



City of San Leandro

Meeting Date: September 6, 2016

Resolution - Council

File Number: 16-447

Agenda Section: ACTION ITEMS

Agenda Number: 10.A.

TO: City Council

FROM: Chris Zapata
City Manager

BY: City Council

FINANCE REVIEW: Not Applicable

TITLE: RESOLUTION Supporting Efforts to Dissolve Eden Health District (proposal from the Mayor and the City Council urging San Leandro's State legislative delegation and the Alameda County Local Agency Formation Commission to support efforts that will lead to the dissolution of the Eden Health District)

WHEREAS, San Leandro Hospital, a 93-bed facility with approximately 467 employees and 300 physicians and allied medical professionals, is the hometown public healthcare provider for San Leandro and central Alameda County; and

WHEREAS, the Hospital provides the San Leandro community with a wide range of important medical services including 24-hour emergency room access, critical care, and highly-skilled surgery and rehabilitation services; and

WHEREAS, in 2012 San Leandro Hospital experienced financial difficulties, so the City of San Leandro and Alameda County partnered together to take the unprecedented step of contributing \$3 million from each of their respective general funds in order to support the sustained operations of the Hospital; and

WHEREAS, this financial commitment was made in tandem with a June 13, 2013 public commitment of financial assistance for San Leandro Hospital by the Eden Township Healthcare District (now known as Eden Health District, or EHD), a regional public agency that was formed by the voters in 1948 to provide direct healthcare services for the residents of San Leandro, Hayward, and unincorporated Alameda County; and

WHEREAS, since that time, the District divested itself of its ownership of any public hospitals and later became embroiled in costly litigation with Sutter Health regarding the transfer of San Leandro Hospital, resulting in a \$20 million judgement against the District; and

WHEREAS, since that time, the District has failed to honor its June 13, 2013 public commitment to the community to raise funding for San Leandro Hospital; and

WHEREAS, the District now no longer operates any hospital or other direct-service facility and spends significantly more money on its own administration, including but not limited to salaries for its executives, than it does on community grants; and

WHEREAS, by the District's own admission, 80% of the population who lives within its geographic boundaries are not even aware of its existence; and

WHEREAS, the Milton Marks "Little Hoover" Commission on California State Government Organization and Economy, an independent state oversight agency that was created in 1962 to investigate government operations, issued a 2000 report recommending that when public hospital districts sell their hospitals, that a process should be initiated to determine if the district should continue to exist; and

WHEREAS, in June, 2016, following a thorough independent investigation, the Alameda County Civil Grand Jury issued a report stating that Eden Health District fails in its core mission effectiveness, that it does not engage in advanced strategic planning practices, and that its poor management and absence of innovation results in very little impact on the health of Alameda County residents, leading to the conclusion that it is valid to question whether the District should continue to exist; and

WHEREAS, the San Leandro City Council is proud to sponsor AB 2737 - Assembly Member Rob Bonta's 2016 legislation that would limit the amount of money Eden Health District may spend on administrative costs to ensure it allocates a sufficient portion of its budget towards supporting the healthcare needs of the community; and

WHEREAS the City Council is also proud to support Assembly Member Bill Quirk in his efforts to pursue State legislation that would direct the Alameda County Local Agency Formation Commission (LAFCo) to dissolve Eden Health District if the District fails to meet certain basic service standards; and

WHEREAS, based on the above factors, the San Leandro City Council asserts that Eden Health District is no longer fulfilling its established goals or commitments to the communities it was created to serve, and therefore should be dissolved; and

WHEREAS, the City Council urges LAFCo to carry out any and all proceedings that would be necessary to dissolve Eden Health District; and

WHEREAS, the City of San Leandro and its City Council is committed to its ongoing partnership with the City of Hayward and its City Council to achieve the above-outlined goals, including equitably sharing the administrative or electoral costs that might be associated with effectuating the dissolution of the District; and

WHEREAS, the City Council supports efforts to ensure that the Cities of San Leandro and Hayward are provided with representation on any committees or boards charged with the distribution of any financial proceeds or assets that could be derived from dissolution of the District after payment of outstanding debts, and that such proceeds be equally shared between San Leandro Hospital and Saint Rose Hospital, both of which are located within the geographic boundaries of Eden Health District.

NOW THEREFORE BE IT RESOLVED, that the San Leandro City Council authorizes the Mayor, the City Manager or his designees, and the City's legislative advocates to work with the City's partners at the City of Hayward, throughout Alameda County and at the State level to pursue all legislative, administrative, or procedural avenues that may be necessary to achieve the goals outlined above.

BE IT FURTHER RESOLVED, that the City Council hereby authorizes the Mayor, City Manager, and the City's legislative advocates, at their discretion, to communicate this message to other elected and/or appointed officials throughout the State as appropriate.