



Commission to study options if Mt. Diablo health district eliminated

By Sandy Kleffman Contra Costa Times

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MARTINEZ -- A regulatory agency took the first step Wednesday toward eliminating the Mt. Diablo Health Care District by agreeing to study its services and options if it is dissolved.

When the study is completed in about four months, the Contra Costa Local Agency Formation Commission will review the findings and hold a public hearing before deciding whether to disband the district.

Four grand juries and the Contra Costa Taxpayers Association have called the district a waste of taxpayers' money and recommended that it be eliminated.

It has some useful programs, including providing CPR training to 6,000 freshmen in the Mt. Diablo Unified School District, said LAFCO commissioner Don Tatzin, who also is a Lafayette council member.

But Tatzin said not every good program deserves its own governmental agency. He suggested that another agency might be able to provide the same services at a lower cost.

"I think we ought to proceed with this study," he said. "This is a very small governmental agency. It is not going to grow."

The district encompasses about 200,000 residents in Concord, Martinez, Clyde, Pacheco, and portions of Lafayette and Pleasant Hill. It collects about \$230,000 in property taxes annually.

It was formed in 1948 to oversee construction and operation of Mt. Diablo Medical Center in Concord.

But in 1997, the board merged the hospital with the private John Muir Health system, giving up control of the facility and much

of its power.

Grace Ellis, who chairs the district board, argued that even if it is eliminated, there would be no break for taxpayers. The tax money would continue to be collected and would be redistributed to other tax-supported agencies.



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September 14, 2011 Agenda Item 14d



"What are you going to be gaining if we are dissolved?" Ellis asked. She noted that the district has been urged to expand its CPR p rogram to Martinez schools and is about to issue more grants to community organizations.

She urged LAFCO to postpone a decision for a year to see what the district can do in the meantime. "We're here to help," she said.

But the possibility of the district issuing more grants drew concerns from Kris Hunt, executive director of the Contra Costa Taxpayers Association. She noted that district board members have said they have \$800,000 available to spend on grants, yet they have made no plans to deal with a \$700,000 unfunded liability to provide lifetime health and dental benefits for Ellis and former board member Ron Leone, who is now a Concord councilman.

"It's very disturbing that they're talking about funding all these grants," Hunt said.

LAFCO commissioners decided to remove about \$26,000 from their contingency fund to hire Economic & Planning Systems in Berkeley to perform the study.

Mary Piepho, a LAFCO commissioner and county supervisor, suggested including the Los Medanos Community Healthcare District in the study because similar concerns have been raised about that organization. But after some discussion, the commissioners decided the districts are different and to proceed only with a study of the Mt. Diablo Health Care District at this time.

Last month, Gov. Jerry Brown signed a bill

that would enable LAFCO to eliminate special districts without an election.

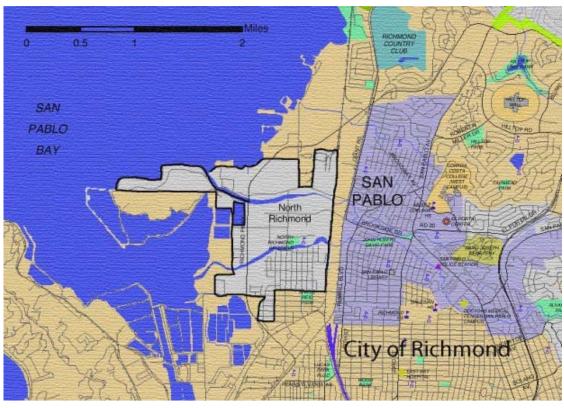


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Part 8: North Richmond, where the city's boundaries end





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This map shows the curious political borders that isolate North Richmond.

By: <u>Robert Rogers</u> | August 10, 2011 – 2:37 pm

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Civic leaders who seriously grapple with the question of how North Richmond can break its ruinous cycle of crime, poverty and decline often come to the conclusion that the current political arrangement is untenable – and that the community

Journey into North Richmond

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Part 2: Inauspicious beginnings

would fare better if it was annexed to Richmond.

