

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION  
MINUTES OF MEETING

December 13, 2017

Board of Supervisors Chambers  
Martinez, CA

January 10, 2018  
Agenda Item 7

1. Chair Don Blubaugh called the meeting to order at 1:30 p.m. and the Pledge of Allegiance was recited.

2. Roll was called. A quorum was present of the following Commissioners:

County Members Candace Andersen and Federal Glover and Alternate Diane Burgis.  
Special District Members Mike McGill and Igor Skaredoff and Alternate Stanley Caldwell.  
City Members Rob Schroder and Don Tatzin.  
Public Members Don Blubaugh and Alternate Sharon Burke.

Present were Executive Officer Lou Ann Texeira, Legal Counsel Sharon Anderson, and Clerk Kate Sibley.

3. Approval of the Agenda

Upon motion of Tatzin, second by McGill, Commissioners, by a unanimous vote of 7-0, adopted the agenda.

AYES: Andersen, Blubaugh, Glover, McGill, Schroder, Skaredoff, Tatzin  
NOES: none  
ABSENT: none  
ABSTAIN: none

4. Public Comments

Charles Pringle spoke regarding an ongoing problem with obtaining water on a property in Brentwood. A LAFCO action in 2000 shifted territory, including this property, from Oakley's to Brentwood's sphere. He stated he was promised at that time that Brentwood would serve his water needs, but has been unable to make this happen in the 17 years since. He would like for LAFCO to revisit the decision made in 2000.

The Chair advised him to consult with the LAFCO Executive Officer on this matter, as they cannot discuss or take action without an agenda item.

5. Approval of November 8, 2017 Meeting Minutes

Upon motion of Andersen, second by Schroder, the November 8, 2017 meeting minutes were approved by a vote of 7-0.

AYES: Andersen, Blubaugh, Glover, McGill, Schroder, Skaredoff, Tatzin  
NOES: none  
ABSENT: none  
ABSTAIN: none

6. LAFCO 17-02 - 151 Circle Drive Annexation to the City of Walnut Creek and Detachment from County Service Area (CSA) P-6

The Executive Officer reported that this proposal would annex one parcel to the City of Walnut Creek and concurrently detach the same parcel from CSA P-6 to facilitate development of two parcels, the subject parcel and an adjacent parcel located on Lilac Drive in the City of Walnut Creek. Both lots are currently vacant. The City of Walnut Creek indicates it is able and willing to extend city services to the property following annexation.

**DRAFT**

Upon motion of Andersen, second by McGill, the Commissioners, by a unanimous 7-0 vote, determined that the project is exempt pursuant to CEQA Guidelines, Sections 15303 and 15319; approved the proposal to be known as 151 Circle Drive Annexation to City of Walnut Creek and Detachment from County Service Area P-6, with specified conditions; determined that the territory being annexed is liable for the continuation of taxes, assessments and charges; found that the subject territory is uninhabited, has 100% landowner consent; waived the protest proceeding, and directed staff to complete the proceeding.

AYES: Andersen, Blubaugh, Glover, McGill, Schroder, Skaredoff, Tatzin  
NOES: none  
ABSENT: none  
ABSTAIN: none

7. LAFCO 17-05 – West County Wastewater District (WCWD) Annexation No. 316 – Goodrick Avenue

The Executive Officer provided brief background on this proposal, submitted by the WCWD, to annex two parcels located adjacent to 2601 Goodrick Avenue in unincorporated North Richmond. It is also recommended that the annexation include a strip of road right-of-way along Protectocoat Lane to avoid a gap. The purpose of the proposal is to facilitate development of two industrial warehouses. Both parcels are currently vacant; and development is proposed for only one of the parcels. The District is able and willing to provide wastewater service to the parcels following annexation.

Upon motion of Tatzin, second by Skaredoff, the Commissioners, by a unanimous 7-0 vote, certified that it reviewed and considered the information contained in the CEQA documentation; approved the proposal known as West County Wastewater District Annexation No. 316 – Goodrick Avenue, with specified conditions; determined that the territory being annexed is liable for the continuation of taxes, assessments and charges; found that the subject territory is uninhabited, has 100% landowner consent; waived the protest proceeding, and directed staff to complete the proceeding.

