

**AVALON MUNICIPAL HOSPITAL BOARD OF TRUSTEES' MEETING
TUESDAY, JULY 21, 2015 – 6:00 P.M.
CITY COUNCIL CHAMBERS
410 AVALON CANYON ROAD
A G E N D A**

In compliance with the Americans with Disability Act, if you need special assistance to participate in this meeting, please contact Denise Radde, City Clerk (310) 510-0220. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 35. 102-35.104 ADA Title II). All public records relating to an agenda item on this agenda are available for the public inspection at the time the records are distributed to all, or a majority of all, members of the Board of Trustees. Such records shall be available at City Hall located at 410 Avalon Canyon Rd.

CALL TO ORDER / ROLL CALL

ANNOUNCEMENTS / WRITTEN COMMUNICATIONS

PRESENTATION

Update from Catalina Island Medical Center Interim CEO Bryan Ballard and Avalon Medical Development Corporation Boardmember Michael Ponce.

ORAL COMMUNICATION

The Board of Trustees will accept comments from the public at this time. No action will be taken on non-agenda items at this meeting. Speakers should limit comments to three (3) minutes each.

CONSENT CALENDAR

1. Board of Trustee's Actions
Although the live recording of the meetings is the official record, Board actions are also prepared by the City Clerk.
Recommended Action
Approve the June 16, 2015 Hospital Board of Trustees Actions.

2. Chief Executive Officer's Board Report and Chief Financial Officer's Report
Attached for the Avalon Medical Development Corporation (AMDC) Board of Trustees' review:
 - The CEO's Board Report for June 16, 2015
 - The CFO's Financial Statement for May, 2015Recommended Action
Receive and file the reports.

GENERAL BUSINESS

3. Appointment of Additional Directors to the Avalon Medical Development Corporation Board
The Bylaws of the Avalon Medical Development Corporation (AMDC) provide that the City Council will make all appointments to its Board of Directors. This Board governs the management of the Hospital under the terms and conditions

HOSPITAL BOARD AGENDA

July 21, 2015

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of a lease and operating agreement with the City of Avalon. The Chief Executive Officer of the Catalina Island Medical Center has presented a letter making one additional recommendation from the AMDC Board meeting held on June 23, 2015. Dr. Monte Mellon has addressed his scheduling concerns and is available as a candidate now.

Recommended Action

Appoint Dr. Monte Mellon to the Board of Directors of the Avalon Medical Development Corporation (AMDC).

CHAIR'S REPORT

MEMBER REPORT

ADJOURN

NOTICE OF POSTING

I, Denise Radde, declare that the Hospital Board of Trustees Agenda for July 21, 2015 was posted on Friday, July 17, 2015, on the City's website www.cityofavalon.com, and at City Hall, 410 Avalon Canyon Road. Copies of agendas and staff reports are available at City Hall.



Denise A. Radde, City Clerk / Chief Administrative Officer

AVALON MUNICIPAL HOSPITAL BOARD OF TRUSTEES

MEETING DATE: July 21, 2015

AGENDA ITEM: 1

ORIGINATING DEPT: Administration

CITY MANAGER: BH

PREPARED BY: Denise Radde, City Clerk

SUBJECT: Avalon Municipal Hospital Board of Trustees Actions

RECOMMENDED ACTION(S): Approve the June 16, 2015 Avalon Municipal Hospital Board of Trustees Actions.

REPORT SUMMARY: Although the live recording of the meeting is considered to be the official record, actions of the meeting are prepared for the Board's approval.

FISCAL IMPACTS: N/A

GOAL ALIGNMENT: To be determined

CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION(S): N/A

ALTERNATIVE ACTION(S): N/A

FOLLOW UP ACTION(S): File the actions.

ADVERTISING, NOTICING AND PUBLIC CONTACT:

This item was properly listed on the posted agenda pursuant to the Brown Act.

ATTACHMENTS: Avalon Municipal Hospital Board of Trustees Actions will be provided under separate cover.

AVALON MUNICIPAL HOSPITAL BOARD OF TRUSTEES

MEETING DATE: July 21, 2015

AGENDA ITEM: 2

ORIGINATING DEPT: Administration.

CITY MANAGER: BH

PREPARED BY: Denise Radde, City Clerk

SUBJECT: CEO's Board Report and CFO's Monthly Financial Statement

RECOMMENDED ACTION(S): Receive and file the reports.

REPORT SUMMARY: Attached is a copy of Bryan Ballard's CEO Board Report to the Board of Directors for June 16, 2015; and CFO's Financial Statement for May, 2015.

FISCAL IMPACTS: N/A

CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION(S): N/A

GOAL ALIGNMENT: To be determined

FOLLOW UP ACTION(S): File the actions.

ADVERTISING, NOTICING AND PUBLIC CONTACT: This item was properly listed on the posted agenda pursuant to the Brown Act.

