

**AGENDA**  
**JOINT MEETING OF THE**  
**EL CAMINO HOSPITAL BOARD OF DIRECTORS**  
**AND THE FINANCE COMMITTEE**

**Monday, July 27, 2020 – 5:30pm**  
 El Camino Hospital | 2500 Grant Road Mountain View, CA 94040

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

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

**ECH BOARD MISSION:** To heal, relieve suffering, and advance wellness as your publicly accountable health partner.

**FINANCE COMMITTEE PURPOSE:** To provide oversight, information sharing and financial reviews related to budgeting, capital budgeting, long-range financial planning and forecasting, and monthly financial reporting for the El Camino Hospital Board of Directors. In carrying out its review, advisory and oversight responsibilities, the Committee shall remain flexible in order to best define financial strategies that react to changing conditions.

| AGENDA ITEM  | PRESENTED BY   |                       | ESTIMATED TIMES                        |
|--|--|-----------------------|--|
| <b>1. CALL TO ORDER/ROLL CALL</b>  | Lanhee Chen, Board Chair                                       |                       | <b>5:30 – 5:31pm</b>                   |
| <b>2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES</b>   | Lanhee Chen, Board Chair                                       |                       | <b>information<br/>5:31 – 5:32</b>     |
| <b>3. PUBLIC COMMUNICATION</b><br>a. Oral Comments<br><i>This opportunity is provided for persons in the audience to make a brief statement, not to exceed three (3) minutes on issues or concerns not covered by the agenda.</i><br>b. Written Correspondence | Lanhee Chen, Board Chair                                       |                       | <b>information<br/>5:32 -5:35</b>      |
| <b>4. REVIEW AND DISCUSS UPDATE ON PREVIOUSLY APPROVED SWAP TRANSACTION</b><br><a href="#">ATTACHMENT 4</a>  | Michael Moody, Interim CFO;<br>Chuck Kirkpatrick, Ponder & Co. |                       | <b>discussion<br/>5:35 – 5:50</b>      |
| <b>5. ADJOURN TO CLOSED SESSION</b>  | Lanhee Chen, Board Chair                                       | <i>public comment</i> | <b>motion required<br/>5:50 – 5:51</b> |
| <b>6. POTENTIAL CONFLICT OF INTEREST DISCLOSURES</b>   | Lanhee Chen, Board Chair                                       |                       | <b>information<br/>5:51 – 5:52</b>     |
| <b>7. Health and Safety Code Section 32106(b) for a report and discussion involving health care facility trade secrets:</b><br>- FY21 Initial Forecast & FY21 Budget – New Services and Programs   | Dan Woods, CEO;<br>Michael Moody, Interim CFO                  |                       | <b>discussion<br/>5:52 – 6:42</b>      |
| <b>8. ADJOURN TO OPEN SESSION</b>  | Lanhee Chen, Board Chair                                       |                       | <b>motion required<br/>6:42 – 6:43</b> |
| <b>9. RECONVENE OPEN SESSION/ REPORT OUT</b><br>To report any required disclosures regarding permissible actions taken during Closed Session.  | Lanhee Chen, Board Chair                                       |                       | <b>information<br/>6:43 – 6:44</b>     |

| AGENDA ITEM   | PRESENTED BY                                  |                       | ESTIMATED TIMES                                |
|---|---|-----------------------|--|
| <b>10. FY21 INITIAL FORECAST AND FY21 BUDGET</b><br><a href="#">ATTACHMENT 10</a> | Dan Woods, CEO;<br>Michael Moody, Interim CFO |                       | <b>discussion</b><br><b>6:44 – 6:54</b>        |
| <b>11. ADJOURNMENT</b>  | Lanhee Chen, Board Chair                      | <i>public comment</i> | <b>motion required</b><br><b>6:54 – 6:55pm</b> |

**Upcoming Regular ECH Board Meetings:** August 12, 2020; October 14, 2020; November 11, 2020; December 9, 2020; February 10, 2021; March 10, 2021; April 7, 2021; May 12, 2021; June 9, 2021

**EL CAMINO HOSPITAL BOARD OF DIRECTORS  
JOINT MEETING MEMO**

**To:** ECH Board & Finance Committee  
**From:** Michael Moody, Interim CFO  
**Date:** July 27, 2020  
**Subject:** Forward Swap Transaction

**Purpose:** The objective is to present the proposed Forward Starting Fixed Interest Rate Swap transaction (“Swap”) and the objective of the transaction to the ECH Board and Finance Committee. This transaction was previously approved by the ECH Board with a six month window of execution in mid-December 2019. The six month window has expired and management would like to have the authority to consider execution of this transaction for an additional six month window.

**Summary:**

1. **Situation:** The Board of ECH previously approved a resolution that gave management the authority for six months to execute a forward interest rate swap. Due to the transition at the CFO position, the instability of the interest rate market for a period of time, and the necessary focus of the interim CFO on items related to the COVID-19 pandemic, the initial six (6) month window expired. With the help of Ponder & Company, ECH’s outside financial adviser, I have analyzed this opportunity and recommend that it is prudent for management to have the ability to execute this transaction going forward. Interest rates are at very favorable rates today and this transaction would give the organization an opportunity to lock in today’s rates ahead of an opportunity to refinance the current 2015 bonds in 2025. Our representative in this area from Ponder will be presenting an overview of the proposed transaction and the potential economic benefits at the meeting.

A transaction of this structure is not risk free. The types of risk include: 1) maintenance of the current credit rating, 2) that ECH would have access to debt markets in 2025, 3) ECH will be able to renew the current bank Letter of Credit (LOC) that supports the 2015 bonds, and 4) due to fundamental issues in the U.S. economy, the interest rates that ECH would be subject to are negative in 2025.

As you will see in the Fiscal Year 2021 budget presentation, ECH currently enjoys a AA rating from Standard & Poor’s. The basis for this rating is the strength of the balance sheet, specifically the size of the investment portfolio and resulting Days Cash on Hand coupled with the current low percentage of leverage on the balance sheet as measured by the Debt to Equity percentage. Financially prudent maintenance of the balance sheet between now and 2025 will manage the risks outlined in numbers 1 through 3 above. I would recommend that the Finance Committee review the rating metrics on an annual basis with management as updated medians are released by Standard & Poor’s. The fourth risk is macro in nature and is not something that ECH can tactically manage. For that reason management is recommending that we limit the Swap to approximately one-third (1/3) of the outstanding par amount of the 2015 bonds or \$40 million dollars. Both management and Ponder feel that this is a prudent approach.

The basics of the Swap have been negotiated with Citibank (“Citi”) and are covered in the attached presentation. ECH has negotiated competitive terms as part of the transaction. Our legal counsel and Ponder & Company were instrumental in achieving this.

This is being brought forward as part of the joint Finance Committee/Board meeting for approval due to the current interest rate markets, as outlined in the attached presentation. Normally, a transaction of this type would be brought to the Finance Committee and then separately to the Board

Forward Swap Transaction  
July 27, 2020

once a recommendation is provided by the Finance Committee. Because of the current markets, management is bringing this forward for action at the Joint Meeting and appreciates your willingness to consider the Swap in this fashion.