AYES: Andersen, Blubaugh, Glover, McGill, Schroder, Skaredoff, Tatzin  
NOES: none  
ABSENT: none  
ABSTAIN: none

8. LAFCO 17-08 – Tuscany Meadows Reorganization – Annexations to Cities of Antioch and Pittsburg, Contra Costa Water District (CCWD) and Delta Diablo (DD) and Corresponding Detachment from County Service Area (CSA) P-6

The Executive Officer provided background on this boundary reorganization proposal submitted by the City of Pittsburg, which includes annexations to the cities of Antioch and Pittsburg, CCWD and DD, and detachment from CSA P-6. Last month, the Commission approved an SOI change to add this area to Pittsburg's SOI and remove it from Antioch's SOI. The boundary reorganization comprises two parcels and road rights-of-way, and is located southeast of the Pittsburg city limits, south of Buchanan Road. One of the parcels is vacant and planned for residential development; the other is owned by Chevron and is currently used as a pumping facility & field office. The purpose of the proposal is to extend municipal services to the Tuscany Meadows Residential Subdivision, a planned mixed-density development consisting of 917 single-family units, up to 353 multifamily units, three parks, and related detention areas and infrastructure.

The existing Chevron facility will remain in place and unchanged, and is being included with the reorganization to avoid creating an island. The site is currently undergoing soil remediation in accordance with a 2006 Remedial Action Plan. Last month, in response to Commissioners' questions, Louis Parsons explained that there is no history of accidents, the pipelines are not in the proposed residential area, much of the soil in the area does not exceed the maximum contamination allowed, and the Regional Water Quality Control Board has approved the mitigation and remediation.

Of special note is a development agreement that includes a provision relating to forming a CFD to help fund fire services in the City upon annexation; the LAFCO staff recommendations include a condition to address the impact of the proposed development on fire services by formation of such a CFD.

In response to Commissioner Skaredoff's question regarding the condition on water service being accepted by the US Bureau of Reclamation (USBR), the Executive Officer explained that this is a longstanding issue wherein the USBR will not approve an agency's water request until the related annexation has been approved by LAFCO.

Louis Parsons, representing Seecon Built Homes, stated that the developer agrees to all conditions in the resolution. He thanked LAFCO staff, Joanne Wilson, the Pittsburg city staff, and all others involved in making this complicated application come together.

Charles Smith, retired environmental scientist from the Department of Energy, Lawrence Berkeley National Laboratory stated that he just now heard that the CEQA process on this project had been passed, and was surprised that he missed discussion of it at council meetings. There are environmental impacts from this, particularly traffic, and it should have been addressed.

Douglas Schroder, homeowner adjacent to the Tuscany Meadows project, expressed his concerns regarding traffic on Buchanan Road and the impact on schools. In response to his question about impact on schools, the Executive Officer remarked that LAFCO has no jurisdiction over school districts.

The public hearing was closed.

Commissioner Glover noted that this project has been through a long process, and that all due diligence has been done, with many negotiations. The concerns of the speakers have been addressed in the CEQA document, as well as other issues that were of concern to him. While he did not necessarily favor this project in the beginning, he is ready to move it forward.

Upon motion of Glover, second by Schroder, Commissioners unanimously, by a 7-0 vote, certified that it reviewed and considered the information contained in the EIR and CEQA documentation; approved the proposal known as Tuscany Meadows Reorganization: Annexations to the cities of Pittsburg and Antioch, Contra Costa Water District and Delta Diablo (Zones 2 and 3) and Detachment from County Service Area P-6, with specified conditions; determined that the territory being annexed is liable for the continuation of taxes, assessments and charges; found that the subject territory is uninhabited, and the proposal has 100% landowner consent; waived the protest proceeding, and directed staff to complete the proceeding.