ATTACHMENTS: CEO's report to the AMDC Board of Directors and the CFO's Financial Statement.

CATALINA ISLAND MEDICAL CENTER
Chief Executive Officer's Report
June 16, 2015

Generator Replacement

The Hospital was notified by the South Coast Air Quality Management District on June 14, 2014 that our generator did not conform to air quality requirements. Ted Butland, the Hospital's contractor submitted plans for replacement of the generator to the California State Office of Health Planning and Development (OSHPD) at the end of March. OSHPD must review and approve all actions affecting a hospital's physical plant. Ted states that the plans are on a "rapid review" timeline which by OSHPD's definition is three to four weeks. Thus far we've not heard anything from the State. It is unusual for any plan submittal to be approved on the first go around. I met with Ben Harvey last week and he stated to me he does not expect the Hospital to have to provide the funds for the project and that he is including the generators replacement in the City's capital budget since the City owns the physical facility. I've talked with the Hospital's legal counsel to start thinking about how we can work with the City to avoid having to go through a bid process as well as avoid prevailing wage requirements. Judy Hibbs has identified a possible grant that would address at least a portion of the cost. Total cost has been described as \$200,000. In the meantime, we have a functioning, non-compliant unit and are exposed to another citation.

DHCS Repayment Demand

Following last month's Board Meeting, in consultation with our legal counsel and senior staff members from the California Hospital Association (CHA) the Hospital submitted our letter to the Director on June 11, 2015 stating we would repay the contested amount but requested consideration be given to a portion of it being forgiven, that we have an extended repayment period and that it be interest free. I received on June 16 an acknowledgment of receiving my letter from Ms. Kent on June 16, 2015. She indicated her office would be contacting me to discuss the matter. The total amount claimed by the State is \$614,390.

CEO Search

Three proposals have been received by firms who are interested in being selected to conduct the CEO search for the Hospital. They each have something individually to bring to the process and understandably all approach the process in a similar manner and charge similar fees. The standard description in the industry is that it takes about six months from initiation to conclusion with a selected candidate. Some claim to do it faster. My recall is it was about four months from when the process actually got under way until there was an agreed upon candidate when I left in 2012.

Community Needs Assessment

I've identified two potential companies to submit proposals for conducting our study. While I expected to bring proposals to you for this month's meeting understandable personal circumstances in each of the firms prevented proposals being finalized. Two studies of a

strategic nature were conducted in the fall of 2007 and of 2009. Those studies got at some of the elements to be examined. The approach that will be more effective for our community will be to drill down deeply to the residents to get them to speak to the services that are important to them. Two techniques typically are effective in gleaning information from the community, the art is in the balance of their use. Written surveys are a good over-all starting point and focus groups usually get at the heart of individual's perspective. It is usually easier to get community leaders to participate but we'll want to get the community residents input as well since they are the ones who are the consumers and use or don't use our services. I have a couple of ideas that I think will help us in this arena. We should have the proposals for the next meeting.

THIPA Promotion

Judy Hibbs is working on different ideas to get more visibility in the community as to our availability for patients whose insurance plans use THIPA. Thus far the efforts have been pretty stock articles and a display ad. We'll do the ad a few times with some changes to it and then we'll want to include some collateral materials for employers that can be distributed with paychecks or possibly included on their internal employee websites.

Optometry Services

This last week I met with Dr. Lim and his wife Carol. He has an optometric practice in the greater Long Beach area and is interested in exploring the possibility of a presence on the Island. His initial contact with the Island was at the school to address needs of the youth of our community. The facilities at the school don't meet his needs so he came to the Hospital to see what we have. It's possible we can make some of our space available on a limited schedule basis. Were he to be here I'd want him to be available to the community as a whole and not just the students. That works for him. I also wanted to be careful that by bringing him on I wasn't setting up a conflict with the ophthalmologist Dr. Younger I brought to the Island about six years ago. In order to have space in our MGO he must be a member of the Allied Health Professional segment of the Medical Staff. The current Medical Staff Bylaws do not provide for optometry but they can be modified if the Medical Staff and Board are willing to do so. This week there was a monthly Medical Staff meeting at which I raised the question as to their receptivity to inclusion of this specialty in the AHP and they were supportive. Dr. Lim is evaluating his business plan and how we might fit in with it. As more information becomes available I'll discuss it with you.

Downey Residents

The Hospital through Downey Regional Medical Center participates in their osteopathic family practice residency and training program. For about the past twenty years around May we have experienced third year residents licensed by the State work in our Medical Group Office (MGO) seeing patients. They are with us from noon on Wednesday until 8:00 a.m. on

Sunday. During the evening hours they are first call for the emergency department with one of our regular physicians on call as back up to them. We benefit in having students in current training programs exchanging ideas with our staff as well as the fact they help in the caseload in seeing patients. They benefit in getting hands on patient treatment experience. The caliber of student typically has been very high. The program has been successful for us and is somewhat unique for a hospital of our size to have the benefit of residents. We do not compensate the residents, that's done by Downey, but we do benefit from any charges they generate in seeing patients.

