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**West Contra Costa Healthcare District  
Doctors Medical Center  
Board of Directors**

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**Wednesday, May 07, 2014**

**4:30 PM**

**Doctors Medical Center  
Auditorium**

**2000 Vale Road**

**San Pablo, CA**



**WEST CONTRA COSTA HEALTHCARE DISTRICT  
DOCTORS MEDICAL CENTER**

**BOARD OF DIRECTORS**

**WCCHD DOCTORS MEDICAL CENTER  
BOARD OF DIRECTORS  
MAY 07, 2014 – 4:30 P.M.  
Doctors Medical Center - Auditorium  
2000 Vale Road  
San Pablo, CA 94806**

**Board of Directors**  
*Eric Zell, Chair  
Irma Anderson  
Deborah Campbell  
Nancy Casazza  
Beverly Wallace*

**1128 Spring Street,  
Elizabeth, NJ 07207  
1-800-511-1465  
1-510-970-5646**

**AGENDA**

1. **CALL TO ORDER** E. Zell
2. **ROLL CALL**
3. **APPROVAL OF MINUTES OF JANUARY 29, 2014** E. Zell
4. **PUBLIC COMMENTS** E. Zell  
*[At this time persons in the audience may speak on any items not on the agenda and any other matter within the jurisdiction of the Board of Directors]*
5. **APPROVAL OF RESOLUTION AND TERMS OF AGREEMENT FOR PARKING LOT USE EASEMENT WITH LYTTON RANCHERIA OF CALIFORNIA** D. Gideon
  - a. Presentation
  - b. Discussion
  - c. Public Comment
  - d. **ACTION:** *Approval of resolution and terms of agreement for parking lot use easement with Lytton Tribe Resolution No. 2014-05*
6. **CEO REPORT** D. Gideon
  - a. Presentation
  - b. Discussion
  - c. Public Comment
  - d. **ACTION:** *Information Only*

**ADJOURNMENT**



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**MINUTES**

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**TAB 3**



**WCCHD DOCTORS MEDICAL CENTER  
BOARD OF DIRECTORS**

**January 29, 2014, 4:30 P.M.  
Doctors Medical Center - Auditorium  
2000 Vale Road  
San Pablo, CA 94806**

**MINUTES**

**1. CALL TO ORDER**

The meeting was called to order at 4:32 P.M.

**2. ROLL CALL**

Quorum was established and roll was called: 4:35 PM

Present: Eric Zell, Chair  
Beverly Wallace  
Nancy Casazza  
Deborah Campbell

Excused: Irma Anderson

**3. APPROVAL OF DECEMBER 18, 2013 MINUTES**

*The motion made by Director Beverly Wallace and seconded by Director Deborah Campbell to approve the December 18, 2013 minutes passed unanimously.*

**4. PUBLIC COMMENTS**

Ms. ML Millender expressed disappointment with the lack of transparency of Board of Directors, stating that not enough information is shared with the community and she has difficulty getting answers to questions. She did recognize Ms. Remy Goldsmith with providing her with requested information and data. Director Zell pointed out that all Board of Director and Committee meetings are open to the

public, and all materials, including monthly financial statements, are posted on the District's website.

**5. RESOLUTION CALLING SPECIAL ELECTION UPON THE QUESTION OF AUTHORIZING THE DISTRICT TO IMPOSE AND LEVY A SPECIAL TAX**

Director Zell opened the public hearing on the proposed parcel tax, and Mr. Colin Coffey, Counsel read into the record the following resolution:

WHEREAS, to prevent the closure of the only full service emergency room serving all West County residents, the West Contra Costa Healthcare District (the "District") is committed to keeping Doctors Medical Center open for the purpose of ensuring continued local access to emergency room care, acute hospital care and other critical medical services such as intensive care, women's health services including early breast cancer detection, treatment for heart attacks, care for elderly, emergency respiratory care, and cancer treatment for residents of the District and visitors to the area;

WHEREAS, the District requires special tax revenue to keep Doctors Medical Center open;

WHEREAS, Section 4 of Article XIII A of the California Constitution and Government Code section 53730.01 authorize a health care district to impose and levy a special tax for specified purposes upon approval of two-thirds of the electorate voting on the measure;

WHEREAS, in the judgment of this Board of Directors ("Board"), following public hearing and comment, it is advisable to request that the Contra Costa County Registrar of Voters call a special election by all-mail ballot to submit to the District voters the question whether the District shall levy a special tax for the purposes set forth herein.