AYES: Andersen, Blubaugh, Glover, McGill, Schroder, Skaredoff, Tatzin  
NOES: none  
ABSENT: none  
ABSTAIN: none

9. Healthcare Services MSR/SOI Updates (2<sup>nd</sup> Round)

The Executive Officer reported that LAFCO initiated its 2<sup>nd</sup> round Healthcare Services MSR covering three special districts and County health services. Berkson Associates in association with the Abaris Group prepared the draft MSR report, which was released on December 7<sup>th</sup>. The public comment period ends on December 29<sup>th</sup>. To date, all affected local agencies have provided comments. This is the first of two public hearings on the MSR.

Richard Berkson was introduced to provide an overview of the report, findings and determinations. He briefly reviewed the purposes of MSRs, the determinations required, and the prior healthcare district (HCD) MSRs and special studies conducted by Contra Costa LAFCO. The key questions to be addressed in this MSR were:

- Are the HCDs providing services of value to the community? Could the funds be better utilized for other purposes?
- Are HCDs adhering to best practices, complying with legal requirements, and administering funds in an efficient manner?
- Could changes in operations, administration, boundaries, or governance, improve the use of public funds and services in the future?

Increases in health care costs, declining reimbursements, and growing service demands have contributed to the closure of many healthcare district hospitals; operational efficiencies, improved coordination among providers, increased cost savings through, for instance, technology have helped to address these trends. Maximizing funding through effective community-oriented programs is imperative.

In Contra Costa County, West Contra Costa Healthcare District (WCCHD) filed for bankruptcy in October 2016, following closure of its hospital in 2015 due to ongoing financial shortfalls. For the next 5-10 years the District will repay its debts, after which there will be property tax of \$3.6 million per year available for healthcare programs. Legislation is pending to enable the County Board of Supervisors to appoint the District's governing body with considerable savings for the District.

The Concord/Pleasant Hill Health Care District (CPHHCD) was previously the Mt. Diablo Healthcare District. In 2012 it became a subsidiary district to the City of Concord and the District boundary was reduced to include the cities of Concord and Pleasant Hill and some unincorporated areas. The District makes approximately \$250,000 in grants annually from its property tax revenues; staff and administration, provided by the City of Concord, is about 20% of its budget.

Los Medanos Community Healthcare District (LMCHD) closed its hospital in 1994 and subsequently filed for bankruptcy. The District leases its medical facility to the County. It continues to repay the State of California via rent revenue pass-through from the hospital building, plus \$500,000 annually for the next two years; it will continue to pass-through its rent income to the State through 2026. LMCHD provides healthcare grants and program funding of \$280,000-412,000 from its \$1 million annual property tax; administrative costs are about 50% of the budget in FY 2017-18. LMCHD is currently negotiating with the County over a lease extension and the amount of future rent.

Contra Costa County, through its Health Services Department, provides numerous healthcare facilities, services, and funding. Several private, nonprofit hospitals serve the region, although several medically underserved areas exist in the County and within HCD boundaries.

Both CPHHCD and LMCHD collaborate to some extent with existing health providers, especially grant recipients; broader collaboration with the County, hospitals, and other districts is less evident, but both participate in the Healthy and Livable Pittsburg Collaborative. Both districts rely on grant applicants to document community health needs. Strategic planning by both districts is minimal. LMCHD generally follows best practices related to transparency, with the exception of its website. CPHHCD generally follows best practices, although the District is not always clearly distinguished from City operations.

Governance options for WCCHD were not evaluated, beyond noting the special legislation pending for the County Board of Supervisors to appoint its governing body. Governance options for CPHHCD were to either maintain the status quo or consider dissolution.

Governance options for LMCHD were more varied, ranging from maintaining the status quo, creating a County Service Area, consolidating with another district or with CSA EM-1, establishing a subsidiary district to the City of Pittsburg, dissolution, or special legislation.

