,559.00	127,559.00	0.00
Total Expense	284,216.92	348,409.49	-64,192.57
Net Ordinary Income	18,334.12	-49,805.49	68,139.61
Net Income	18,334.12	-49,805.49	68,139.61

Palm Drive Healthcare District
Profit & Loss Budget vs. Actual YTD
 July through December 2017

	Jul - Dec 17	Budget	\$ Over Budget
Ordinary Income/Expense			
Income			
4000 - Revenue			
Parcel Tax Revenue CY Attached	1,125,378.00	1,125,378.00	0.00
Parcel Tax Revenue Detached	476,358.00	476,358.00	0.00
Property Tax Revenue CY	155,688.00	155,688.00	0.00
Prime Grant/IGT Income	0.00	750,000.00	-750,000.00
CMSP Income	250,384.88		
Cell Tower	20,000.00	41,000.00	-21,000.00
Misc Revenue	14,226.66	12,000.00	2,226.66
Interest Income	10,819.25	1,200.00	9,619.25
Total 4000 - Revenue	<u>2,052,854.79</u>	<u>2,561,624.00</u>	<u>-508,769.21</u>
Total Income	<u>2,052,854.79</u>	<u>2,561,624.00</u>	<u>-508,769.21</u>
Gross Profit	2,052,854.79	2,561,624.00	-508,769.21
Expense			
Operating Expenses			
Staff Expenses			
Salaries & Wages	101,683.00	109,900.02	-8,217.02
Payroll Tax Expense	10,326.32	8,407.38	1,918.94
Employee Benefits	2,020.14	6,477.00	-4,456.86
Worker's Compensation	0.00	1,099.02	-1,099.02
Total Staff Expenses	<u>114,029.46</u>	<u>125,883.42</u>	<u>-11,853.96</u>
Professional Services			
Accounting	5,290.00	0.00	5,290.00
Bookkeeping	13,660.91	12,000.00	1,660.91
Legal Fees General	70,853.32	115,000.00	-44,146.68
Legal Bankruptcy	26,230.32	173,000.00	-146,769.68
Professional Fees Other	4,826.41	30,000.00	-25,173.59
Total Professional Services	<u>120,860.96</u>	<u>330,000.00</u>	<u>-209,139.04</u>
Office Expenses (H)			
Bank Charges	2,394.68	9,000.00	-6,605.32
IT / Computer Expense	7,737.29	3,800.00	3,937.29
Licenses and Fees	25.00	600.00	-575.00
Rent	0.00	7,650.00	-7,650.00
Storage	2,340.00	2,520.00	-180.00
Supplies	1,348.83	1,500.00	-151.17
Utilities (Tel/PGE)	2,514.96	1,800.00	714.96
Total Office Expenses (H)	<u>16,360.76</u>	<u>26,870.00</u>	<u>-10,509.24</u>
Directors Expense (H)			
Cont Education	8,445.07	9,315.00	-869.93
Ins Exp D&O/Property	15,133.80	19,368.00	-4,234.20
Total Directors Expense (H)	<u>23,578.87</u>	<u>28,683.00</u>	<u>-5,104.13</u>
Total Operating Expenses	<u>274,830.05</u>	<u>511,436.42</u>	<u>-236,606.37</u>

Palm Drive Healthcare District
Profit & Loss Budget vs. Actual YTD
 July through December 2017