2. Authority: Due to the nature and size of the transaction along with the risks, this transaction requires the approval of the ECH Board of Directors.
3. Background: See Summary.
4. Assessment: After all estimated transaction costs, at today's interest rates, ECH will be in a position to lock in interest rates that are 110 basis points (1.1%) lower than today's fixed interest rates. This equates to an interest rate of 1.6% in 2025 when the 2015 outstanding bonds can be refinanced.
5. Other Reviews: None
6. Outcomes: Board approval of the resolution authorizing management to execute the Swap in the next six months.

**List of Attachments:**

1. Forward Starting Fixed Payer Swap Presentation – Ponder & Co.
2. Resolution 2020-07 (authorizing management the authority to carry out the transaction)

**Suggested Committee Discussion Questions:**

1. Is the Finance Committee and the Board comfortable with the risks and mitigation tactics addressing the risks to execute the Swap?



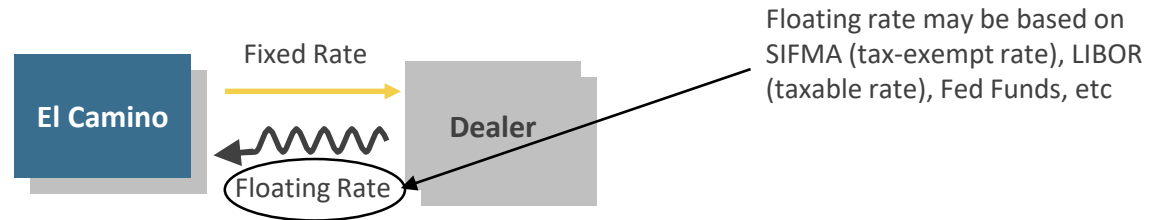
# El Camino Hospital

Forward Starting Fixed Payer Swap

July 27, 2020

# Interest Rate Swap

## Exchange of Cash Flows



An interest rate swap is a contract to exchange cash flows

Cash flow is based on a “notional” amount

- No exchange of principal, only an exchange of cash flows
- Notional is used as the base on which to calculate payments (notional x interest rate = payment)

A swap is independent of bonds that are hedged

- Bonds can be redeemed (called) without impacting the swap
- Swap can be terminated without changing the bonds

The most common use of swaps involves the exchange of a fixed rate for a variable rate, “Fixed Payer”

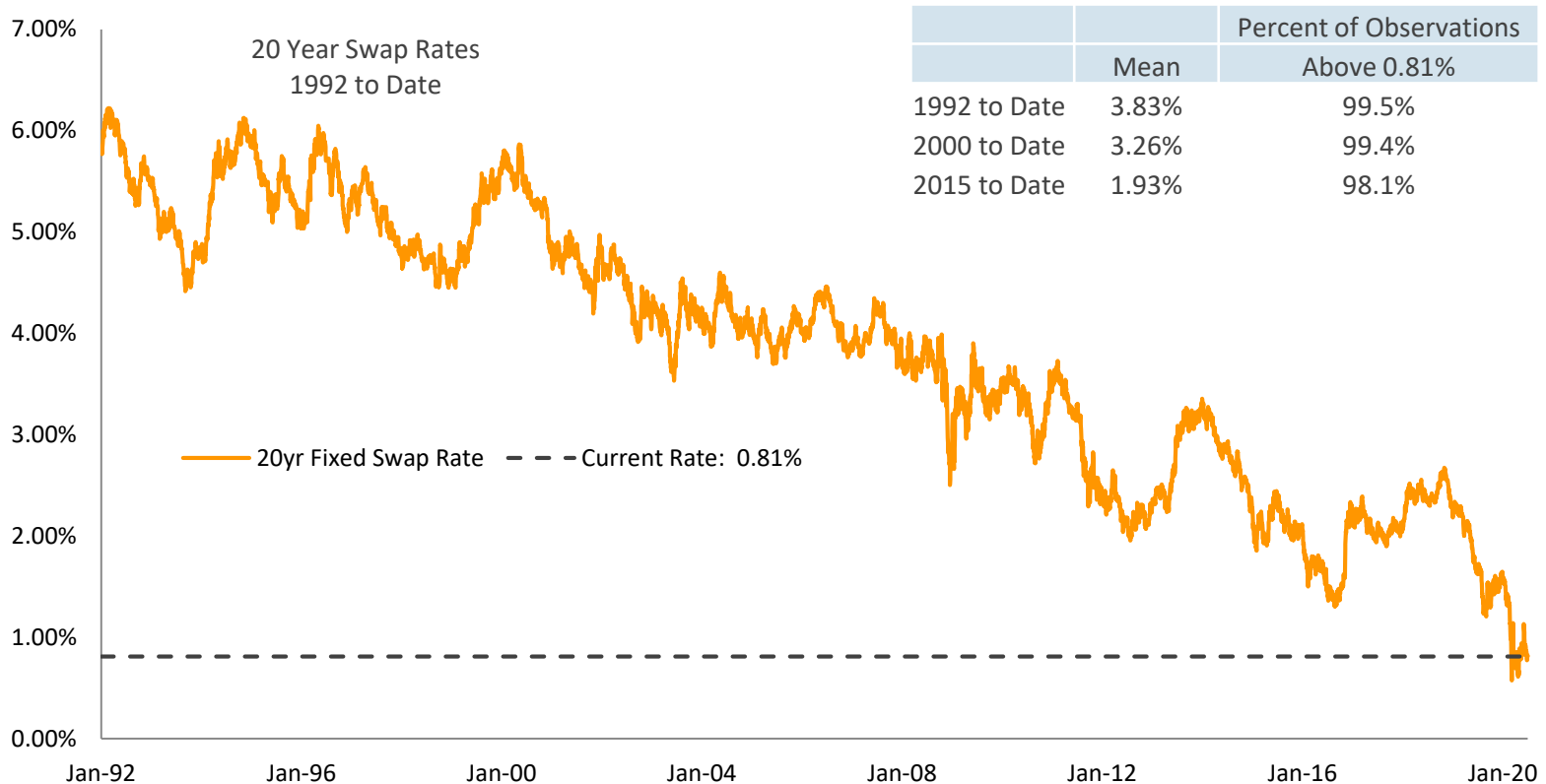
- Borrower pays fixed rate to effect “synthetic fixed” debt when the swap is combined with floating rate bonds
- In exchange, the borrower receives a variable rate to offset variable interest cost on bonds

# Why is ECH Considering an Interest Rate Swap?

## Interest Rates are very low

- Current 20 year swap rate is 0.81%

An interest rate swap can be used to lock in low long term rates on a future bond issue

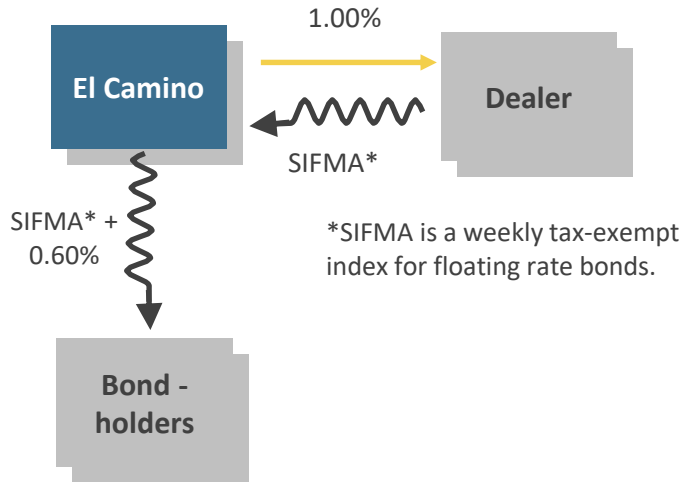


### Notes and Assumptions

Graph shows 20 year muni swap rates at mid.