Sphere of Influence findings for WCCHD indicated that as it emerges from bankruptcy changes in its SOI and boundary could adversely affect revenues and repayment of its debts. For CPHHCD, small changes in the boundary to add and exclude certain areas could limit its boundaries to Concord and Pleasant Hill; minimal revenue and service impacts would result. The LMCHD SOI includes territory in the City of Concord; it could be adjusted to exclude that area, as well as small portions of the

cities of Clayton and Antioch, with minor impact on revenues. Creation of a subsidiary district to the City of Pittsburg would require the reduction or elimination of unincorporated areas in the southern area of the District. Dissolution of this District would be signaled by the designation of a Zero SOI.

Following Mr. Berkson's presentation, the Chair opened the public hearing, and due to the large number of speaker cards, asked that speakers limit their comments to two minutes and refrain from repeating others' comments. Thirty-two speakers were heard in support of Los Medanos Community Healthcare District and opposition to any major changes in its status as an independent special district.

**Dennishe Marsh, resident of Pittsburg**, opposes any kind of dissolution of LMCHD, believes it provides good urgent care programs for many of the children in the District.

**Lt. Brian Mathews, Pittsburg Police Department**, stated that his agency has received two LMCHD grants in the past year, one for its homeless outreach initiative and one for its Police Activities League. Without these grants, the programs would not exist; City of Pittsburg funds are not adequate for these kinds of services to the homeless and youth in the City. Opposes dissolution.

**Delano Johnson, Bay Point Community All in One**, agreed with Lt. Mathews and noted that LMCHD provides great programming and assistance in the community. Opposes dissolution.

**Charles Smith, resident of Pittsburg**, noted that Commissioner Glover should recuse himself from consideration of this matter, because he has already indicated his bias toward dissolution of LMCHD. Mr. Smith believes that LMCHD reaches a depth of people that are uncountable; their grants are "wellness" grants toward medical preventive care. Opposes dissolution.

**Jamie Plotnick, Cheer Reaction for Kids**, provides preventive healthcare for children, which would not exist without support from LMCHD. Opposes dissolution.

**Heracio Harts, Healthy Hearts Institute**, an emerging nonprofit that works in El Pueblo housing project, received a \$10,000 startup grant to develop a two-acre community garden and urban farm in the project. They have since leveraged the LMCHD startup grant to secure a \$48,000 grant from the California Endowment to further build the garden, and to strike a substantial partnership with Turner Construction. This project has also turned Mr. Harts's life around as well, with the LMCHD's demonstration of support for people in low-income communities. Opposes dissolution.

**Marzel Price, East County Junior Warriors & East County Midnight Basketball**, provides athletic programs to over 500 youth for over 18 years as a result of funding from LMCHD. There are no other extracurricular athletic programs offered to youth in Pittsburg. Without LMCHD funding, these programs would not exist. Opposes dissolution.

**Rejois Frazier-Myers, Scholars of Pittsburg**, a program that provides eyeglasses for students who cannot otherwise afford them, has received funding for many years from LMCHD. Opposes dissolution.

**Benjamin Brisjar, chiropractic doctor**, caregiver for aging father and younger brother with mental illness. He currently serves on the boards of the Pittsburg Fifty Plus Club and Stoneman Village and Stoneman Village II. He represents hundreds of people through these organizations whose lives are improved by funding from LMCHD. Opposes dissolution.

**Gregory Osorio, Souljahs House**, a Pittsburg nonprofit that receives grants from LMCHD for healthcare fairs held in conjunction with events such as annual celebrations of Martin Luther King, Jr. and Cesar Chavez. This coming January a nationally renowned physician whose expertise is sickle cell anemia will be speaking on this topic thanks to an LMCHD grant. The LMCHD board members are very sensitive to the needs of the community, and they deserve equal time to make their case for the good they do in the community. Opposes dissolution.

**David Carrillo, Center for Human Development**, which provides prevention and wellness services throughout the County, but has some very East County focused programs. Much of this

organization's work is done in partnership and with funding from the County, but one of their key partners is LMCHD, which provides funds to further leverage their programs and bring them to the area that LMCHD serves. Opposes dissolution.