	Jul - Dec 17	Budget	\$ Over Budget
Contractual Payments			
Bankruptcy Contingency	0.00	150,600.00	-150,600.00
CMSP Cost Report *	50,076.98	0.00	50,076.98
Medical Records	32,288.46	24,000.00	8,288.46
Prime Grant/IGTContract Exp	0.00	375,000.00	-375,000.00
Prime Grant/IGT to SWMC	0.00	375,000.00	-375,000.00
Building Maintenance	43,370.48	60,000.00	-16,629.52
Interest Exp Cost Report or CMS	2,476.15	2,928.00	-451.85
Total Contractual Payments	128,212.07	987,528.00	-859,315.93
Community Health Services			
West County Community Services	0.00	1,000.02	-1,000.02
General Community Health	150.00	5,899.98	-5,749.98
Sponsorship	0.00	3,000.00	-3,000.00
District Comm Services Various	645.58	0.00	645.58
Bodega Bay Fire Services	0.00	11,000.00	-11,000.00
West County Health (H) RRARA	3,000.00	3,000.00	0.00
Total West County Health (H)	3,000.00	3,000.00	0.00
Senior Centers	2,400.00	0.00	2,400.00
Total Community Health Services	6,195.58	23,900.00	-17,704.42
Non - Operating (Revenue) / Exp			
NonOp Inc/Exp Parcel Tax Refund	310.00	4,133.34	-3,823.34
Exp - Bond Interest Exp	613,231.50	613,231.50	0.00
Total Non - Operating (Revenue) / Exp	613,541.50	617,364.84	-3,823.34
Depreciation Header			
Dep Exp - Cap Lse Eq	260,250.00	260,250.00	0.00
Dep Exp - Major Mov Eq	396,516.00	396,516.00	0.00
Dep Exp - Bld & Improvements	108,588.00	108,588.00	0.00
Total Depreciation Header	765,354.00	765,354.00	0.00
Total Expense	1,788,133.20	2,905,583.26	-1,117,450.06
Net Ordinary Income	264,721.59	-343,959.26	608,680.85
Net Income	264,721.59	-343,959.26	608,680.85

District Finance Committee: January 23,2018 Meeting-- 6-month Budget Review

Changes Based on Actual Activity:

1. **Income:** Has been adjusted based on actual receipts in tax payments upward but with similar adjustment to Prime Grant downward again based on actuals. The Cell Tower income began later than expected but is now on track. The CMSP was an unexpected bonus.
2. **Total Operating Expenses:** the combination of the various savings recommended below as adjustments and careful management over the past six months have yielded significant savings in operating expenses.
3. **Building Maintenance:** The item reflects actual costs during the first six months. It also should be noted that our insurance covered mold and fire issues although there is a \$20K deductible which we will be paying out in the next six months.
4. **Directors' Expenses:** the insurance item under Director's expenses includes the insurance which is both D&O and building insurance for the hospital facility. The adjustment is minor but reflects actual cost. There have been savings in continuing education because Directors have been generally unavailable for the programs offered; however, it is anticipated that the next 6 months will see participation.
5. **Prior District Debt:** the CMSP Cost Report was not included as an expense item expected during the past 6 months but developed as a \$50K+ expense which allows for us to collect over \$250K income which was also not expected. It resulted in a \$200K+ advantage as noted above and shown under income.

Recommended Adjustments:

1. **Staff Expenses:** The Executive Director has indicated that she will continue for the next 6 months so the staff expenses have been adjusted accordingly including adding the additional payroll for the month of June.
2. **Bookkeeping:** The bookkeeping requirement has increased with the substantial increase in deposits from income pass through for the hospital. The bookkeeper requests a \$500/month upward adjustment.
3. **Bankruptcy Legal:** The budgeted cost has been reduced significantly based on lower actual expenses during the first 6 months and projected expenses for the next six months.
4. **IT/Computer:** The line item has been increased reflecting the unexpected purchase of new equipment last Fall but also we have significantly decreased the ongoing maintenance costs.
5. **Rent:** There will be no need to pay rent during the next six months
6. **Prior District Debt:** The Medical Records as an expense have been reviewed for cost savings and, unfortunately, we cannot provide any easy solution. In fact, the continual need for record recovery from storage has resulted in adding slightly to the Medical Records line item.
7. **Community Health:** Various minor adjustments have been proposed to add a total of a little over \$5000 to the Community Health budget to continue efforts in community outreach.