Today, North Richmond is unincorporated, putting it under the county's jurisdiction. It borders the city of Richmond, separated by a line — pencil-thin on a map, invisible on the street — that runs between two

Part 3: Blues

Part 4: Moribund housing projects

Part 5: North Richmond man

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Part 7: Troubled environment

railroad tracks. That eastern boundary connects the central city to the Hilltop Mall area, bypassing North Richmond and thus satisfying state law that city lands must be contiguous.

"Any way you look at it, it makes no sense that North Richmond is not part of the city," said Richmond City Councilman Tom Butt.

Although Butt is a successful businessman in affluent Point Richmond, he had his own blunt encounter with the wall of opposition that has met many Richmond leaders over the decades as they've floated the idea of annexing North Richmond.



Tom Butt, pictured here in Point Richmond, broached the idea of annexing North Richmond as a relatively new councilman in 1996 (photo by Robert Rogers)

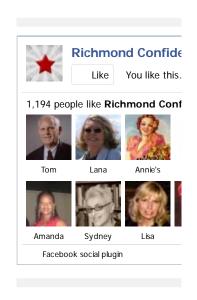
A councilman since the mid-1990s and arguably the elected official with the safest seat, Butt called on the city to study the feasibility of annexing North Richmond and El Sobrante in 1996, the city's last serious move towards annexation. "I introduced a resolution for city staff to study the feasibility annexing North Richmond and El Sobrante," Butt said. "The council was very pro-development at the time, and it seemed like there might be opportunities."

As a white politician with a secure political base of affluent voters, Butt had little motivation to court future votes in the mostly African American enclave of North Richmond. But he had a gnawing feeling that having a pocket of unincorporated land inside his city was bad public policy, and he wanted to know whether annexation would help or harm both areas. "I wanted to know what it would mean," Butt said.

From the beginning, Butt said, he dealt with plenty of preconceived notions about the issue. "The population out there was very poor and everybody thought it would be a problem, a drain, at least at first on the city," Butt said.

Additionally, Butt said, although the council may have gone along with the idea, and developers may have seen some opportunity, there was a powerful interest group in unincorporated North Richmond working against any movement toward annexation. "It was the big property owners, the industrial types, that wanted to avoid being in the city," Butt said. "They'd start spreading money around, making contributions to influential organizations in the neighborhood, the same thing they have always done."

As an example of a company that wanted to avoid annexation, Butt cited Color Spot



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" Great article Rogers, hoping citizens of Nort Richmond read

Commented on Part 8: Nort where the city's boundarie ago

Grower, a nursery company that ceased operations in North Richmond in 2007. "You had a lot of the greenhouse operators who used a lot of energy — they're all gone now — and they didn't want to pay the utility tax in the city so they worked hard against annexation," Butt said.

The city of Richmond has a 10 percent utility user tax on energy usage, while the county, which governs unincorporated North Richmond, has no such tax.



North Richmond has been unincorporated land for more than 100 years. (photo by Robert Rogers)

Butt shook his head. "I saw that [annexation] wasn't going to go anywhere," he said. "There was too much political power on the other side."

That has been a recurring theme for decades, along with a strain of rugged isolationism that traces back to North Richmond's pre-WWII rural outpost days. During the postwar period the topic of annexation came up often, said Shirley Moore, a Cal State Sacramento history

professor and author of numerous books about Richmond.

"There were people who very much pushed for annexation, because they would be brought under purview of law enforcement, sanitation, and other services provided by the city. Residents were dissatisfied in the level of service provided by the county," Moore said during a telephone interview.

Moore said North Richmond's residents have always been generally unsatisfied with the services they receive from the county – law enforcement, code enforcement, public works – but the question of how to improve was always murky.

Additionally, Moore said, "There has always been a faction that preferred to live outside of the jurisdiction. It's a tale of two cities in many respects."