**Elaine Clark, Meals on Wheels & Senior Outreach Services (SOS)**, is an organization that reaches throughout the County. LMCHD's funds are critical in providing support for SOS Rides to enable seniors to get rides to doctors; a first-year pilot program has become a crucial asset in East County, with hospitals and clinics requesting that it be continued and expanded. Opposes dissolution.

**Gary Bell, Attorney, Colantuono, Highsmith & Whatley on behalf of LMCHD**, stated that the LMCHD board members are dismayed that the County has not talked with it about their concerns and that the County would pursue dissolution without discussing it with them. They are concerned about a loss of community control and determination. If LMCHD were to be dissolved and those taxpayer funds transferred to the County, the District Board fears the funds would disappear into the County's Health Services' bureaucracy for the benefit of the entire county, leaving the District's community with even fewer resources. It is troubling that this proposal arises in the midst of negotiations for a new lease of the building for use by the County. LMCHD provides important services to the community, as demonstrated by all who have turned out to speak on this item. If there are concerns about how the District serves the community, the lease terms with the County, or the District's relations with the County and the City of Pittsburg, the LMCHD will be happy to address them. It can't meet concerns if not told what they are. Opposes dissolution.

Chair Blubaugh took a moment to explain that there has been a convergence of circumstances that may have led to some misunderstanding. MSRs are studies required by state law to be conducted every five years as needed, and it is coincidental that this healthcare services study is coming before the Commission at the same time that the County has submitted a proposal to dissolve LMCHD. Discussion of the County's proposal will take place at a separate time. This hearing is for the MSR, which is a planning document to review efficiencies provided by the various agencies in the County.

**Dr. J. Vern Cromartie, LMCHD Board President**, stated that the agency's mission is to reduce health disparities in its District. He added that the Board engages in a best practices approach wherein they will take corrective action when needed. Dissolution of LMCHD would have dire consequences for residents of Pittsburg, Bay Point, and other areas in terms of healthy food, obesity and diabetes prevention, nutrition education, healthy eating and active living. The District's programs have an important role to play and is relevant to its residents. The District serves residents who are susceptible to falling through the cracks in the healthcare system; who do not have health insurance or cannot afford it; and who have inadequate health insurance. Do not replace elected officials with appointed persons. Allow LMCHD to maintain its existence while it makes needed corrections, such as reducing administrative costs, updating the website, updating its health profile, and updating its strategic plan. Opposes dissolution.

**Charles Glaspen, Jr., Satellite Affordable Housing Associates (SAHA)**, a nonprofit that for 60 years has provided affordable housing and access to services and activities to over 4,000 residents in the Bay Area. In the past three years, SAHA has worked with LMCHD in providing health and wellness programs along with resources for low-income seniors in Columbia Park Manor in Pittsburg. Through LMCHD's support they have established a community garden program where seniors have been able to access fresh and healthy foods. This support leveraged further collaborations with the UC Cooperative Extension and Contra Costa County Health Services in providing additional services. This has reduced the number of deaths at Columbia Park Manor due to bad nutrition and neglected health issues. Opposes dissolution.

**Phil Thomas, Pittsburg resident and taxpayer representing the Greater Faith Food Pantry**, protests the dissolution of LMCHD. This organization feeds about 120 families each month; in 2017 they have served approximately 3,500 individuals with all-volunteer workers. He appreciates the Commission listening to their concerns. Opposes dissolution.

**Debra Mason, Bay Point MAC member and Mt. Diablo School District Board President**, a Bay Point resident, speaking on behalf of herself, is interested in the MSR process. She believes LMCHD is providing good service to the community; she urges LAFCO to review Ambrose Recreation and Park District, which spends the great majority of its annual tax revenues on staff and overhead. LMCHD has picked up many of the programs that Ambrose RPD used to provide, recognizing that recreation is an important part of a healthy community. Opposes dissolution of LMCHD.

**Lee Mason, LMCHD Board Member**, agreed that the District can and will make improvements. LMCHD can fill in gaps in providing healthcare needs. Opposes dissolution.