# Objectives in Using an Interest Rate Swap

## Lock in Rates



\*SIFMA is a weekly tax-exempt index for floating rate bonds.

El Camino's 2015A Bonds are callable February 1, 2025

The traditional tax-exempt market does not have an efficient vehicle for locking-in rates today for a future bond issue

As an alternative, ECH can enter into a forward-starting fixed payer swap with an effective date that coincides with the call date of the 2015A Bonds. Swap cash flow would not be exchanged until the effective date.

### Main Risks with Forward Starting Fixed Payers

- Financing Risk – The structure of the bonds will not be known until 2025 therefore ECH will not know its cost of capital until the refunding bonds are issued
- Basis Risk – Floating rate on the swap is SIFMA which is expected to correlate with ECH's debt
- MTM Risk - Despite the delayed effective date of the swap, MTM will change as soon as the swap is executed

| Component                          | Current      |
|------------------------------------|--------------|
| Pay Fixed Swap Rate                | 1.00%        |
| Receive Floating Swap Rate (SIFMA) | (0.11%)      |
| Pay Bond Holders (SIFMA)           | 0.11%        |
| Pay Bond Support Costs             | 0.60%        |
| <b>Cost of Capital</b>             | <b>1.60%</b> |

Compare to fixed rate bond of 2.70%.

### Notes and Assumptions

Swap pricing as of July 15, 2020

60 bp support cost is an estimate given the current environment

Assumes amortization matching 2015A Bonds from 2025 through maturity.

Includes estimated transaction costs.



# Overview of Swap Risks

## Review of Risks

- Issuance Risk – Lack of access to the markets in 2025 could leave ECH with an unneeded swap.
- Basis Risk – ECH’s variable interest cost is expected to closely track SIFMA, however there may be divergences for reasons such as credit changes.
- Renewal Risk – Bank support for variable rate debt is generally available for 5 – 10 years. In order to fully realize any refunding savings, the bank support would have to be renewed.
- MTM Risk – The swap value will change with long term swap rates. MTM risk will begin before the swap is effective. See Table on this slide.
- Negative Rate Risk – If SIFMA becomes negative, ECH may be making payments on the “receive leg” of the swap. Negative long term rates could cause MTM to be lower than shown in the table.
- Collateral Posting Risk – Collateral posting risk is not considered likely unless ECH is downgraded.
- Counterparty Risk – Risk that the swap counterparty is unable to fulfill its obligations.

| <i>Estimated MTM Risk</i> |                      | <b>Pro-forma Fixed Payer</b> |
|---------------------------|----------------------|------------------------------|
| Change in Swap Rates      | Long Term Swap Rates | Estimated MTM                |
| -0.80%                    | 0.10%                | (5,540,000)                  |
| -0.40%                    | 0.50%                | (2,150,000)                  |
| 0.00%                     | 0.90%                | (570,000)                    |
| 0.50%                     | 1.40%                | 1,250,000                    |
| 1.00%                     | 1.90%                | 3,000,000                    |
| 1.50%                     | 2.40%                | 4,660,000                    |

In order to reduce risk, El Camino is considering hedging approximately 1/3 of the future refunding

- \$117,290,000 bonds callable 2/1/2025
- Contemplated swap notional ~ \$40,000,000

Reduces potential impact of risks

# MTM and Collateral Posting Risk

Citi has Offered Higher Collateral Thresholds – Mitigates Risk of Posting Collateral

Collateral posting is based on

- El Camino Hospital credit rating
- MTM of all swaps with Citi

ECH is rated A1 (Moody's) and AA (Standard & Poor's)

- Current threshold is \$15 million
- After the new swap and associated documents are executed, El Camino's collateral threshold will be \$50 million
- \$50 million threshold will apply to the combined MTM of the two swaps

| Change in Swap Rates | Long Term Swap Rates | <u>Pro-forma PLUS</u>                         |  |
|----------------------|----------------------|---|--|
|                      |                      | <u>Pro-forma Fixed Payer</u><br>Estimated MTM | <u>Existing Fixed Payer</u><br>Estimated MTM |
| -0.80%               | 0.10%                | (5,540,000)                                   | (18,500,000)                                 |
| -0.40%               | 0.50%                | (2,150,000)                                   | (14,090,000)                                 |
| 0.00%                | 0.90%                | (570,000)                                     | (11,530,000)                                 |
| 0.50%                | 1.40%                | 1,250,000                                     | (8,580,000)                                  |
| 1.00%                | 1.90%                | 3,000,000                                     | (5,740,000)                                  |
| 1.50%                | 2.40%                | 4,660,000                                     | (3,030,000)                                  |

| Credit Rating (M/S&P)   | <u>Collateral Thresholds</u> |            |
|-------------------------|------------------------------|------------|
|                         | Current                      | Pro-forma  |
| Aaa / AAA               | 25,000,000                   | 65,000,000 |
| Aa1 to Aa3 & AA+ to AA- | 20,000,000                   | 65,000,000 |
| A1 / A+                 | 15,000,000                   | 50,000,000 |
| A2 / A                  | 15,000,000                   | 25,000,000 |
| A3 / A-                 | 10,000,000                   | 10,000,000 |
| Baa1 / BBB+ or lower    | - 0 -                        | - 0 -      |

## Notes and Assumptions

Swap MTM estimates as of 7/15/2020

Assumes swap amortizations match 2015A Bonds

MTM estimates assume non-negative rates

# Summary and Next Steps

El Camino can lock in today's historically low rates in anticipation of refunding its 2015A Bonds in 2025

- Long term swap rates are near all time lows

Risk of adverse outcome is mitigated by a relatively small swap relative to El Camino's debt and balance sheet

- Uncertainty regarding market conditions and debt structures available in 2025
- MTM risk
- El Camino credit

## ***Check List***

|                                   |                     |
|-----------------------------------|---------------------|
| Risk Analysis and Board Education | ✓                   |
| Board Approval                    | TBD                 |
| Swap Documents                    | ✓                   |
| Dodd Frank Requirements           | ✓                   |
| Swap Execution                    | Subject to approval |

EL CAMINO HOSPITAL

RESOLUTION OF THE BOARD OF DIRECTORS

AUTHORIZATION OF FORWARD STARTING INTEREST RATE HEDGE

JULY 27, 2020

Background:

In presentations made on December 16, 2020 and July 27, 2020, the Board of Directors of El Camino Hospital (the “Corporation”) has received information from the Corporation’s investment banker and management regarding plans to obtain long-term financing for costs of the Corporation’s major facilities renovation and replacement projects; such financing will be in addition to the funds to be provided from the proceeds of an issue of general obligation bonds. The plan of finance proposed on July 27, 2020 consists of the borrowing of the proceeds of the sale of revenue bonds in total principal amount up to \$150 million, to be issued and sold by a conduit governmental issuer, plus interest and costs, and approximately \$125 million, for the potential refunding of the California Health Facilities Financing Authority Revenue Bonds (El Camino Hospital), Series 2015A, plus interest and costs (together, the “Revenue Bonds”). The proposed plan of finance contemplates one or more non-qualified “forward starting swaps” to manage the risk of increase in interest rates prior to and after the issuance and refunding of the Revenue Bonds (the “Swaps”). The information presented to this Board includes, among other matters, data regarding historical and projected long-term tax-exempt interest rates, the timeline for implementing the Swaps, and information outlining next steps for the implementation of the Swaps.