CPSI Version 5

CPSI, a computer software company based in Mobile with approximately 750 clients nation-wide, is our vendor for providing our computerized financial software and our Electronic Medical Record (EMR). The EMR was installed about the last two years I was here and was selected through an evaluation process that included physicians and Hospital staff. In July there is an upgraded version of our EMR that will be installed that have enhancements that are designed to make the system work easier for our users. Typically when new software is put in place there is a learning period for users to get familiar with the changes so they can eventually become proficient. Some of this training has begun. During this time it is typical for there to be more time allotted to appointments for patients as our physicians get used to working with the changes.

Physical Therapy

Physical therapy as a service continues to experience growth demands. We need more staff and Krista in Human Resources and David Hamlin are using their best efforts and experience in conducting a search for a PT manager, a physical therapist, and a physical therapy aid as well as to find additional registry personnel. Currently we have a full-time PT employee who is augmented by temporary registry staff. The industry has chronically experienced a shortage of physical therapists. The Hospital has begun the exploration of potentially contracting with a rehabilitation management service. The typical arrangement is they manage the department, hire the staff and provide the information necessary to bill the patient. The company Brighton Rehabilitation is a contracting company based in Utah that Mr. Hamlin has had the successful experience of working with in the past. We recently met with representatives of Brighton to get an orientation of their program. While references have not been made at this point they appear to be compatible with our approach and potentially could be solution for us in meeting this patient demand. Krista and David will use their best efforts over the next few weeks to use their skills in recruiting permanent staff. In the event those efforts are not successful, I expect to be bringing a proposal to you in the near future, possibly as soon as for your July meeting, for contracting services.

Chief Executive Officer's Report

June 16, 2015

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Congressman Alan Lowenthal

On Wednesday of this week, Judy Hibbs and I met with Donna Jimenez Carlos, Congressman Alan Lowenthal's Senior Field Representative. The meeting was arranged by Judy. We were able to get Donna a tour of the Hospital as well as speak to some of the issues occurring at the federal level that specifically impact Critical Access Hospitals (CAH) and rural health care. An important contact and identity was made for future assistance as may be needed.

Avalon City Council/Hospital Trustee Meetings

I have attended the past two meetings of the Trustees. The purpose has been to share information with them as to some of the Hospital's activities and services; to provide any insights with respect to the Hospital that can assist them as community leaders in better representing the Hospital; and to provide information as to your deliberations and recommendations regarding filling vacant positions. Any suggestions you may have as to what some of you have seen to be my approach are welcomed.

I've also met with all but one of the Council Members at least once and typically for an hour to one-and-one-half hours. The intent has been to enable them to ask questions without the spotlight being on them for better understanding of the Hospital. I believe there has been some observable benefit. Again, I'm open to any suggestions from you.

CFO REPORT FOR MAY, 2015

I. FINANCIAL STATEMENTS FOR MAY, 2015

May

Net patient revenue was over budget for May by \$43,580 (8%).

Gross revenue was over budget by \$93,834(8%) (See box below)

Deductions from revenue were over budget by \$50,224(9%).

Including:

Contractual allowances were over by \$2,926(1%)

Provision for bad debt was over by \$2,273(2%).

Charity care was over by \$14,945(88%).

Administrative allowances were over budget by \$30,109(240%)

Gross inpatient revenue was under by \$97,634(33%) in May due to having 0 swing and acute days vs. a budget of 13.

Gross outpatient revenue was over by \$101,892(34%).

Gross Emergency Room revenue was over by \$89,576 (18%) due to E/R visits being over budget by 12(8.5%).

YTD

Net patient revenue was over budget YTD by \$552,149 (9%).

Gross revenue was over budget YTD by \$1,303,769(19%)

Deductions from revenue were over by \$751,619(12%).

Including:

Contractual allowances were over by \$105,161(2%)

Provision for bad debt was over by \$500,506(47%).

Charity care was under by \$24,559 (13%).

Administrative allowances were over budget by \$170,511(124%)

Gross inpatient revenue was under by \$633,283(19%) YTD despite having 179 swing and acute days vs. a budget of 163 due to SNF and I/P Lab revenue being under budget.

Gross outpatient revenue was over by \$708,220(21%).

Gross Emergency Room revenue was over by \$1,228,832 (11%) due to E/R visits being over budget by 97(6%).