Near misses with annexation occurred in the 1960s and 1970s, as two major movements were growing in Richmond. First, African Americans had emerged as a new political power, thanks to the demographic shift brought on by WWII and the enlargement of their civic participation thanks to the Civil and Voting Rights Acts. Second, the city of Richmond looked to expand, mostly northward, as the old downtown withered and retailers and other businesses hoped to set up in the outskirts, closer to the consumers who had fled to the newer suburbs.

The trends seemed poised to lead to the annexation of this poor, isolated and solidly African American community. Enter George Livingston, an African American councilman in the 1960s and 1970s who later became the city's first elected black mayor. Now 77 and suffering from kidney failure, Livingston spends most of his days relaxing and thumbing through books and papers in his south Richmond home. But in the mid-1970s, Livingston played a leading role in seizing the land for Hilltop Mall, which had been unincorporated county land.

Livingston said the land for the mall was owned by Chevron Corp., and other area cities



George Livingston, left, and Jim McMillan, two former city leaders who were thwarted in their efforts to annex North Richmond. (photo by Robert Rogers)

were looking to annex it in order to get the tax benefits that would spring from opening a vibrant new retail center. "We had to jockey against Pinole, and San Pablo was trying to get it," Livingston remembered during a lengthy conversation at his central Richmond home.

But while securing Hilltop Mall for Richmond was a great coup, it did not solve the quandary of North Richmond, the dull side of the city's shiny new coin.

The rural patch of North Richmond sat northwest of the Iron Triangle and southwest of Hilltop, just as it does now. Then, it comprised about 2,500 poor people. While Latinos have steadily moved in over the past decade, drawn by cheap land prices, in the 1970s the neighborhood was still virtually all African Americans.

As mayor, Livingston wanted to bring North Richmond into the city. "I said we need to bring those individuals in that were not getting what they deserve," Livingston said.

But as the local government addressed the idea in the 1970s and 1980s, the divisions were consistently sharp. "There was some feeling on the council to annex North Richmond, but there was a split group on the council," Livingston said. "At the time we had nine members and there were some industrial interests out there who didn't want to be annexed to Richmond because they thought they would have a better political system to be just the county."



steered away from the question of annexation. (photo by Robert Rogers)

"They saw themselves as paying more taxes and having more scrutiny as far as regulations if they became part of the city, and they didn't want that," Livingston continued. "So they worked hard to lobby the council and to build support at the community level."

Councilman Nat Bates, who like Livingston had ascended to power in the 1960s and 1970s, was a part of the process and

remembers it similarly. "The big property owners didn't live out there, and they didn't want to pay the city property taxes, so they got together and did what they could to make sure the residents didn't vote for annexation," Bates said.

At the same time, North Richmond wasn't all that attractive, even to a city council that was well-represented by minorities. "From a financial point of view, obviously annexation didn't resonate with council members," Bates said. Annexing North Richmond, initially, would have meant taking responsibility for an impoverished, high crime area with a badly disinvested infrastructure, Bates said. Major industry would have provided a solid tax base, but not enough to outweigh the initial investment in services that the community needed, Bates said.

Still, Bates felt that the pro-annexation members could have had a majority on the council, a point on which Livingston and he differ. "We could have had the majority of the council, but we couldn't get the vote of the people, and the property owners were behind that," Bates said.



County Supervisor John Gioia says the county is committed to serving North Richmond. (photo by Robert Rogers)

It was a familiar refrain: The people of North Richmond—poor and unaccustomed to participating in their local government because proceedings for their governing authority, the county, are conducted 20 miles away in Martinez—were easily dissuaded from supporting annexation.

Former Councilman Jim McMillan has his own recollection. Sitting on the council in the 1970s and 1980s, McMillan took a keen interest in annexing North

Richmond. "I tried to push annexation twice in the early 1980s," McMillan said. "It was all about taxes. The business interests didn't want to pay the tax, and they propagandized the poor residents out there to fear the taxes. The county supervisor at the time, Tom Powers, didn't want to lose the tax revenue he was getting."