General Comment: Based on the experience of the past 6 months, I believe the District Operating Budget should be maintained on a cash on hand basis of \$400K in the operating account to allow for prudent financial management. That said, I would like to recommend we set aside (on an accounting basis) approximately \$50K/mo against the potential cost of bond fee/fines as we move

ahead. If done, that would mean having an additional \$300K by the end of June which would remain in the Operating Fund but would allow us to handle any contingency. This is reflected in the spread sheets attached. The cash base in the Operating Fund by the beginning of the new fiscal year would be slightly less than \$400K plus the set aside of potentially \$300K. This is directly the result of careful fiscal management allowing us to have a reallocated budget with over \$200K savings in operating expenses for the year and the advantage of additional tax revenue. The FY2018-19 budget will, of course, review these positions and make such recommendations for the next year as are appropriate.

Gail Thomas

Treasurer, Palm Drive Health Care District

January 4, 2018

Steven Day
Chief Engineer
Sonoma West Medical Center
501 Petaluma Avenue
Sebastopol, CA 95472

Subject: Electrical Panel Replacement Project

Re: Architectural Services Contract

Thank you for the opportunity to present this contract for Architectural Services. Steven Ferrara Architect shall provide Design services consisting of: field visits, coordinating design criteria with other design consultants, to replace an existing failed emergency electrical distribution panel. Documents shall be created to propose the replacement of the electrical panel to meet current 2016 California Building Codes (Title 24).

I. PROJECT DESCRIPTION

Architectural services are based on the information as investigated by the architect to document existing conditions, floor plan of existing spaces. ~~The telemetry replacement shall replace the existing system throughout the facility.~~ ^{10/16/18}

The 2016 California Building Code requirements (Title 24) shall be used as the design guide for the above described scope of work. A licensed contractor under a separate contract with the owner shall perform all work as approved by the Office of the Statewide Health Planning and Development.

II. SCOPE OF SERVICES

- A. ARCHITECTURAL services shall include:
1. Meeting with Owner to review scope of project and prepare Construction Documents.
 2. Perform site visits of Facility to document existing conditions.
 3. Coordinate the project with OSHPD for submittal review in Sacramento.
 4. Coordinate with Electrical & Structural Engineering for the design requirements.
 5. Attend project meetings
 6. Submit project for permit review

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laferraraarchitect@gmail.com

CONSTRUCTION ADMINISTRATION

Construction Administration shall be provided on an hourly basis. Construction administration services are estimated at \$100.00 per hour and are estimated at 10 hours per week, not to exceed 40 hours per month without written approval by the client to exceed. Construction administration services shall begin after oshpd permit is obtained.

III. SERVICES NOT INCLUDED

1. Changes to the scope of work.
3. All government agency review and permit fees.
4. Blue print costs (reproduction costs).
5. Civil engineering.
6. Asbestos investigation.
7. Air Balance Report.
8. Construction Scheduling or other related activities
9. Handicap accessibility requirements
10. Industrial Hygeinest Report (mold investigation)
11. Measuring existing electrical panel loads.
13. Inspection services
14. Electrical Engineering

IV. ARCHITECTURAL SERVICES FEE

Fees are subject to be billed on an hourly basis of \$150.00 per hour. For the scope of work described above the following fee has been estimated. The balance will be due monthly. Final payment shall be paid upon project construction documents submittal to the Office of the Statewide Planning and Development for review and approval.

Architectural Services for the above listed scope of work shall not exceed the fee.....\$16,500.00

Structural Engineering Services for the above listed scope of work shall not exceed the fee.....\$4,500.00

Construction Administration: 30 hours at \$100.00 per hour.....\$3,000.00

Total Design Services Fees.....\$24,000.00

V. **ADDITIONAL SERVICES** (Owner-requested, in writing)

Services requested beyond those included in this the above referenced scope of work from government agencies or Client are not included in this fee and are subject to be billed on an hourly basis of \$150.00 per hour, or as mutually agreed between Architect and Client.

• **Limits of Liability** In recognition of the relative risks and benefits of the project to both the Client and Architect, the risks have been allocated such that the Client agrees, to the fullest extent permitted by law, to limit the liability of the Architect and Architect's consultants to the Client on the project for any claims, losses, costs, damages of any nature whatsoever or claims expenses from any causes, so that the total aggregate liability of the Architect and consultants to all those named shall not exceed the Architect's total fee for services rendered on this project. Such claims and causes include, but are not limited to negligence, professional errors or omissions, strict liability, breach of contract or warranty.