May 2015	Deductions from Revenue and Misc Stats		
DESCRIPTION	Actual	Budget	Variance
Provision for Bad debts	97,273	95,000	(2,273)
Contractual Allowances	421,571	418,645	(2,926)
Charity and Admin Allowances	74,458	29,403	(45,055)
Acute and Swing Bed days	0	13	(13)
Medicare Utilization	0%	100%	-100%
Clinic Visits	412	502	(90)
ER Visits	154	142	12
Net Rev as a % of Gross Revenue	49.00%	49.00%	0.00%
Expenses as a % of Gross Revenue	61.30%	55.80%	-5.50%

MAY 2015			
DESCRIPTION	Actual	Budget	Variance
Inpatient revenue			
Medical	\$ -	\$ 13,284	\$ (13,284)
SNF	\$ 77,285	\$ 79,034	\$ (1,749)
CT Scan revenue	\$ 25,719	\$ 26,329	\$ (610)
Laboratory revenue	\$ 10,668	\$ 64,370	\$ (53,702)
Ultrasound revenue	\$ 17,861	\$ 20,868	\$ (3,007)
Pharmacy revenue	\$ 16,182	\$ 29,861	\$ (13,679)
Physical therapy revenue	\$ 2,652	\$ 29,216	\$ (26,564)
Other revenue	\$ 42,820	\$ 27,859	\$ 14,961
Total I/P revenue	\$ 193,187	\$ 290,821	\$ (97,634)
Outpatient revenue			
CT Scan revenue	\$ -	\$ 23,788	\$ (23,788)
Physical therapy revenue	\$ 121,970	\$ 60,263	\$ 61,707
Lab revenue	\$ 96,288	\$ 62,545	\$ 33,743
Radiology revenue	\$ 22,318	\$ 30,128	\$ (7,810)
Clinic revenue	\$ 117,020	\$ 96,324	\$ 20,696
Other revenue	\$ 37,926	\$ 20,581	\$ 17,345
Total O/P revenue	\$ 395,522	\$ 293,629	\$ 101,892
Emergency Room revenue			
Emergency room revenue	\$ 277,080	\$ 256,528	\$ 20,552
CT Scan revenue	\$ 124,987	\$ 84,289	\$ 40,698
Laboratory revenue	\$ 80,815	\$ 74,702	\$ 6,113
Radiology revenue	\$ 37,796	\$ 29,427	\$ 8,369
Other revenue	\$ 51,424	\$ 37,579	\$ 13,845
Total E/R revenue	\$ 572,102	\$ 482,525	\$ 89,576
Total Gross Revenue	\$ 1,160,811	\$ 1,066,976	\$ 93,834

Other operating revenue was over budget for the month by \$6,649.

Operating expenses were over budget by \$116,025(19%) in May. Operating expenses represented 51.3% of gross revenue compared to the budgeted amount of 55.8% in May. Gross patient revenue was over budget by 8% while operating expenses are 19% over budget with the significant variances (unfavorable) being:

DESCRIPTION	MONTH OF May	YTD
SALARIES	\$ (15,089)	\$ (24,002)
EMPLOYEE BENEFITS and HOUSING	\$ (9,590)	\$ 26,412
PRO FEES	\$ (30,232)	\$ (317,687)
SUPPLIES-General	\$ 435	\$ (18,420)
SUPPLIES-Pharmacy	\$ 4,498	\$ 6,932
SUPPLIES-Food	\$ 2,450	\$ 6,615
PURCHASED SERVICES-Repairs	\$ (8,201)	\$ (31,580)
LICENSES/TAXES	\$ (1,049)	\$ 97
Depreciation	\$ (6,295)	\$ (73,060)
TRAVEL	\$ (146)	\$ (3,151)
UTILITIES	\$ (1,652)	\$ (10,902)
PURCHASED SERVICES-Other	\$ (2,478)	\$ (53,367)
Dues and subs	\$ (198)	\$ (2,710)
OTHER EXPENSES	\$ (45,363)	\$ (145,000)
TOTAL	\$ (112,910)	\$ (639,823)

Salaries-Lab (\$4k, \$34 K YTD), Clinic (\$26K, YTD) PT (\$31K YTD)
 Employee benefits-Housing (\$2K, \$35K, YTD)
 Professional fees-Physicians (\$18K, \$118K, YTD) Nursing Registry (\$27K, YTD),
 Purchased Services-Other-Lab(\$1K, \$20K YTD), Patient Accounting(\$1K, \$3K YTD)
 Other expenses-HR (\$38K, YTD), Clinic(\$3K,YTD), Acct(\$13K, YTD), PT(\$17K,
 \$69K YTD)

Net Operating Income was \$65,795 under budget for May and \$2,343 under budget YTD.

Non-operating revenue and expense was under budget by \$25,964 for May.

The financial position remains strong with working capital decreasing by \$52,827 with net days in accounts receivable increasing to 102 days while gross days remained at 101 days. We are working with our new billing company to improve the process. Cash and LAIF funds decreased by \$198,773 from April. Net patient accounts receivable increased by \$119,145 from April. Medicare settlement accounts decreased \$14,964 from April. Accounts payable increased by \$125,235 and current liabilities decreased by \$52,827 from April.