On December 16, 2019, the Board of Directors approved the execution of forward starting swaps on similar terms as the currently proposed Swaps and authorized the Chief Executive Officer and Chief Financial Officer to finalize the terms of such swaps. However, the authority granted by the Board of Directors to the Chief Executive Officer and Chief Financial Officer under the December 16, 2019 resolution was not exercised, and therefore, such authority expired on June 13, 2020.

The purpose of this resolution is to approve the execution of the Swaps and to authorize the Chief Executive Officer and Chief Financial Officer (each an “Authorized Officer”) (i) to finalize the terms of the Swaps, (ii) to enter into an ISDA Master Agreement with Citibank, N.A., a Schedule, a Credit Support Annex, one or more Confirmations, and (iii) to issue obligations under the Master Trust Indenture and all documents and agreements necessary or appropriate to properly issue such an obligation (together, the “Swap Agreements”) in such form and with such terms as shall be acceptable to the Authorized Officer executing the Swap Agreements.

Accordingly, in reliance on the foregoing, it is hereby

RESOLVED: That it is in the best interest of the Corporation to enter into the Swap Agreements for the purpose of managing the risk of interest rate changes and not for investment or speculation; that each Authorized Officer is authorized, acting singly, with the advice of the Corporation's independent registered municipal advisor, to agree to or set the notional amounts, trade date, effective date or dates, termination date or dates, payment dates, fixed and floating rates in order to achieve a fixed swap rate of not more than two percent (2.00%), optional termination provisions and methods of determining the optional termination payment amount, collateralization and other security requirements, and other terms; and that each Authorized Officer is authorized, in the name and on behalf of the Corporation, to execute and deliver the agreements, certificates, instruments and other documents that he or she may in his or her discretion determine to be necessary or advisable to carry out the intent of this resolution, including, without limitation, such documents as shall be necessary or appropriate to issue an obligation under the Master Indenture, execution thereof to be conclusive as to such determination and the approval of the terms thereof by the Corporation.

RESOLVED: That the authority granted to the Authorized Officers to enter into the Swaps shall expire one hundred eighty (180) days from the date of this resolution if unexercised.

Duly passed and adopted at a regular meeting held on this 27 day of July 2020, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Julia E. Miller  
Secretary, El Camino Hospital  
Board of Directors

**EL CAMINO HOSPITAL BOARD OF DIRECTORS  
JOINT MEETING MEMO**

**To:** ECH Board and Finance Committee  
**From:** Michael Moody, Interim CFO  
**Date:** July 27, 2020  
**Subject:** FY21 Budget & Financial Forecast Update

**Purpose:**

To present the proposed FY21 budget, based on version 1 of the forecast model developed, to the Finance Committee and the ECH Board.

**Summary:**

1. **Situation:** The COVID 19 pandemic has had a significant impact on the financial results of El Camino Health. In lieu of the standard budgeting process, Management has developed a financial forecast tool for the organization that will be updated on an ongoing basis in FY21 based on the actual results. The attached presentation is a budget that has been derived from version 1 of the financial forecast. The budget will be the basis for establishment of financial incentive goals for the management team and additionally, the District is required to have an approved budget in place by September 1<sup>st</sup>. For these reasons, and more importantly, it is a best practice for the ongoing financial management of the organization to go through the financial planning process, we have constructed a budget for Fiscal Year 2021 that will be presented this evening.
2. **Authority:** Both financial stewardship and approval of the FY 21 budget are responsibilities of the Finance Committee and ultimately the Board of Directors. Also the District, by regulation, is required to have an approved FY21 budget by September 1, 2020 for FY21.
3. **Background:** See Situation.
4. **Assessment:** Management has developed a new tool for forecasting and managing the business that was also utilized to develop the FY21 budget. The ongoing oversight of the Finance Committee is an important governance role of the Finance Committee.
5. **Other Reviews:** None
6. **Outcomes:** The desired outcome is for the Committee and the Board to approve the FY21 budget.

**List of Attachments:**

1. Open Session FY21 Forecast and Budget

**Suggested Committee Discussion Questions:**

1. Is the Board and Finance Committee comfortable with the budgeted operating results of the organization?
2. Has management been both thoughtful and prudent in their development of the underlying assumptions and their impact on operations? Are there recommended changes to the approach?
3. What potential risks of achieving the budgeted results be discussed further, whether included or not in our analysis?



**El Camino Health**

# **FY 21 Forecast & Budget Presentation**

*Joint ECH Board of Directors & Finance Committee*

*Open Session*

*July 27, 2020*

# Objectives

- Present baseline budget for FY21
  - Based on the FY21 forecast version 1
- Discuss the drivers and key assumptions being presented and the inherent risks
- Present scenarios and their impact on the forecast version 1
- Present the cadence and process for updating the forecast model – how governance will be engaged
- Have an interactive discussion during this presentation