**Billy Burks, resident**, has been involved in feeding the hungry (a growing number of families) with the support of LMCHD. Opposes dissolution.

**Deborah Polk, Reading Advantage Inc. (READ)**, has received funding from LMCHD since 2015 for early literacy programs, in partnership with other community agencies, that reduce health and social disparities in Bay Point and Pittsburg. In collaboration with the Contra Costa Housing Authority, children's libraries were established in two developments, El Pueblo and DeAnza Gardens. Children participate in READ's "take one-read one-keep one" program that builds home libraries. All of this has been possible with LMCHD funding. Other READ-agency collaborations have been instrumental in reaching low-income and underserved communities with literacy information, teaching parents the value of reading to their children from birth and building home libraries. [Lack of] access to books is the biggest single barrier to literacy development in the US and beyond. Opposes dissolution.

**Godfrey Wilson, Executive Director, LMCHD**, explained that getting data from the County Health Services, which has not done a health profile since 2010, has been difficult. So he went to organizations and communities to see what has been going on. Approximately 10,000 people are not counted in the population. The number one problem in the County is hospitalization cost. LMCHD has addressed that problem by providing prevention programs that reduce that cost, especially for people who are underserved. LMCHD also funds programs that keep people healthy. Prevention is key to a healthier community, and this is what LMCHD does with its grant programs. Opposes dissolution.

**Dorlissa Smith, Greater Faith Food Pantry**, stated that LMCHD should not be closed; the testimony of all these people clearly indicates this. Opposes dissolution.

**Jearline Wheeler, Greater Faith Food Pantry**, stated that many people in Pittsburg wanted to speak on behalf of many of the sick people of Pittsburg; these people need LMCHD's presence to continue. Opposes dissolution.

**Arthur Fountain, LMCHD Board Vice President**, introduced **Linda Strong, LMCHD Treasurer**, who read his statement. Chair Blubaugh asked that he send that statement to LAFCO for inclusion in the record. In short, Mr. Fountain opposes dissolution, as he believes it is an attempt by the County Board of Supervisors to transfer property from the District and its residents to the County. Mr. Fountain's written comments are available through the LAFCO office.

**Satnam Singh**, noted that the garden he is involved with needs LMCHD's support. Opposes dissolution.

**Willie Mims, East County AACP and Pittsburg Black Political Association**, believes that comparisons between WCCHD and CPHHCD are false. LMCHD has consistently paid on its debt and has substantial funds to meet future obligations. Is the County qualified to manage that facility? It's doing a poor job of managing its own facilities, according to published statistics. Maintain the status quo, and at the very least put it to the vote of residents of the District. Opposes dissolution.

**Barbara Hunt, St. Vincent de Paul**, has received funding from LMCHD since 2011 for its RotaCare Bay Area (Pittsburg) free medical clinic—100% of the funding goes to direct patient expenses. All of the patients are uninsured. Over 9,400 patient visits have been logged since opening in 2011; at an average cost of over \$1200/ER visit, this has saved the local economy and local healthcare system over

\$1.5 million. All of the doctors, nurses, technicians, etc. are volunteers. Without LMCHD funding, this clinic would be very limited in what it could do. Opposes dissolution.

**Joleen Lafayette, Executive Director, Loaves and Fishes**, has five dining rooms throughout County, and LMCHD has funded the Bay Point and Pittsburg dining room for the past eight years, has given over \$70,000 over that time, and just last year provided over 4,000 meals with their funding. Loaves and Fishes serves a hot noontime meal every weekday to anyone who is hungry, as well as providing a food pantry. This organization and the others speaking on behalf of LMCHD are all small, local organizations that can't get funding from large foundations. They depend on funding from agencies like LMCHD and are all providing healthcare and nutritional and senior care services; without funding from LMCHD these services would be reduced. Opposes dissolution.

**Dita Carter, APT (Academic Participation through Sports) Sports**, remembers that when she grew up in Pittsburg there were numerous activities for children and youth. Those have not been available to her son. APT Sports is an AAU League nonprofit that is funded by LMCHD to assist children in affordable participation, reducing the costs to parents considerably and providing direct support for expenses. This is important to the community. Opposes dissolution.