DESCRIPTION	AS OF May 31, 2015	AS OF April 30, 2015	CHANGE IN WORKING CAPITAL
CURRENT ASSETS	\$ 4,059,093	\$ 4,164,366	\$ (105,273)
CURRENT LIABILITIES	\$ (607,237)	\$ (659,683)	\$ 52,446
WORKING CAPITAL	\$ 3,451,856	\$ 3,504,683	\$ (52,827)

II. New developments (Not reflected in the financial statements)

- **Electronic Medical Records (EMR)-** The EMR project continues to be addressed. We will be reimbursed for most costs associated with the EMR project by the government for expenses incurred after February 17, 2009. We have invested \$1,902,608 in this project as of May 31, 2015. CPSI is certified by the government for its EMR product. We have filed an appeal through the cost report process and it will be reviewed during the Medicare audit. . We believe that we are due between \$250,000 and \$300,000 in additional reimbursement.
- **ICD -10 Conversion-** We have entered into a contract with HFS consulting firm to provide the training for Physicians and other employees to meet the new ICD-10 requirements that has again been delayed until October 1, 2015. CPSI tested their system readiness for this conversion in March. There were no issues with CPSI. They will test it again in July. We have begun the process with HFS. We have begun to schedule training for our physicians and nurses in July. We will be ready for the conversion before the deadline. However, the deadline may be extended again.
- **Billing Company-** Cross America Financial, LLC took over our billing and collection function on October 1, 2014. As discussed earlier, we are working very closely with CAF to improve the billing and collection function. Please see Accounts Receivable Improvement Plan for an update on this process.

- **Electronic Medical Records Audit**-Noridian has requested additional information in the audit of the EMR expenses. We are complying with their request to have the additional information to them by Friday June 26, 2015.
- **Chargemaster Review**-CIMC has contracted with Terrence Wong and Associates to conduct a thorough review of the chargemaster. Mr. Wong was on-site on Tuesday June 16 to meet with CIMC personnel and to discuss various charging techniques. The review will be completed by June 30, 2015. This will improve the billing process.
- **AAA Grant Audit**-Auditors contracted by the County of Los Angeles were on site to conduct an audit of the AAA grant. This grant provides funds for CIMC personnel to provide home help services.

**CATALINA ISLAND MEDICAL CENTER
INCOME STATEMENT EXHIBIT C (THOUSANDS OF DOLLARS)**

	ACTUAL FYE 6/30/14		FORECAST FYE 6/30/15		BUDGET FYE 6/30/16	
	DOLLARS	PERCENT CHANGE	DOLLARS	PERCENT CHANGE	DOLLARS	PERCENT CHANGE
GROSS PATIENT REVENUE						
Inpatient	3,143,511	-10.18%	2,823,450	-10.18%	3,262,537	15.55%
Clinic & Referred	3,109,676	39.99%	4,353,140	39.99%	4,577,390	5.15%
Emergency	6,124,538	17.06%	7,169,502	17.06%	7,480,989	4.34%
Total	12,377,727	15.90%	14,346,093	15.90%	15,320,856	6.79%
DEDUCTIONS FROM REVENUE						
Provision for Bad Debts	1,232,481	34.73%	1,660,505	34.73%	1,380,000	-16.89%
Contractual Allowances	4,115,102	25.28%	5,155,248	25.28%	6,639,059	28.78%
Charity Allowances	328,857	-43.33%	186,377	-43.33%	217,546	16.72%
Administrative Allowances	153,429	110.53%	323,010	110.53%	265,000	-17.96%
Total	5,829,869	25.65%	7,325,140	25.65%	8,501,605	16.06%
NET PATIENT REVENUE	6,547,858	7.23%	7,020,953	7.23%	6,819,251	-2.87%
SALES TAX REVENUE	576,765	5.28%	607,197	5.28%	500,000	-17.65%
OTHER OPERATING REVENUE	234,103	-3.25%	226,483	-3.25%	235,000	3.76%
TOTAL OPERATING REVENUE	7,358,723	6.74%	7,854,631	6.74%	7,554,251	-3.82%
OPERATING EXPENSE						
Gross Salaries & Wages	3,057,661	3.16%	3,154,303	3.16%	3,372,578	6.92%
Employee Benefits	698,699	-5.24%	662,097	-5.24%	688,208	3.94%
Employee Housing	116,131	34.53%	156,236	34.53%	70,000	-55.20%
Pro Fees - Physician	727,494	8.39%	788,533	8.39%	745,000	-5.92%
Pro Fees - Registry & Therapists	182,038	-43.63%	102,610	-43.63%	48,000	-53.22%
Pro Fees - Consult, Legal, & Audit	359,870	41.48%	509,129	41.48%	342,860	-32.66%
Sub Total	5,141,895	4.49%	5,372,908	4.49%	5,266,646	-1.98%
Supplies - General	251,334	4.25%	262,017	4.25%	269,878	3.00%
Supplies - Pharmaceuticals	115,644	-6.19%	108,483	-6.19%	111,737	3.00%
Supplies - Food	75,022	-1.31%	74,036	-1.31%	76,257	3.00%
Purchased Services - Medical	0	0.00%	0	0.00%	0	0.00%
Purchased Services - Repairs & Maint.	153,162	17.57%	180,079	17.57%	169,914	-5.64%
Purchased Services - Other	668,858	4.89%	701,537	4.89%	639,392	-8.86%
Depreciation - Historical	363,190	19.35%	433,478	19.35%	440,669	1.66%
Equipment Lease	34,558	-39.90%	20,771	-39.90%	14,196	-31.65%
Utilities	86,928	3.23%	89,734	3.23%	89,247	-0.54%
Insurance	91,425	-4.16%	87,619	-4.16%	102,752	17.27%
Licenses & Taxes	32,103	-8.42%	29,400	-8.42%	26,548	-9.70%
Interest	0	0.00%	12,515	0.00%	12,504	0.00%
Telephone	17,289	-22.62%	13,378	-22.62%	13,779	3.00%
Dues & Subscriptions	17,855	6.89%	19,085	6.89%	15,125	-20.75%
Travel & Outside Training	23,152	24.47%	28,817	24.47%	28,000	-2.84%
Other Expense	432,880	-7.00%	402,595	-7.00%	275,864	-31.48%
Total Operating Expense	7,505,302	4.41%	7,836,455	4.41%	7,552,508	-3.62%
NET OPERATING REVENUE	(146,579)	-112.40%	18,177	-112.40%	1,743	90.41%
NON-OPERATING REV & EXP						
City of Avalon Reserve Fund						
Foundation	105,000	0.00%	76,555	0.00%	75,000	0.00%
Auxiliary	13,454	0.00%	26,500	0.00%	30,000	100.00%
Contributions- Public	3,845	14895.32%	578,570	14895.32%	65,000	-88.73%
Grants	211,280	-10.95%	188,136	-10.95%	125,000	-33.56%
Other Interest Income	2,334	-37.23%	1,465	-37.23%	3,500	138.91%
Total	335,913	158.77%	869,227	158.77%	298,500	-65.66%
NET REVENUE - TOTAL	189,334	368.70%	887,402	368.70%	300,243	-66.17%