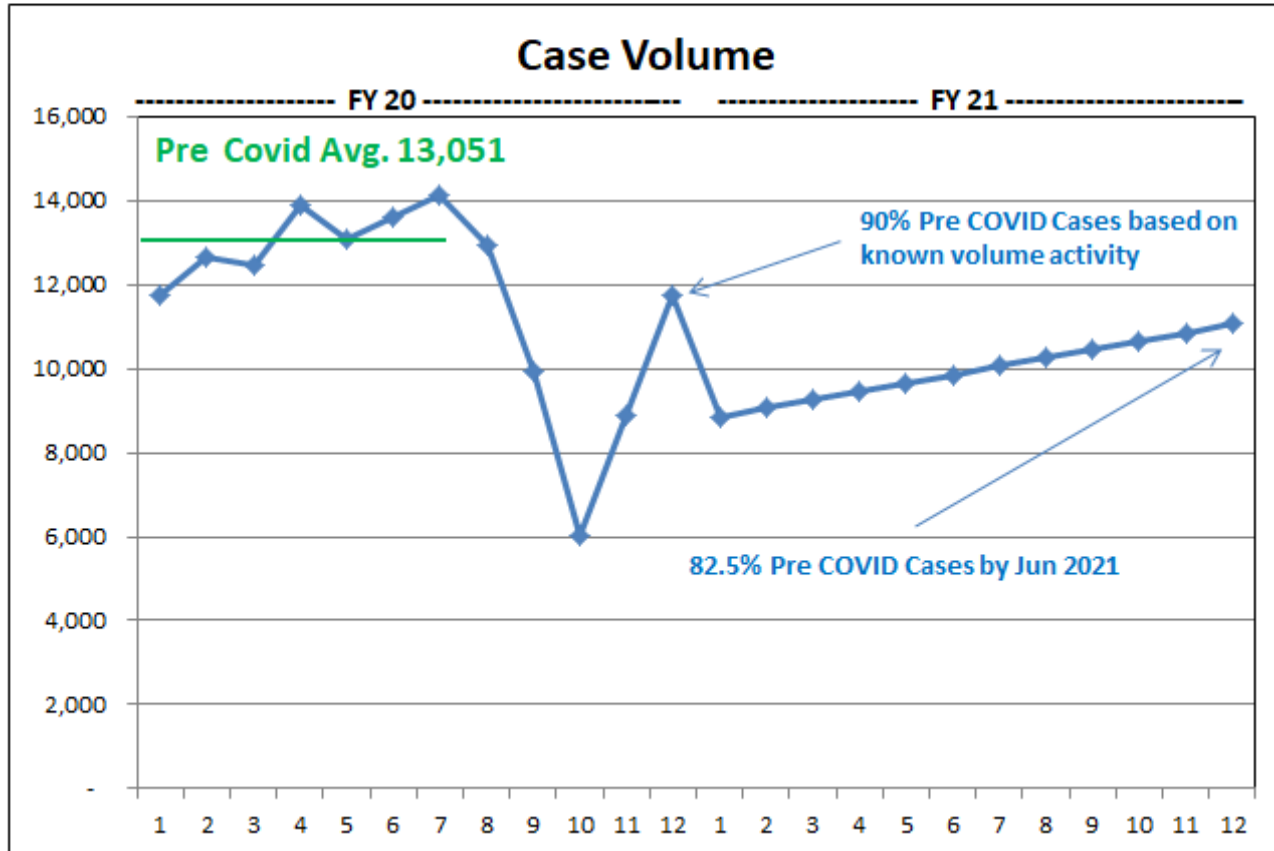
# The Current Environment

- COVID 19 cases continued to rise in the month of July and the COVID hospitalization rate in the current environment is beginning to match our experience in March/April
- The month of June saw significant increases in volumes across ECH & SVMD
  - Significant focus on recovering cancelled cases from the Shelter in Place timeframe
- The forecasted volumes for July are below June – however we are seeing increased demand overall, but not at pre-COVID levels

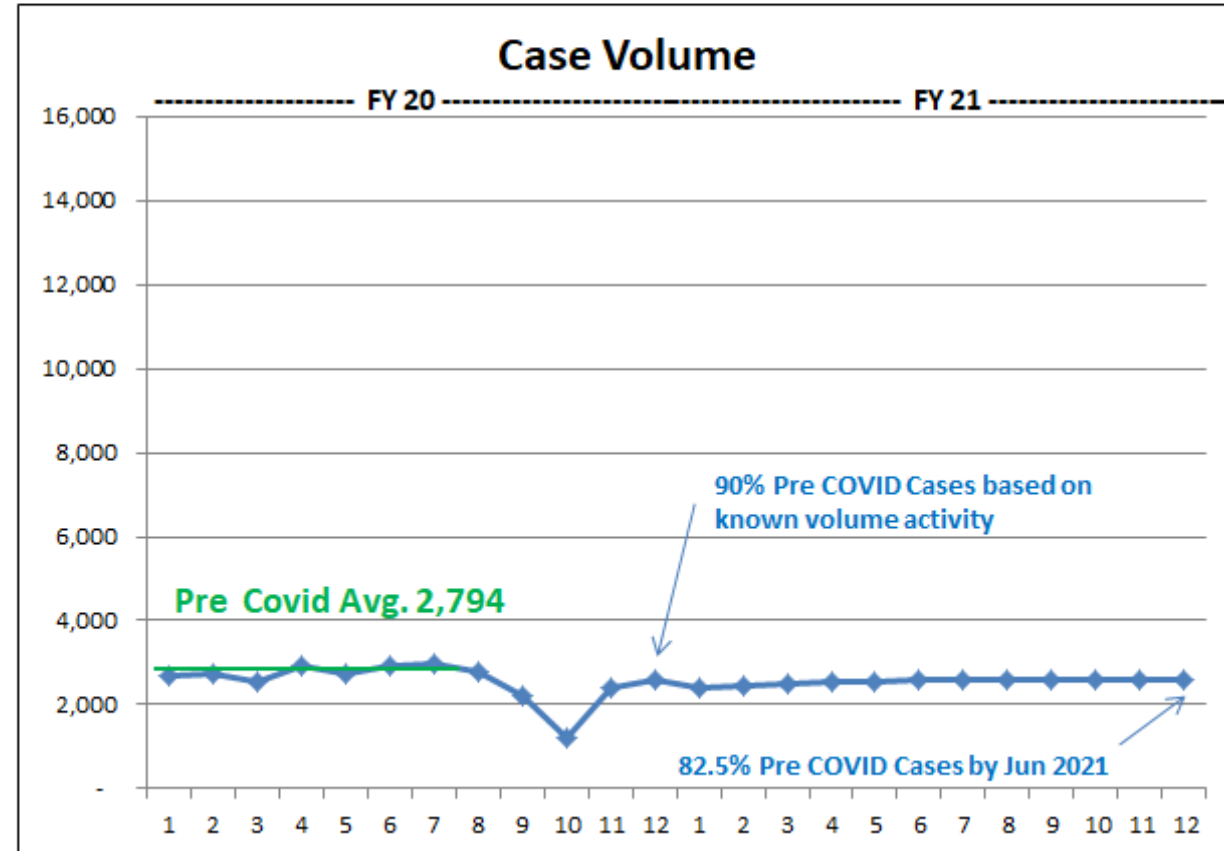
# El Camino Hospitals

# Financial Forecast Update – Hospital Overall Volumes

## Mountain View



## Los Gatos



# Key Assumptions-P/L

| Category                      | Item Description   | Assumptions  | Comments                                      |
|-------------------------------|--------------------|--|---|
| Revenue - Net Patient Revenue | By Product & Payor | Driven by historical net revenue per case                                | Includes contract increase assumptions July 1 |
| Revenue - General             | Rate increase      | 3% annually for HMO/PPO payer, 1% for Gov't. Overall 2.6% (Current Plan) | Affordability - to remain mid-market          |
|                               | Payor Mix          | Based on Actual July-May Experience                                      | Held flat through projection period.          |

# Key Assumptions-PL

| Category         | Item Description              | Assumptions  | Comments   |
|------------------|-------------------------------|--|--|
| Labor - Salaries | Variable Departments          | FY20 Budget Productivity Targets applied with adjustments made for FY20 approved additions/changes | Productivity metric applied to projected departmental volumes to arrive at productive FTEs. Annual Wage increases included |
|                  | Fixed Departments             | Held flat at current levels  | Model will allow for projected flexing<br>Annual wage increases included   |
| Labor - Benefits | All Departments               | Overall Hospitals Benefits rate established based on July19- April 20 actuals                      | Benefit rate applied to projected Salaries   |
| Inflation/Other  | Wages and benefits            | Inflation: 3.0%  | Per contractual obligation and historical trend  |
|                  | Pharmacy                      | Inflation: 4.2%  | From GPO. Includes inflation and utilization of lower cost alternatives  |
|                  | Supplies                      | Inflation: 2.0%  | From GPO   |
|                  | Purchased Services/Consulting | Overall Reduction: 10%   |  |