McMillan still has a city staff report on annexation that he ordered drawn up in 1980. "It had initial costs to the city of about \$3.2 million," McMillan said, reading from the report. "But we thought that it would pay dividends in the future, and [then-Police Chief] Ernie Clements felt strongly that the community would be better served if part of local police jurisdiction than if it remained [Contra Costa County] Sheriff territory."

About 15 years later, Butt ventured into the same territory, only to be rebuffed. Now, another 15 years after Butt's ill-fated exploration, many people are openly asking whether it's time for yet another effort at annexation, and debating whether such a proposal will fare any better this time.



Kenneth Davis led a small protest at John Gioia's offices in April, demanding more money for local programs in North Richmond. (photo by Robert Rogers)

Livingston, for one, says he's optimistic. On the current council, he sees a group of eclectic but solidly progressive leaders who seem as likely as any of their predecessors to take on the task of annexing North Richmond.

Bates, the longtime political power player, isn't so sure. "North Richmond would be a subsidized community, a net loss to the city," Bates said. "Got to put in streets, sidewalks, lights, who knows how much in repairs and upgrades. It's a tough sell to

the voters in the rest of the city."

Butt offered a more mixed view, and said there would be a higher tax burden for North Richmond residents and businesses in the event of annexation, but that "the trade off is you'd get more services if you were in the city. Some problems would likely be

ameliorated ... A county is set up to govern unincorporated areas that are sparse, not to provide municipal government to urban areas that require a range of services, and the fact is that with the borders the way they are the city is providing a lot of services out there to county residents, services that we aren't collecting taxes for."

Whether annexing North Richmond would be a net fiscal loss or gain to the city, especially in the long term, is not clear. City Manager Bill Lindsay is skeptical about whether North Richmond would ultimately profit the city, especially given its latent development potential. "There would have to be some work done in terms of assessing the situation," Lindsay said. "It's not a no-brainer one way or the other."

Lindsay said any future analysis should include three key areas: A fiscal analysis of initial costs and tax benefits, an analysis of redevelopment project areas and a look at land use policies to see whether they would mesh with Richmond's own development policies. "The county has recently done a specific plan, and the question is whether that is consistent with the city's view of land use in that area," Lindsay said.



Clark, left, Bey, center, and Davis represent three of the most influential voices in the North Richmond community. (photo by Robert Rogers)

Contra Costa County Supervisor John Gioia, North Richmond's elected representative, has said that the northern lands above North Richmond's current housing area, long marked for industrial development that has not happened, could be rezoned for housing and commercial and retail as early as this year.

The political aspects of annexation are also bound to be tricky. "The key is, we

can't be seen as doing a hostile takeover," Lindsay said. "There has to be grassroots support in the community."

But there is little doubt that such the spirit for annexation is swirling among activists and some elected leaders. Last year's city election, for the first time in years, featured a open talk about annexing North Richmond. Councilman Corky Booze said repeatedly during his 2010 campaign that North Richmond should be annexed. "These are my people, our people, and we should be fighting for them in our local government," Booze said while campaiging in the neighborhood.

While Mayor Gayle McLaughlin has not come out publicly for annexation, she routinely attends events in the county area of North Richmond; in 2010, she said it made no sense to not treat the community as "Richmond" just because of an arbitrary political boundary.

Councilwoman Jovanka Beckles sits on the North Richmond mitigation committee and also made numerous forays into North Richmond during her campaign in 2010.

Several local leaders say they recognize the challenges created by having an unincorporated pocket within Richmond. Lindsay said splitting the neighborhood politically has policy consequences and inefficiencies. "There is a little bit of an extra burden in terms of coordinating the services, out there," Lindsay said. "Especially the

police department, which has a very complicated task in the sense that it is policing around the unincorporated island of North Richmond and they have to coordinate a lot with the sheriff."



Corky Booze, left, Mike Parker, center, and Kenneth Davis exchanged some thoughts about annexation during Richmond's annual Silly Parade earlier this year (photo by Robert Rogers)

Richmond Police Lt. Arnold Threets agrees with Lindsay's assessment. "One of the challenges we have in addressing the violence is that one-half of the problem is jurisdictionally under the control of the sheriff's office and the other half of the problem is ours," Threets said. "Our bad guys go over into their jurisdiction and commit murders, commit crimes in retaliation, and their subjects do the same."