37.

AVALON MUNICIPAL HOSPITAL BOARD OF TRUSTEES

MEETING DATE: July 21, 2015

AGENDA ITEM: 3

ORIGINATING DEP: City Clerk

CITY MANAGER: BH

PREPARED BY: Denise Radde, City Clerk

SUBJECT: Appointment of One Additional Director to the Avalon Medical Development Corporation Board

RECOMMENDED ACTION(S): Appoint Dr. Monte Mellon to the Board of Directors of the Avalon Medical Development Corporation (AMDC).

REPORT SUMMARY: The Bylaws of the Avalon Medical Development Corporation (AMDC) provide that the City Council will make all appointments to its Board of Directors. This Board governs the management of the Hospital under the terms and conditions of a lease and operating agreement with the City of Avalon. The Chief Executive Officer of the Hospital and Clinic reports to the AMDC Board of Directors.

The Board positions were advertised and nine applications originally had been received from Michael Ponce, Maggie Maki, Catrina Awalt, Judy Gear, Dr. Monte Mellon, Trudy Saldana, Elizabeth Hile, Ralph Morrow and Alison Osinski. Michael Ponce and Catrina Awalt were appointed in the first round at the May 19, 2015 meeting. Dr. Monte Mellon had removed his name due to scheduling issues.

Following that meeting four additional applications were received from Karla Parsons, Steve Gorelczenko, Rodney Muller, and Ritch Haynes. At the June 16, 2015 meeting Trudy Saldana and Judy Gear were appointed to the Board.

One last application was received from Kerry Roberts on June 29, 2015. It should be noted that Karla Parsons has withdrawn her name and Dr. Monte Mellon has addressed his scheduling concerns and is making himself available as a candidate again.

FISCAL IMPACTS: N/A

GOAL ALIGNMENT: N/A

CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION: Positions will remain unfilled and Board may be unable to take action.

FOLLOW UP ACTION: City Clerk will notify all applicants.

ADVERTISING, NOTICE AND PUBLIC CONTACT: This item was properly listed on the posted agenda pursuant to the brown Act.

ATTACHMENTS: Letter of Recommendation from the Catalina Island Medical Center CEO and new application from Kerry Roberts.