# ECH Hospital- Comparatives Profit/Loss Statement (in 000,000's)

| \$ in Millions                  | FY20 Budget  | FY20 Actual<br>(Annualized) | FY21 Budget  | Delta         | Delta %       |
|---------------------------------|--------------|-----------------------------|--------------|---------------|---------------|
| Net Patient Revenue             | 960.5        | 938.3                       | 857.3        | (81.0)        | -8.6%         |
| Other Operating Revenue         | 27.3         | 23.6                        | 23.3         | (0.3)         | -1.3%         |
| <b>Total Net Revenue</b>        | <b>987.8</b> | <b>961.9</b>                | <b>880.6</b> | <b>(81.3)</b> | <b>-8.5%</b>  |
| Salaries, Wages & Benefits      | 530.2        | 528.6                       | 509.1        | (19.5)        | -3.7%         |
| Supplies & Drugs                | 142.0        | 148.9                       | 130.4        | (18.5)        | -12.4%        |
| Physician Fees                  | 24.5         | 22.3                        | 26.3         | 4.0           | 18.0%         |
| Purchased Services & Consulting | 78.2         | 94.8                        | 87.0         | (7.8)         | -8.2%         |
| All Other (Leases, G&A Other)   | 33.8         | 35.1                        | 38.8         | 3.7           | 10.5%         |
| Depreciation & Interest         | 69.1         | 60.9                        | 76.4         | 15.4          | 25.3%         |
| <b>Total Operating Expense</b>  | <b>877.8</b> | <b>890.6</b>                | <b>868.0</b> | <b>(22.6)</b> | <b>-2.5%</b>  |
| <b>Operating Margin</b>         | <b>109.9</b> | <b>71.3</b>                 | <b>12.6</b>  | <b>(58.7)</b> | <b>-82.3%</b> |
| Non Operating Income/Expense    | 32.9         | 31.0                        | 31.9         | 0.9           | 2.9%          |
| <b>Net Margin</b>               | <b>142.9</b> | <b>102.3</b>                | <b>44.5</b>  | <b>(57.8)</b> | <b>-56.5%</b> |
| <b>EBIDA</b>                    | <b>179.0</b> | <b>132.3</b>                | <b>89.0</b>  | <b>(43.3)</b> | <b>-32.7%</b> |
| EBIDA Margin                    | 18.1%        | 13.8%                       | 10.1%        |               |               |
| Operating Margin                | 11.1%        | 7.4%                        | 1.4%         |               |               |
| <b>Total Margin</b>             | <b>14.5%</b> | <b>10.6%</b>                | <b>5.1%</b>  |               |               |

## Key Statistics & Indicators to compare FY20 actual to FY21 forecast

|  | FY20 Budget | FY20 Actual<br>(Annualized) | FY21 Budget | Budget O(U)<br>Actual | Percent<br>Change |
|--|-------------|-----------------------------|-------------|-----------------------|-------------------|
| <b>KEY STATISTICS</b>                                  |             |                             |             |                       |                   |
| Adjusted Discharges (AD)                               | 36,106      | 35,441                      | 32,195      | (3,246)               | -9.2%             |
| Deliveries   | 4,270       | 4,371                       | 4,358       | (13)                  | -0.3%             |
| Total Surgical Cases                                   | 11,851      | 11,341                      | 10,114      | (1,227)               | -10.8%            |
| Total ED Visits  | 61,005      | 57,085                      | 45,202      | (11,883)              | -20.8%            |
| <b>KEY INDICATORS</b>                                  |             |                             |             |                       |                   |
| Net Revenue per AD                                     | \$27,358    | \$27,141                    | \$27,714    | \$573                 | 2.1%              |
| Salaries per AD (excl Contract Labor)                  | \$9,643     | \$9,848                     | \$10,677    | \$829                 | 8.4%              |
| Total Operating Expense (excl Dep and Interest) per AD | \$22,399    | \$23,409                    | \$24,587    | \$1,179               | 5.0%              |
| Supplies per AD (excl Drugs)                           | \$2,741     | \$2,953                     | \$2,737     | (\$216)               | -7.3%             |
| Drug Exp per AD  | \$1,192     | \$1,249                     | \$1,315     | \$66                  | 5.3%              |
| Prod FTE per AOB                                       | 5.5         | 5.7                         | 5.9         | 0.2                   | 3.8%              |

# SVMD



# FY 2021 Operating Budget- Assumptions

## Volume Assumptions

- Volumes based on FY20 performance through January 2020
- Adjusted for impact of COVID-19 Pandemic impact
- Addition of New Providers including:
  - Acquisition of new OBGYN practice, July 6, 2020
  - Nine (9) new providers added over the last 5 months of FY 20
    - Primary Care (2)
    - OB/GYN (3 includes 2 midwives)
    - Sleep Medicine(1)
    - General and Surgical Oncology (1)
    - Hematology/Oncology (1)
    - Women's Heart & Vascular (1)
- Consolidated six (6) provider positions that were vacated during FY 20.

# Key Assumptions-Volume

| Category                                    | Timeframe   | Method   |
|---|---|--|
| Visits and Activity from Operating Revenues | <ul style="list-style-type: none"> <li data-bbox="596 339 835 368">• FY20 Actual</li> <li data-bbox="596 516 1003 545">• FY21 Forecast/ Budget</li> </ul> | <ul style="list-style-type: none"> <li data-bbox="1054 339 2018 368">• Includes FY 20 actuals through May with estimates for June</li> <li data-bbox="1054 516 2308 588">• FY 21 Forecast based on July 2019 – January 2020 Actuals annualized for same store practices plus new providers added.</li> <li data-bbox="1054 651 2318 722">• July 2020 – September 2020: Monthly volume growth forecast to achieve 85% of pre Covid volume levels (Jul 2019 – Feb 2020)</li> <li data-bbox="1054 771 2298 842">• October 2020 – December 2020: Monthly volume growth forecast to achieve 100% of pre Covid volume levels</li> <li data-bbox="1054 905 2303 976">• January 2021 – June 2021: Monthly volume growth forecast to achieve 105% of pre Covid volume levels</li> </ul> |

# Key Assumptions-PL

| Category                          | Item Description                             | Assumptions  | Comments   |
|-----------------------------------|--|--|--|
| Patient Revenue - Charges         | By Specialty and Provider                    | Driven by historical charge per visit by provider  | Adjusted for changes in physicians.  |
| Net Patient Revenue               | Rate Increase and Revenue Cycle Improvements | Historical PPO reimbursement levels adjusted for FY 21 contract improvements and 1% annual update for Medicare funded programs | Adds \$2.5M in PPO plan reimbursement and \$82K from Medicare                                    |
|                                   | Payor Mix                                    | Based on Actual July-April historical payor mix  | Held flat through FY 21  |
| Premium Revenue                   | Managed Care                                 | Lives and premium revenues at current levels   | May be opportunity to add plans and lives during second half of fiscal year.                     |
| Hospitalist / Intensivist Program | County of Santa Clara contract               | Based on proposal submitted to County  | Currently awaiting notice from County as to status of proposal. Contract renewal may be at risk. |

# Key Assumptions- PL

| Category          | Item Description         | Assumptions   | Comments   |
|-------------------|--------------------------|---|--|
| Labor - Salaries  | Clinic Departments       | Staffing levels at required levels by department and projected volumes            | Includes restructure of Willow Glen Urgent Care department |
|                   | Represented Staff        | Adjusted current below market rates to reflect potential impact from negotiations | Adds approximately \$1.7M in salary and benefit costs      |
|                   | Open Positions           | Open positions will be frozen   | Reduces operating loss by \$1.4M                           |
| Labor – Benefits  | All Departments          | Overall benefit rate established based on July 19- April 20 actuals               | Benefit rate applied to projected salaries                 |
| Inflation         | Wages and benefits       | 3%  | Based on organizational estimate                           |
| Lab Draw Stations | Service to be outsourced | All lab draw stations to be outsourced to third party.                            | Reduces annual operating loss by \$1M                      |