Basically, both sides make the best of an imperfect arrangement, Threets said.

"We don't work together as much as we can, quite frankly," Threets said. "It's just a resource issue on the part of the county—they just don't have the resources that they should to address the problem."

Lindsay said ancillary issues of public safety and aesthetics were complicated by the abutting jurisdictions. "Code enforcement and blight abatement is also a challenge," Lindsay said. "We try to coordinate that with North Richmond mitigation fund, a lot of coordinating with a lot of different departments. It does create some complexity."

But there are still plenty of people who oppose annexation, including leaders outside the industrial business community. One of the most powerful voices against annexation has been Henry Clark, founder and director of the West County Toxics Coalition. For years, Clark has opposed annexation on the grounds that the city would be no better than the county in providing for North Richmond.

"We worked a long time to get the county to pay attention to us and provide resources," Clark said during a community festival in July. "If we were annexed, we'd be back to square one."

Clark is one of the community's most respected members. Tall and bespectacled, with a gentle manner and choppy eloquence, Clark sits on several community boards, as well as on the committee that oversees spending of the mitigation fund, which Gioia established several years ago by levying fees on the nearby waste-transfer station. Clark played a lead role in rallying the community for redress after General Chemical Corps.' toxic spill in 1993.

But other activists, including Saleem Bey, an Oakland native who has become a force in North Richmond, along with Rev. Kenneth Davis and others, are already using community meetings and other forums to preach the benefits of annexation. While they concede that Clark may have had a point during the darker days of Richmond, the days of corruption in the police department and fiscal mismanagement, they say that now not only is the city more efficient and better managed, but that the distant county government has never been worse.

"I respect Dr. Clark, but I disagree with him on this issue," Bey said. "He has worked closely with the county over the years, and I don't know if that has affected his perception on the issue."

Clark has, of late, distanced himself from the county. When activists staged a protest outside John Gioia's El Cerrito offices in April, demanding more funding for social and educational programs, Clark was there, alongside Bey, Davis and members of the Richmond Progressive Alliance, a group that backs the coalition government in the city and favors annexation.

At that protest, Clark shifted position slightly, but still opposed annexation to the city. "Now I have come to the conclusion that we would be better off as our own township," Clark said. "But in the short term, we need to take advantage of the resources we get from the county."

Fellow activist Fred Jackson, a Korean War veteran who moved with his family to North Richmond in the early 1950s, is arguably the most widely-respected man the community has ever produced, and has also warmed somewhat to the idea of annexation. "A great man, an icon," Gioia said in February, just before the city and county agreed to rename Filbert Street "Fred Jackson Way" in honor of his decades of nonviolent activism.

Once noncommital on annexation, the now 74-year-old Jackson said that with the passing years he has come to see a hazy issue more clearly. While recuperating earlier this year from a session of chemotherapy at a family member's home near Hilltop Mall, Jackson, who is battling liver cancer, discussed his evolving feelings on annexation.

"I'm going to take a walk, not a real walk but a walk in my mind," Jackson said, reclining low in a sofa, his feet elevated. "Every step I take, I am crossing some new line, South Richmond, Central Richmond, North Richmond, the county area. I have come to wish that we could tear all these lines of demarcation asunder."

Jackson, like many other longtime residents, ruefully recalls the pride that North Richmond residents once felt. But as their community suffered disproportionally from economic malaise and racial and political isolation, that pride turned into a bitter badge of shame, Jackson said.

"Now I am of a mind that what North Richmond connotes has become such a liability that being incorporated into a greater Richmond, or a one Richmond, must be part of our future," Jackson said. "The stigma has become oppressive all by itself."