• **Attorneys' Fees** In the event of any litigation arising from or related to the services provided under this agreement, the prevailing party will be entitled to recovery of all reasonable costs incurred, including staff time, court costs, attorneys' fees and other related expenses.

? • **Ownership of Instruments of Service** All reports, plans, specifications, field data and notes and other documents, including all documents on electronic media, prepared by the Architect as instruments of service shall remain the property of the Architect, and may not be reproduced without the consent of the Architect.

• **Interest** Payments will be issued monthly if payment is not received by the Architect within 30 calendar days of the invoice date, the Client shall pay as interest an additional charge of (0.83) percent of the PAST DUE amount per month. Payment thereafter shall be applied to accrued interest and then to the unpaid principal.

• **Indemnification** In addition, and notwithstanding any other provisions of this Agreement, the Client agrees, to the fullest extent permitted by law, to indemnify and hold harmless the Architect, its officers, directors, employees and sub consultants (collectively, Consultant) against all damages, claims, liabilities or costs including reasonable attorneys' fees and defense costs, arising out of or in any way connected with this Project or the performance by any of the parties above named of the services under this Agreement, excepting only those damages, liabilities or costs attributed to the negligent acts or negligent failure to act by the Architect.

• **Site Safety** Client/Contractor agrees that the sole and complete responsibility for job site conditions during the course of construction of the project shall be with the Contractor, including site safety of all persons and property, that this requirement shall apply continuously and not be limited to normal working hours and that the Client/Contractor shall defend, indemnify and hold the Architect harmless from all liability in connection with this project.

• **Hidden Conditions** A condition is considered hidden if concealed by existing finishes, incorrectly reported by the Client, or is not capable of investigation by reasonable visual observation. If the Architect has reason to believe that such a condition may exist, the Client shall authorize and pay for all costs associated with the investigation of such a condition and, if necessary, all costs necessary to correct said condition. If the Client fails to authorize such investigation or correction after due notification, or the Architect has no reason to believe that such a condition exists, the Client is responsible for all risks associated with this hidden condition, and the Architect shall not be held responsible for the existing condition, its impact on project economics or constructability nor any damages to persons or property as a result of structural failure which could have been foreseen had the hidden condition not existed, or investigated.

• **ADA Compliance** The Americans with Disabilities Act (ADA) provides that alterations to a facility must be made in such a manner that, to the maximum extent feasible, the altered portions of the facility are readily accessible to persons with disabilities. The Client acknowledges that the requirement of the ADA will be subject to various and possibly contradictory interpretations. The Consultant, therefore, will use its reasonable professional efforts and judgment to interpret applicable ADA requirements and other federal, state and local laws, rules, codes, ordinances and regulations as they apply to the Project. The Consultant, however, cannot and does not warrant or guarantee that the Client's Project will comply with all interpretations of the ADA requirements and/or the requirements of other federal, state and local laws, rules, codes, ordinances and regulations as they apply to this project. (This scope of work is currently not in the contract for services.)

• **Suspension of Services** If Client fails to make payments when due or otherwise is in breach of this agreement, the Architect may suspend performance of services upon five (5) calendar days' notice to the Client. The Architect shall have no liability whatsoever to the Client for any costs or damages as a result of such suspension caused by any breach of this agreement by the Client.

• **Termination of Services** This agreement may be terminated by the Client or the Architect upon 5 days written notice should the other fail to perform its obligations thereunder. In the event of termination, the Client shall pay the Architect for all services and all reimbursable expenses rendered to the date of termination.

Please sign your approval and return one copy for our files. Thank you for the opportunity to be of service to the Sonoma West Medical Center. If you have any questions, please contact me.

Very truly yours,



Steven Ferrara, Architect

Accepted by:



Sonoma West Medical Center
Legal Owner

1-16-18

Date



Steven Ferrara
Architect - C 26104

1/4/18

Date