# Comparative F/S

|   | <u>FY 20 Budget</u>           | <u>FY 20 Actual</u>        | <u>FY 21 Budget</u>        | <u>Delta</u>            | <u>Delta %</u>      |
|---|-------------------------------|----------------------------|----------------------------|-------------------------|---------------------|
| Operating Revenue                         |                               |                            |                            |                         |                     |
| Net Patient Revenue                       | \$ 43,202,799                 | 25,780,050                 | 35,792,913                 | 10,012,863              | 38.8%               |
| Other Operating Revenue                   | 18,060,914                    | 19,828,162                 | 22,088,404                 | 2,260,241               | 11.4%               |
| <b>Total Revenue</b>                      | <b>61,263,713</b>             | <b>45,608,212</b>          | <b>57,881,317</b>          | <b>12,273,105</b>       | <b>26.9%</b>        |
| Operating Expense                         |                               |                            |                            |                         |                     |
| Salary, Wages and Benefits                | 21,188,079                    | 19,891,847                 | 19,032,443                 | 859,404                 | 4.3%                |
| Supplies and Drugs                        | 4,654,234                     | 5,012,723                  | 5,145,018                  | (132,295)               | -2.6%               |
| Physician Fees (Comp, Benefits and Other) | 39,910,834                    | 34,504,174                 | 38,736,993                 | (4,232,820)             | -12.3%              |
| Purchased Services and Consulting         | 10,308,326                    | 14,905,859                 | 14,220,006                 | 685,853                 | 4.6%                |
| All Other (Leases, G&A Other)             | 11,344,265                    | 8,667,273                  | 10,529,379                 | (1,862,106)             | -21.5%              |
| Depreciation and Interest                 | 2,275,825                     | 2,019,830                  | 3,134,700                  | (1,114,870)             | -55.2%              |
| <b>Total Operating Expense</b>            | <b>89,681,563</b>             | <b>85,001,706</b>          | <b>90,798,538</b>          | <b>(5,796,833)</b>      | <b>-6.8%</b>        |
| <b>Operating Margin</b>                   | <b>(28,417,850)</b>           | <b>(39,393,494)</b>        | <b>(32,917,222)</b>        | <b>6,476,272</b>        | <b>16.4%</b>        |
| Non-Operating Income/Expense              | -                             | 292,138                    | -                          | (292,138)               | -100.0%             |
| Net Margin                                | <u>\$ (28,417,850)</u>        | <u>(39,101,356)</u>        | <u>(32,917,222)</u>        | <u>6,184,134</u>        | <u>15.8%</u>        |
| <b>EBIDA</b>                              | <b><u>\$ (26,142,025)</u></b> | <b><u>(37,373,663)</u></b> | <b><u>(29,782,522)</u></b> | <b><u>7,591,142</u></b> | <b><u>20.3%</u></b> |
| EBIDA Margin                              | -42.7%                        | -81.9%                     | -51.5%                     |                         |                     |
| Operating Margin                          | -46.4%                        | -86.4%                     | -56.9%                     |                         |                     |
| Total Margin                              | -46.4%                        | -85.7%                     | -56.9%                     |                         |                     |

# Capital Budget

# Routine Capital Budget Pool

- Due to the current environment and other priorities management has not performed the typical standard capital budget forecast for Fiscal Year 2021
- Proposal
  - Establish a ***routine*** capital pool of dollars based on the EBIDA forecast less other cash flow items including principal and interest payments. This pool of funds is meant for the following categories:
    - Medical Equipment
    - Equipment
    - IT
- Additionally there are currently approved fully funded projects & partially funded projects
  - For fully funded projects management estimates \$51.4 million in expenditures for Fiscal Year 2021, these amounts are included in the cash flow estimates (a detailed list is in the appendix)
  - For partially funded projects management estimates \$42.6 million in potential expenditures for Fiscal year 2021, these amounts are NOT included in the cash flow estimates (a detailed list is in the appendix)
  - The outstanding projects will be assessed and evaluated during Fiscal year 2021 by management

# Sizing the Capital Pool

(000's)

|   | <u>Total</u>            |
|---|-------------------------|
| Forecasted Consolidated EBIDA                     | \$ 55,800               |
| Less:   |                         |
| Prinicipal Payments (1)                           | (9,020)                 |
| Interest Payments (1)                             | (20,312)                |
| Pension Contribution in excess of Pension Expense | (6,500)                 |
| Total Deductions                                  | <u>(35,832)</u>         |
| Cash Available for Routine Capital Expenditures   | <u><u>\$ 19,968</u></u> |

(1) Amounts are for 2015 and 2017 non-District bonds



# Other Entities

# Concern Comparative P&L

| LineDescription                 | BUDGET 2020      | ACTUAL 2020<br>(ANNUALIZED) | BUDGET 2021      | Delta            | Delta %        |
|---------------------------------|------------------|-----------------------------|------------------|------------------|----------------|
| Net Patient Revenue             |                  |                             |                  |                  |                |
| Other Operating Revenue         | 9,146,949        | 8,443,977                   | 8,686,385        | 242,408          | 2.9%           |
| <b>Total Net Revenue</b>        | <b>9,146,949</b> | <b>8,443,977</b>            | <b>8,686,385</b> | <b>242,408</b>   | <b>2.9%</b>    |
| Salaries, Wages & Benefits      | 4,405,501        | 4,059,794                   | 4,198,052        | 138,258          | 3.4%           |
| Supplies & Drugs                | 62,503           | 41,568                      | 45,344           | 3,776            | 9.1%           |
| Physician Fees                  | 70,220           | 48,612                      | 67,280           | 18,668           | 38.4%          |
| Purchased Services & Consulting | 3,462,441        | 3,948,848                   | 3,858,534        | (90,314)         | -2.3%          |
| All Other (Leases, G&A Other)   | 512,570          | 646,288                     | 509,726          | (136,562)        | -21.1%         |
| Depreciation & Interest         | 15,901           | 16,020                      | 15,901           | (119)            | -0.7%          |
| <b>Total Operating Expense</b>  | <b>8,529,136</b> | <b>8,761,130</b>            | <b>8,694,838</b> | <b>(66,291)</b>  | <b>-0.8%</b>   |
| <b>Operating Margin</b>         | <b>617,813</b>   | <b>(317,153)</b>            | <b>(8,453)</b>   | <b>308,700</b>   | <b>-97.3%</b>  |
| Non Operating Income/Expense    | 377,392          | 1,145,641                   | 377,392          | (768,249)        | -67.1%         |
| <b>Net Margin</b>               | <b>995,205</b>   | <b>828,489</b>              | <b>368,939</b>   | <b>(459,550)</b> | <b>-55.5%</b>  |
| <b>EBIDA</b>                    | <b>633,714</b>   | <b>(301,133)</b>            | <b>7,447</b>     | <b>308,580</b>   | <b>-102.5%</b> |
| EBIDA Margin                    | 6.9%             | -3.6%                       | 0.1%             |                  |                |
| Operating Margin                | 6.8%             | -3.8%                       | -0.1%            |                  |                |
| <b>Total Margin</b>             | <b>10.9%</b>     | <b>9.8%</b>                 | <b>4.2%</b>      |                  |                |

## Revenue:

- Increase driven by planned new business

## Operating Expense

- Purchased Services reduced due to reduction in work with software development partner & cancellation of contract to develop video counseling platform
- All Other reduced due to reduction in rental expense by moving to Melchor Pavilion