As respected local leaders have become more amenable to the prospects of annexation, the mood has taken hold within advocacy groups and political elites. Mike Parker of the Richmond Progressive Alliance (RPA) said that during a March 28, 2011, meeting, the group discussed the idea of supporting an annexation movement in North Richmond. "North Richmond, as a community, is getting organized now," Parker said. "I see the movement as something that emerges from the community and RPA acts as body that assists, as an asset to their cause."

But it was not certain that the full RPA leadership was behind annexation, Parker cautioned. "The assumption is we're all for it at the RPA. I can't say exactly when, but

we'll be considering a formal motion to approve this at some point. We want to help the leaders in the neighborhood," he said. But the group also wants to be cautious about overreaching and being seen as foisting on the community something that a majority of them don't want, Parker said.

So, the idea lingers, just as it has for decades, as this tiny enclave of the city is not really in the city at all, removed by a political boundary that is clear on maps, but invisible on the street. Some contend that the city would provide better, more ample resources than the county, but others are concerned that taxes will be higher under city rule. No matter what government represents the community, North Richmond will always have a shade of its own identity that sets it apart in some ways from the rest of Richmond.

The line of demarcation means little to most average residents, and is completely unknown to many. They know the tan uniforms of the sheriff's deputies who patrol north of Chesley Avenue, and the dark blues of the city police who patrol to the south, but the reasons seem nebulous and unimportant.

"I don't know anything about that stuff. To me police is police," said Mariecelle Lowery, the mother of Ervin Coley III, the community gardener whose shooting death in North Richmond in March shocked the neighborhood. Lowery was speaking near the steps of Gioia's office in El Cerrito during the April protest. Bey and Davis had urged her to come, saying her son's death was part of a policy of neglect and disinvestment the county has had toward North Richmond. Lowery had never been to the county offices before.

"I lived in North Richmond my whole life, and I never thought about who the government was out here," Lowery said.

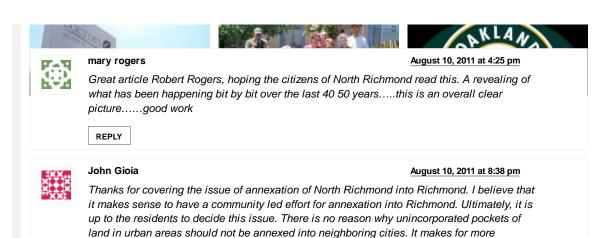
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Agency signs off on assessment of law enforcement agencies in county

Bv Rowena Coetsee Contra Costa Times

Posted: 08/11/2011 03:07:45 PM PDT

Updated: 08/11/2011 03:57:33 PM PDT

MARTINEZ -- A Contra Costa-based commission charged with overseeing public agency boundaries has signed off on an assessment of how effectively the region's law enforcement agencies are operating.

The seven Local Agency Formation Commission members present at Wednesday's public hearing unanimously accepted the draft report, which now will be updated to include additional comments on its contents before the final version is published.

The 300-plus-page document has the distinction of not only being the first comprehensive analysis that the formation commission has done of law enforcement agencies in the county but one of only three such reports in the state.

State law requires formation commissions to do these so-called municipal service reviews periodically, which involves collecting a broad array of information from the government agencies under scrutiny.

The reviews examine, among other things, the size of the area served, the agency's financial health, and whether there are chances to operate more efficiently.

Nearly a year in the making, this latest LAFCO municipal services review examined the police departments of all 19 cities in the county, along with the county Sheriff's Office and seven special districts.

The document delves into response times and facilities needs, suggests ways in which agencies can collaborate to save money, and highlights some departments' "best practices."

To preserve patrol divisions,

agencies are cutting specialized crimefighting units, closing substations, driving their cars longer and postponing facility upgrades, according to the report.







Report on the Contra Costa, CA Police Department and Law Enforcement Services

A new Report on Law Enforcement Services to the Contra Costa Local Agency Formation Commission shows the effects of budget cuts in the Contra Costa, California Police Department on department services and other programs, and proposes suggestions to redirect spending in order to save money.

