



**Berkson  
Associates**

Urban Economics  
Policy Forensics & Forecasting  
Planning & Policy Analysis

# **Municipal Service Review and Sphere of Influence Updates**

**Contra Costa Healthcare Districts**

**LAFCO Hearing January 10, 2018**

# MSR Changes & Clarifications

- Table revisions
  - e.g., Table 2 (Final Draft, pg. 22) revised based on County comments
- In December, the bankruptcy court approved the WCCHD Plan for the Adjustment of Debts
- Clarified CPHHCD public outreach efforts (pg. 30)
- Contra Costa County submitted an application to LAFCO Nov. 14<sup>th</sup> asking the Commission to consider dissolving the LMCHD
  - Application does not specify disposition of LMCHD clinic building, property tax, or ongoing grant program

# MSR Changes & Clarifications (cont'd)

- Expanded description of LMCHD grants (pg. 49, last paragraph)
  - Augmented by LAFCO's summary of comments from December 13<sup>th</sup> hearing
- LMCHD submitted its updated 2017-2022 Strategic Plan

# Changes & Clarifications (cont'd)

- Lease revenues from the LMCHD clinic:
  - Currently \$100,000/year (\$500k next two yrs)
  - All revenue is passed-through to the State until after 2026
  - Lease requires County to maintain building
- “Market Value” lease could be greater than \$100,000 however the administrative cost ratio does not include this “imputed” value

# Changes & Clarifications (cont'd)

- LMCHD submitted “unaudited actuals” for FY2016-17; MSR continues to use adopted budgets numbers
- Revised administrative cost/revenue ratio for FY2017-18 budget
  - LMCHD recommended use of the lower FY2016-17 “unaudited actuals” resulting in lower ratio
  - FY2017-18 adopted budget is higher due to legal fees/negotiations; however, future costs could be higher for other reasons, e.g., election costs
  - LMCHD calculated a lower cost ratio for FY2017-18, however, personnel costs were in error
  - Allocation of personnel costs in FY2017-18 budget to Community Health Programs (and inclusion of lease revenues) results in a cost ratio of **43%** (see new Table 12b, pg. 57) vs. **51%** (Table 12a)

# QUESTIONS?