## Other

- Non Operating Income/Expense FY21 budget variance due to favorable Interest Income in FY20 not planned for FY21

# Foundation Comparative P&L

|                                 | BUDGET 2020        | ACTUAL 2020<br>(ANNUALIZED) | BUDGET 2021        | Delta              | Delta %        |
|---------------------------------|--------------------|-----------------------------|--------------------|--------------------|----------------|
| Net Patient Revenue             | -                  | -                           | -                  |                    |                |
| Other Operating Revenue         | -                  | -                           | -                  |                    |                |
| <b>Total Net Revenue</b>        | <b>-</b>           | <b>-</b>                    | <b>-</b>           |                    |                |
| Salaries, Wages & Benefits      | 1,831,365          | 1,416,285                   | 1,895,393          | 479,108            | 33.8%          |
| Supplies & Drugs                | 88,364             | 62,595                      | 89,248             | 26,653             | 42.6%          |
| Purchased Services & Consulting | 1,105,004          | 363,037                     | 1,105,004          | 741,967            | 204.4%         |
| All Other (Leases, G&A Other)   | 340,960            | 241,382                     | 325,960            | 84,578             | 35.0%          |
| Depreciation & Interest         | 13,316             | 13,316                      | 13,316             | 1                  | 0.0%           |
| <b>Total Operating Expense</b>  | <b>3,379,008</b>   | <b>2,096,614</b>            | <b>3,428,921</b>   | <b>1,332,306</b>   | <b>63.5%</b>   |
| <b>Operating Margin</b>         | <b>(3,379,008)</b> | <b>(2,096,614)</b>          | <b>(3,428,921)</b> | <b>(1,332,306)</b> | <b>63.5%</b>   |
| Non Operating Income/Expense    | 4,875,702          | 3,865,191                   | 3,269,790          | (595,401)          | -15.4%         |
| <b>Net Margin</b>               | <b>1,496,694</b>   | <b>1,768,577</b>            | <b>(159,131)</b>   | <b>(1,927,708)</b> | <b>-109.0%</b> |
| <b>EBIDA</b>                    | <b>(3,365,692)</b> | <b>(2,083,299)</b>          | <b>(3,415,605)</b> | <b>(1,332,306)</b> | <b>64.0%</b>   |

## Operating Expense

- FY21 SW&B included vacancies for 2 critical positions that have been filled. FY21 Budget flat to FY20 Budget Level
- FY21 Purchased Services budgeted at FY20 budget level. FY20 Actual at low level due to cancellation of events due to pandemic.

## Other

- Non Operating Income/Expense FY21 budget below FY20 actual level due to executive evaluation of allocation between unrestricted and restricted donations. Budget reflects unrestricted donations.

# Consolidated Results

# Consolidated P&L

## FY20 Budget & FY20 Proj. Compared to FY21

| Enterprise (Excl District)<br>\$ in Millions | FY20 Budget    | FY20 Actual<br>(Annualized) | FY21 Budget   | Delta         | Delta %        |
|--|----------------|-----------------------------|---------------|---------------|----------------|
| Net Patient Revenue                          | 1,003.7        | 964.1                       | 893.1         | (71.0)        | -7.4%          |
| Other Operating Revenue                      | 54.5           | 51.9                        | 54.1          | 2.2           | 4.2%           |
| <b>Total Net Revenue</b>                     | <b>1,058.2</b> | <b>1,016.0</b>              | <b>947.2</b>  | <b>(68.8)</b> | <b>-6.8%</b>   |
| Salaries, Wages & Benefits                   | 557.7          | 554.0                       | 534.2         | (19.8)        | -3.6%          |
| Supplies & Drugs                             | 146.8          | 154.0                       | 135.7         | (18.3)        | -11.9%         |
| Physician Fees                               | 64.5           | 56.8                        | 65.1          | 8.3           | 14.5%          |
| Purchased Services & Consulting              | 93.1           | 114.1                       | 106.2         | (7.9)         | -6.9%          |
| All Other (Leases, G&A Other)                | 46.0           | 44.6                        | 50.1          | 5.5           | 12.3%          |
| Depreciation & Interest                      | 71.4           | 63.0                        | 79.6          | 16.6          | 26.3%          |
| <b>Total Operating Expense</b>               | <b>979.4</b>   | <b>986.5</b>                | <b>970.9</b>  | <b>(15.6)</b> | <b>-1.6%</b>   |
| <b>Operating Margin</b>                      | <b>78.8</b>    | <b>29.5</b>                 | <b>(23.7)</b> | <b>(53.2)</b> | <b>-180.6%</b> |
| Non Operating Income/Expense                 | 38.2           | 36.3                        | 35.5          | (0.8)         | -2.1%          |
| <b>Net Margin</b>                            | <b>117.0</b>   | <b>65.7</b>                 | <b>11.8</b>   | <b>(54.0)</b> | <b>-82.1%</b>  |
| <b>EBIDA</b>                                 | <b>150.2</b>   | <b>92.4</b>                 | <b>55.8</b>   | <b>(36.6)</b> | <b>-39.6%</b>  |
| EBIDA Margin                                 | 14.2%          | 9.1%                        | 5.9%          |               |                |
| Operating Margin                             | 7.4%           | 2.9%                        | -2.5%         |               |                |
| <b>Total Margin</b>                          | <b>11.1%</b>   | <b>6.5%</b>                 | <b>1.2%</b>   |               |                |

# Summary Cash Flow Statement

(000's)

|   | <u>FY 21 Budget</u>    |
|---|------------------------|
| Forecasted EBIDA                                  | \$ 55,800              |
| Less:   |                        |
| Principial Payments (1)                           | (9,020)                |
| Interest Payments (1)                             | (20,312)               |
| Pension Contribution in excess of Pension Expense | (6,500)                |
| Total Deductions                                  | <u>(35,832)</u>        |
| Cash Available for Routine Capital Expenditures   | 19,968                 |
| Cash Payments for previously approved projects    | <u>(51,358)</u>        |
| Operating Cash Flow                               | (31,390)               |
| Non-Operating Income                              | <u>35,500</u>          |
| FY 2021 Forecasted Cash Flow                      | <u><u>\$ 4,110</u></u> |

(1) Amounts are for 2015 and 2017 non-District bonds

# Summary

# Ongoing Cadence with the Finance Committee

- The forecast models for ECH & SVMD will be updated on an ongoing basis with actual results
  - Will inform adjustments to our underlying assumptions with a focus on:
    - Volumes
    - Payer Mix
    - Cost containment
- Revised models will be a recurring agenda item on the Finance Committee agenda
  - The discussion will include the changes and what the drivers of the changes were



# Summary

- The continued financial recovery from the COVID 19 pandemic is a long road
- Management has prepared a budget that reflects the current short-term tactics as well as a plan to thoughtfully "right size" the cost structure going forward
  - We have called out risk factors along the way and with COVID 19 as an industry we are back to the basics of volumes, payer mix and cost containment
- ADDITIONAL QUESTIONS & COMMENTS
- THANK YOU

## Next Steps

- Continued Discussion and possible action at Finance Committee tonight
- August 12<sup>th</sup> ECHB & ECDB consideration for approval
- Ongoing review of the model revisions at future Finance Committees

# Appendix

# Fully Approved Projects FY 21 Cash Flows

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

# Partially Approved Projects FY 21 Cash Flows

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