The County-wide Law Enforcement Municipal Service Review (MSR) report prepared for the Contra Costa Local Agency Formation Commission (LAFCO) was written by Baracco & Associates, the Policy Consulting Associates of Malibu, and Retired police Chief Roger Neuman.

The report includes suggestions to reduce spending while avoiding cutting important department or community programs.

The Mercury News states, "The report made the following key suggestions:

- Jointly purchasing equipment and hiring dispatchers could save money as the new Contra Costa-Alameda counties' interoperable public communications system goes online in 2013.
- Saving threatened specialized teams such as gang suppression through the formation of cost-sharing collaborations in all areas of the county.
- Reclassifying as civilian jobs the positions occupied by more costly sworn officers such as those in detention.
- Deploying volunteers.
- The six cities that contain a dozen unincorporated islands within their boundaries -- San Pablo, Pleasant Hill, Antioch, Brentwood, Concord and Walnut Creek -- should consider annexation and avoid service duplication. Such a move is more politically controversial than it appears, though. Many residents in unincorporated regions resist shifts into city boundaries, where the taxes may be higher and the local regulations tighter."



Voters to decide in November on tax for San Pablo hospital

By Shelly Meron **Contra Costa Times**

Posted: 08/10/2011 08:21:22 PM PDT

Updated: 08/10/2011 10:31:53 PM PDT

West Contra Costa voters will decide in the fall whether to approve another tax and keep a struggling San Pablo hospital afloat.

This week, the five-member West Contra Costa Healthcare District Board of Directors u nanimously voted to call for a special, allmail ballot election Nov. 15, and place a parcel tax on the ballot.

"It is hard to close the financial gap without the revenue from this tax," said Contra Costa County Supervisor John Gioia, who represents West Contra Costa and chairs an 11-member governing body that advises the board of directors. Closure "will affect all residents in West County."

If passed, the measure would go into effect July 1, 2012, and cost single-family residents \$47 per year. Owners of small multiunit residential properties would pay \$94 per parcel, while small commercial and industrial parcel owners would pay \$282. Medium commercial and industrial property owners would pay \$470, while owners of large commercial and industrial parcels would owe \$940.

The tax would raise \$5.1 million per year for the hospital, which serves residents from EI Cerrito in the south to Crockett in the north, and would pay to keep the only full-service emergency room in West Contra Costa. The measure would also pay for services like intensive care, treatment for heart attacks, women's health, elderly care and cancer treatment. The tax would expire if the hospital closed.

Hospital administrators said the tax is crucial to keeping Doctors

Medical Center open. The facility is facing an \$18 million annual deficit; while the tax would only cover part of that shortfall. officials said they will also find ways to collaborate with other organizations to reduce costs, refinance debt and improve efficiency at the hospital.

"The community wants to know we're doing other things and not just relying on the parcel tax," said Irma Anderson, chair of the board of directors.

Local property owners are already paying a







\$52 annual tax for Doctors Medical Center that voters overwhelmingly supported in 2004. The hospital declared bankruptcy in 2006; it has stayed afloat thanks to a loan from Contra Costa County and financial support from Kaiser Permanente and John Muir Health.

Gioia said Doctors "continues to have a structural deficit because it's a stand-alone public hospital in a community that has a very challenged payer mix."

That translates to 10 percent of the hospital's patients being uninsured, while another 10 percent have commercial insurance. The rest are covered by Medi-Cal and Medicare, which Gioia says have reimbursement rates lower than the cost of care.

If the measure does not pass, Gioia said the hospital would likely close next year. That would mean a heavier load on Kaiser Richmond, Alta Bates in Berkeley, Children's Hospital Oakland and the Contra Costa Regional Medical Center in Martinez. For patients, it would mean longer wait times at emergency rooms, and essential services being farther away.



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West County voters to decide on parcel tax to save Doctors Medical Center





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(Photo by Christopher Connelly)

By: Christopher Connelly | August 15, 2011 – 4:17 pm

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Residents of West Contra Costa County will vote this fall on a special parcel tax to support the ailing Doctors Medical Center in San Pablo. The five-member West Contra Costa County Healthcare District board, the elected body that oversees the public hospital's operations, voted unanimously last week to approve a ballot measure that would raise over \$5 million per year to pay for the hospital's continued operations.