**Taunita Trotter, Executive Director, HOPE Resources**, received a stepping-stone grant from LMCHD in 2017 through the Summer Wellness Grant program for Aspire Summer Camp, serving grades K-7. With that support they were able to provide a healthy and innovative learning experience for 60 children enrolled in this summer camp. The grant from LMCHD enabled this organization to build a better community and develop healthy kids in communities that are often underserved. Opposes dissolution.

**Dr. Marcus Lorenzo Penn, Self Care Reform Wellness**, serves as a health collaborator with LMCHD and has worked with numerous senior-serving organizations. He was invited by LMCHD to develop a program for health and wellness through movement for seniors, based on research and data of the population to be served. Programs like this provide community, camaraderie, and connection—and tools that extend their quality of life, sense of personal ownership of their health, and knowledge of their healthcare district. All of these programs are provided at no cost to the participants, thanks to funding from LMCHD. Opposes dissolution.

**Joe Rubi, resident of Pittsburg and former LMCHD Board member**, told his story and said that the County's proposal to dissolve the District sounds like a big corporate takeover. Mr. Rubi has survived tumors in his head and his stomach, and will continue fighting on behalf of LMCHD.

Letters were received following the meeting from **Heidi Maguire, Executive Director, Pittsburg Police Activities League; Hang Mosier, Community Engagement and Partnerships Manager, Satellite Affordable Housing Associates; Edward Schroth, Executive Director, Lions Center for the Visually Impaired; Barbara Hunt, Development Director, RotaCare Pittsburg Free Medical Clinic at St. Vincent de Paul (see comments above); Sherry Caraballo Dorman, Board Chair, REadingADvantage, Inc.; Kori Noste, resident in LMCHD; Elaine Clark, CEO, Meals on Wheels and Senior Outreach Services (see comments above); and Jeannette Stotts, resident in LMCHD.**

Chair Blubaugh closed the public hearing, complimenting all of the speakers for staying within the time limits for comments.

Commissioner Glover stated that he believes he should be sitting on the dais for this hearing, as he has been the biggest advocate for LMCHD since its bankruptcy and through the years. He supported and is a great admirer of the grant program, and believes it needs to remain in place no matter what happens with the District. The programs supported by the LMCHD grant program are part of an important safety net that works with and supplements County programs. He added that this MSR process is not related to the dissolution application that has been filed with LAFCO. When that application comes before LAFCO, he will fight to retain the grant program because there is an opportunity to grow it.

Commissioner Glover went on to say that LMCHD has done an outstanding job in terms of its grant program, but he is interested in seeing how it can be enhanced and strengthened. Lower administrative costs and paying off the debt are both important. The County has been a part of the District ever since it declared bankruptcy. If the County had not taken on the facility, there would have been almost no health care facilities in East County. Commissioner Glover is not criticizing the LMCHD Board or staff, but he does feel that there are improvements that can be made.

Commissioner Skaredoff noted that this has been quite a revelation. He admits he came into this hearing wondering whether LMCHD was still relevant and whether there would be regrets if it disappeared. Now, with a whole page full of potential regrets, he sees that there is a role for LMCHD, and that there is a lot of creativity evidenced in the grant program. His biggest concern is the District's high administrative cost - approximately 50% of the total revenue. An organization that primarily manages data and passes through funds to other organizations seemingly should not have such high costs. Other organizations Commissioner Skaredoff works with have administrative costs in the 10-20% range, so he believes that something needs to be addressed in making LMCHD more transparent and efficient.

Commissioner McGill thanked everyone for their input. He learned a lot, and even though he has worked a lot in East County, he heard about programs he never knew existed. He has been a supporter of LMCHD for quite a while. He reiterated that this hearing is about the MSR, not about dissolution.

In response to Commissioner McGill's question about how these comments should be handled, the Executive Officer agreed that at this meeting LAFCO needs to hear about the MSR and changes to be made to the report. The comments are part of the public record, and will be summarized in the meeting minutes, but if they do not relate to the MSR itself, the comments will not go into a comment log.