P.O. Box 1563
100 Falls Canyon Rd
Avalon, Calif. 90704

(310) 510-0700
Appointments (310) 510-0096
CatalinaIslandMedicalCenter.org

July 9, 2015

Oley Olsen
Chairman, Board of Trustees
Avalon Municipal Hospital
P. O. Box 707
Avalon, CA 90704

Anni Marshall, Mayor
City of Avalon
P. O. Box 707
Avalon, CA 90704

Dear Oley and Anni,

The Avalon Medical Development Corporation at its regular monthly Board Meeting held on June 23, 2015 discussed the existing position vacancies on the Hospital Board.

The Board had available for its review the applications of all those individuals who as of the date of the meeting had submitted their application to the City Clerk of Avalon and which had been forwarded to the Hospital. In its evaluation process it was pleased to learn that Monte Mellon, M.D. had addressed his scheduling concerns and was making himself available as a candidate for the AMDC Board. Furthermore, the Board addressed itself to what was an optimal size board for being able to effectively address the business needs of the Hospital as well as to consider quorum requirements. It concluded that while the number seven was marginally optimal, the addition of one more member, Dr. Mellon, would bring more advantages to discussions and outweigh any disadvantages of having an additional member.

The AMDC Board unanimously recommends Monte Mellon, M.D. to fill the remaining 2017 position vacancy.

The Hospital would appreciate your careful consideration of the thoughtful recommendation of the AMDC Board.

Sincerely,

A handwritten signature in black ink, appearing to read "Bryan M. Ballard".

Bryan M. Ballard
Chief Executive Officer

AMDC Director Appointment Recommendation
July 9, 2015
Page Two

cc: Michael Ponce, Chairperson
Avalon Medical Development Corporation

Ben Harvey, City Manager
City of Avalon

↙ Denise Radde, Chief Administrative Officer/City Clerk
City of Avalon

Received
06-29-15
NR

CATALINA ISLAND MEDICAL CENTER BOARD Application Form

If you are interested in serving on the seven member non-profit board that oversees operation of the Catalina Island Medical Center (CIMC), please complete the attached application and supplemental questionnaire and return it to the City of Avalon, City Clerk's Office, 410 Avalon Canyon Road, Post Office Box 707, Avalon, CA, 90704. If you have any questions, you may call Bryan Ballard, Chief Executive Officer of CIMC at 310-510-0700 or Denise Radde, City Clerk, at 310-510-0220 x 122. This application is also available on the City's website www.cityofavalon.com.

If possible, applicants are asked to attend at least one meeting of the committee for which they are applying prior to participating in the application process.

The City Council is the appointive body for the CIMC Board. The City of Avalon is an equal employment opportunity employer and does not discriminate in making appointments upon any basis prohibited by law, including race, color, creed, religion, age, sex, national origin, ancestry, sexual orientation, marital status, military status, or disability. None of the questions or information sought in this application is intended to discriminate based upon any status protected by law.

Please Print:

MS./MRS./MR.: KEERY L. "SKIP" ROBERTS

TELEPHONE: 949/396-1964 HOME 949/456-9048 WORK/MOBILE

HOME ADDRESS: 1321 MIDDLE TERRACE, AVALON 90704

MAILING ADDRESS: P.O. Box 2091, AVALON 90704

YEAR YOU BECAME AN AVALON RESIDENT/CONNECTION TO AVALON: 2012

ARE YOU A REGISTERED VOTER IN THE CITY OF AVALON? NO

WOULD YOU BE ABLE TO ATTEND DAYTIME MEETINGS? YES

WOULD YOU BE ABLE TO ATTEND EVENING MEETINGS? YES



DESCRIBE YOUR INTEREST IN THE CATALINA ISLAND MEDICAL CENTER:

AS A RECENT RETIREE LIVING IN AVARON I AM INTERESTED IN WHAT HEALTHCARE IS AVAILABLE ON THE ISLAND AS WELL AS THE QUALITY OF THAT HEALTHCARE.

WHAT PERSONAL STRENGTHS DO YOU HAVE THAT WOULD MAKE YOU QUALIFIED FOR THIS POSITION?

DECISION MAKER, PROBLEM SOLVER, EXTENSIVE MANAGEMENT EXPERIENCE, RESULTS ORIENTED

WHAT HAS BEEN YOUR EXPERIENCE WITH OTHER BOARDS/ORGANIZATIONS THAT YOU BELIEVE WOULD BE BENEFICIAL TO YOU SERVING IN THIS POSITION?

AS A FOUNDER, CO-FOUNDER AND/OR PRINCIPAL AT THREE START-UP COMPANIES I BELIEVE I CAN CONTRIBUTE THE ENERGY, FOCUS AND EXPERIENCE NECESSARY TO EXCEL AS A CURE CURRENT OCCUPATION AND LAST TEN YEARS EMPLOYMENT HISTORY: BOARD MEMBER.
SEE ATTACHED RESUMES

EDUCATIONAL BACKGROUND:

BA FROM UNIVERSITY OF ARIZONA

WHAT ADDITIONAL INFORMATION WOULD YOU LIKE US TO KNOW TO BETTER ASSESS YOUR SUITABILITY FOR THIS APPOINTMENT?