Voters will decide on the tax through a special mail-in ballot election on November 15.

The new tax would amount to \$47 per single-family home, while owners of small multi-unit residential properties would pay \$94 per year. Owners of small commercial and industrial parcels would pay \$282 per year, owners of medium-sized parcels would owe \$470, and owners of larger ones would pay \$940 per year beginning in July 1, 2012. In all, the tax would raise \$5.2 million each year, and would expire if the emergency room or hospital closed, Gioia said.

The new property tax would come on top of a \$52 per year tax voters approved in 2004 when the hospital was once before on the brink of closure. Hospital administrators say the measure is essential for Doctors Medical Center to keep its doors open. If the public doesn't pass the parcel tax, "the hospital will most likely close next year," said Contra Costa County Supervisor John Gioia, who represents West Contra Costa and chairs a governing body that advises the board of directors.

Doctors Medical Center serves about a quarter of a million West County residents from El Cerrito in the south to Crockett in the north. It has the only full-service emergency room in West County. The public hospital is one of two in the county, and 80 percent of its patients are Medi-Cal or Medicare recipients. Gioia says these government entitlement programs reimburse at a rate lower than the cost of service. "It's hard to be successful with this model of standalone public hospital that's not a part of a system and has this challenging payer mix," Gioia said.

The hospital faces an \$18 million budget gap this year, and <u>has been in financial trouble</u> <u>for much of the last 20 years</u>. In addition to a payer mix that does not cover the expense of care provided, as many as ten percent of Doctors Medical Center's patients are uninsured. And in recent years, the state has drastically cut the funding public hospitals receive.

In 2006, the hospital declared bankruptcy and was only able to stay afloat with a loan from the county and contributions from John Muir Medical Center in Martinez and Kaiser Permanente, which runs the only other hospital in the area.

Gioia said he supports the parcel tax because without it the county would lose an essential hospital and emergency services. "Four dollars a month is a small price to pay to save our local emergency room and increase your chance of better medical outcomes," Gioia said. "If you call 911, if this hospital closes, it's going to take longer to get emergency room care."

Dawn Gideon, the hospital's interim director, said it will take a mix of new revenues, other funding and belt-tightening to keep the hospital afloat. The parcel tax "is one of several strategies being pursued collectively," she said. "All of them need to go into place to save DMC." In addition, the hospital is refinancing its debt and may combine some management, billing and purchasing operations with the county's health system as a means of future savings. "But these things will take time," Gideon said.

In the meantime, hospital officials are also asking for millions in short-term funding from the state to help close its budget gap. Kaiser Permanente has pledged \$4.2 million in short-term funding, Gioia said, and hospital officials have asked for money from the California Medical Assistance Commission, a state agency that oversees government healthcare programs and public hospitals. Gioia thinks this funding will likely be granted. "It's a question of how much we will get," he said. "They indicated a



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strong desire to help the hospital but in this state budget there is not much money available."

Hospital administrators are also planning another \$5 million in savings from revenue increases and cutting expenses. "Right now, with no changes, we're looking at having cash flow through the end of the year," said Gideon. But without the passage of the parcel tax and help from outside funding, at that point the hospital would have to begin the closure process, which would take several months to do safely, while making sure patients know where to go for their care, Gideon said.

The hospital's emergency room capacity would be the biggest loss to the area, Gideon said. According to a recent report by Contra Costa County emergency services agency, without Doctors Medical Center emergency patients throughout the West County would face longer wait times and many would have to be taken longer distances to other emergency rooms in Contra Costa County or Oakland. That would add up to \$2.5 billion in ambulance costs, which would likely be passed on to patients.

Additionally, said Gideon, patients in need of immediate care might not get it fast enough. "Emergencies are time sensitive," Gideon said. For many critical patients, the additional time it takes could be the difference between life and death.

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