Commissioner McGill then asked those in attendance to consider going back to the MSR and reviewing it for any factual changes, corrections, or questions they might have. He recognizes the value of the speakers' programs and concerns, and the Commissioners must not lose sight of these, but wants to be sure at this stage that the MSR has its facts right.

Commissioner Tatzin also thanked the speakers, noting that he remembered Joe Rubi coming before the Commission about 20 years ago when there was another ongoing discussion about LMCHD. Given that this hearing today is about the MSR, he would suggest that the discussion of LMCHD's list of community and health service programs on pages 47 and 48 be expanded to include a summary of today's testimonies so that those wanting to better understand the impact of LMCHD's grant program on the community could read that revised section.

Commissioners agreed with Commissioner Tatzin.

The Commission directed LAFCO staff to set a public hearing for January 10<sup>th</sup>, at which time the Commission will be asked to accept the Final MSR, make the required determinations, and update SOIs.

10. Commissioner Terms

The Executive Officer updated Commissioners on terms, noting that in May 2018, the terms of four Commissioners will expire: two County members, and two special district members. The County members are appointed by the Board of Supervisors; LAFCO staff will follow-up with County staff on these appointments. The special district members are appointed by the Independent Special District Selection Committee and LAFCO staff conducts the election process, which will begin in January 2018. Additionally, last month Alternate Public Member Sharon Burke announced her resignation from LAFCO effective Jan 1, 2018. The public members are appointed by the other members of the commission, and require an affirmative vote of at least one city member, one special district member and one county member. The Commission's policy on the public member provides for appointment by the Chair of a screening committee comprised of a city, a county and a special district member.

Discussion ensued regarding the Alternate Public Member application and appointment process and timeline. Commissioners suggested extending the recruitment to January 31, 2018, and the appointment date to March or April.

Chair Blubaugh appointed Commissioner Tatzin to represent the city members, Commissioner McGill for special district representation, and Commissioner Andersen as the County representative for the Alternate Public Member Screening Committee, and directed staff to begin the recruitment process in accordance with the timeline as determined by the Commission.

11. Recognition of Outgoing Commissioner

Chair Blubaugh read the "Resolution of Detachment" recognizing Commissioner Burke's significant contributions to LAFCO in the years since her appointment in October of 2009. Commissioner Andersen added that the County Board of Supervisors had also passed a resolution recognizing Sharon Burke's contributions to this county.

Prior to presentation of the resolutions, Commissioner Burke noted that she would leave the Commission with three requests: 1) Consider appointing the Public Member Alternate with a resident from the unincorporated County areas comprising 175,000 residents; 2) Change the setup for LAFCO alternates so that they can more fully participate in meetings; 3) the County Service Areas (CSAs) need a MSR dedicated to them; it is frustrating to see so little transparency from these dependent special districts, some of which have budgets in the millions; they need to be examined more closely.

The resolutions and a parting gift of a compass were presented to Commissioner Burke.

12. CCCERA Correspondence

There were no comments on this.

13. SDRMA Correspondence

There were no comments on this.

14. Commissioner Comments and Announcements

Commissioner McGill reported that he attended the CALAFCO Board meeting in Sacramento on December 8, the CALAFCO Legislative Committee meeting on December 15, and the CALAFCO Ad Hoc Finance Committee meeting on December 15.

15. Staff Announcements

The Executive Officer drew Commissioners' attention to the CALAFCO news and noted that there will be a full schedule this coming year.

At 3:55 p.m., Commissioners adjourned to Closed Session to discuss employee performance evaluation.

At 4:02 p.m., Commissioners reconvened and the Chair reported that the Commissioners had discussed the performance evaluation and will discuss with the Executive Officer.

The meeting adjourned at 4:03 p.m.

Final Minutes Approved by the Commission January 10, 2018.

AYES:

NOES:

ABSTAIN:

ABSENT:

By \_\_\_\_\_  
Executive Officer