OVERSIGHT AND MANAGEMENT OF PEOPLE, PRODUCTION AND PERFORMANCE HAS BEEN AN INTEGRAL PART OF MY BUSINESS CAREER, AND I WOULD LIKE TO APPLY THOSE SKILLS IN MY ROLE AS A CLINIC BOARD MEMBER

REFERENCES: (Provide Name and Phone Number)

- 1. BEA VANEVERY 623/221-8722
- 2. CONRADO VEGA 310/713-7668
- 3. DAVID ZELLER 310/714-3808

DATE: 6/22/15 PRINT NAME: KERRY L. "SKIP" ROBERTS

SIGNATURE: *Kerry L. "Skip" Roberts*

SKIP ROBERTS

132 Middle Terrace
Avalon, CA 90704

Mobile: (949) 456-9048
skiproberts@cox.net

BACKGROUND

Seasoned executive with Founder and Principal experience at three different start-up companies, effectively and efficiently managing diversity of professionals, clients and staff while creating strategies and employing tactics necessary to insure tenure, growth and success.

STRENGTHS

- Problem Solver
- Creative yet logical
- Organized and Methodical
- Meets and exceeds expectations
- Results oriented
- Decision Maker
- Goal and success driven
- Strong relationship building skills

EXPERIENCE

October 2012–Present

Channel Sources
Vice President

Irvine, CA

Manufacturer's rep responsible for sales of Computer Hardware, Software, Peripherals, Accessories, Consumer Electronics and Consumer products to Resellers and Retailers in the Western Region.

- Signed first time H&R Block tax software promotion with major DotCom.

June 2009–September 2012

Spectrum Marketing Services, LLC
Partner

Irvine, CA

Co-Founder of a start-up Energy Services company delivering comprehensive, financially responsible, sustainable energy savings solutions to the public and private sectors. Engaged primarily with business development in the continental U.S. focusing on three areas where major energy savings can be realized: HVAC/Refrigeration compressor optimization, soft start and load sensing Motor controls and upgrade and retrofit lighting.

- Initiated year long energy savings pilot program with HMS Host Travel Plazas utilizing HVAC and Refrigeration compressor optimization products resulting in an average of 25% savings per location and an agreement to roll out the project to over 80 locations.

September 2004–June 2009

CMS Products, Inc.
Channel Sales Manager

Costa Mesa, CA

Responsible for channel sales of software driven, hard drive based, Client Side Backup & Disaster Recovery Solutions and replacement Notebook upgrade hard drives through two-tier Distribution partners Tech Data, Ingram Micro and D&H Distributing. Maintained a high level of remote and on-site support of TeleSales and Field Sales efforts on behalf of CMS Products with resellers such as DELL, CDW, Insight, MoreDirect, PC Connection, PC Mall, Pomeroy, SHI, and Zones. Additional responsibilities included channel sales budgeting and forecasting as well as management of CMS account executives and Manufacturers' Reps.

- Increased sales at Tech Data by 20% over a three year period.
- Opened D & H Distributing as an active CMS Products Distributor.

June 2000–September 2004

S & K Marketing
Sales and Marketing Consultant
Founder and Principal

Orange County, CA

Client: Digital Direct Services

Developed and implemented sales and marketing strategies, created quote templates and outbound campaign scripts and developed key account relationships for a fifty seat outbound Call Center headquartered in Southern California.

- Created and implemented loyalty and recruitment campaigns for Microsoft, GE Capital and Cisco Systems resulting in over \$1.5mm in first year revenue.

Client: DreamGear

Developed and implemented National and Regional Key Account sales and marketing programs for Video Game Accessories Company. Conferred regularly with Product Managers in development and expansion of core products necessary to drive business in the videogame accessories category.

Client: ICM

Collaborated with a regional capital goods manufacturer in the expansion of its regional footprint. Assisted in development of a market plan necessary to drive and support the company's goals. Charged with personal responsibility for building and nurturing key account sales and relationships while working closely with the President of the company to develop new products and upgrade the company's web site.

1984–June 2000

Micro Tech Marketing Services, Inc.
Co-Founder and Principal

Irvine, CA

Manufacturer's rep for sales of Computer products to National Distributors and Major Accounts such as Ingram Micro, Merisel, Tech Data, CompUSA, Office Max, Staples, Office Depot, Micro Center, Best Buy and Fry's. Maintained a high level of Relationship Management with key accounts.

- Developed, implemented and managed comprehensive channel "Go-to-Market" strategies and tactics for Accolade Video Game Software, Disney Software, IBM Software, McGraw-Hill Software, Monster Cable Accessories, Samsung Monitors, Sony Software and Sega Video Game Software.
- Joint effort with partner grew company to a peak of \$54mm annual revenue.

EDUCATION

Bachelor of Arts

University of Arizona

Tucson, AZ