**NOW THEREFORE, BE IT RESOLVED AS FOLLOWS:**

1. **Special Tax.** The District hereby proposes to adopt a special tax that it will use to ensure continued local access to emergency room care, acute hospital care and other medical services for residents of the District and visitors to the area. Revenues raised by this tax will only be used to defray operating expenses, capital improvement expenditures and debt repayment to accomplish the foregoing purposes. In the event of permanent closure of Doctors Medical Center and its Emergency Room, this parcel tax will expire and the District will thereafter promptly cease imposition and collection of the tax authorized herein.
2. **Order of Election.** Pursuant to Elections Code Section 4108, the Board does hereby call a special election on May 6, 2014, by all-mail ballots, on the measure set forth in Paragraph 4.
3. **Full Ballot Text.** The Board hereby approves and adopts the full text for the ballot set forth in Exhibit A, attached hereto and incorporated herein.
4. **Abbreviated Ballot Form.** The District hereby approves and adopts the abbreviated ballot form of the measure as follows:

“To maintain local emergency room care and continue to provide critical medical services, such as intensive care, care for heart attacks, emergency respiratory care and cancer treatment, shall the West Contra Costa Healthcare District be authorized to levy an annual special tax of fourteen cents per square foot of building area per parcel, with annual audits by an independent oversight committee?”

5. Tax Levy. The tax shall take effect on July 1, 2014 and shall be assessed against each taxable parcel of land within the District at an amount equal to fourteen cents per square foot of total building area, excluding residential car ports, on each parcel of taxable property within the District. “Taxable parcel” means any unit of real property in the District that appears on the annual secured Contra Costa County property tax roll. The District shall provide the Contra Costa County Treasurer-Tax Collector a report indicating the parcel number and amount of tax for each parcel of taxable real property. The number of square feet of total building area, excluding residential car ports, on taxable real property shall be obtained from the Contra Costa County Tax Assessor. If that information is missing from the tax assessor’s records, the number of square feet of total building area, excluding residential car ports, shall be based upon the records of the building department for the applicable jurisdiction.
6. Method of collection. The tax shall be collected by the Contra Costa County Tax Collector at the same time, in the same manner and subject to the same penalties as *ad valorem* property taxes collected by the Treasurer-Tax Collector. Unpaid taxes shall bear interest at the same rate as the rate for unpaid *ad valorem* property taxes until paid. The collection of the parcel tax shall not decrease the funds available from other sources of the District in any period from the effective date hereof.
7. Request to Registrar of Voters. The District requests that the Registrar of Voters take all steps necessary to hold the election by all-mail ballot pursuant to Division 4 of the Elections Code (commencing with Section 4000). The District also requests that the Registrar of Voters reprint the full text for the ballot, set forth in Exhibit A, in the voter information pamphlet to be distributed to voters.
8. Ballot Argument in Favor. The Chair of this Board or his designees are hereby authorized to prepare and file with the Registrar of Voters a ballot argument in favor of the tax measure, or act as an author of any ballot argument prepared in connection with the election, including a rebuttal argument, each within the time established by the Registrar of Voters, which shall be considered the official ballot arguments of this Board as sponsor of the measure.
9. Official Actions. The Chair of the Board or his designees are hereby authorized to execute any other document and to perform all acts necessary to place the tax measure on the ballot, including making alterations in the ballot language stated in Exhibit A and Paragraph 4 hereto, and to comply with requirements of law and election officials. The Board shall establish an independent citizens’ oversight committee to review annual audits and thereupon report to the public and the Board on the expenditure of tax proceeds.
10. Cost of Election. The District shall bear the cost of the election.

11. Appropriations Limit. The Board hereby proposes to increase its appropriations limit under Article XIII B of the California Constitution in an amount equal to the amount of proceeds of taxes for the first year the parcel tax is imposed.

12. Approval by Voters. The District shall levy the tax upon approval of two-thirds of the votes cast by voters voting upon the measure.

13. Authority for Election. The authority for ordering this election is contained in Section 4 of Article XIII A of the California Constitution and Government Code sections 53730.01 and 50075 et seq. The authority for holding an all-mail ballot election is contained in Section 4000 of the Elections Code. The Board hereby authorizes the use of mailed ballots for this election.

Ms. Gideon provided background and details on the proposed parcel tax, highlighting the continued fiscal crisis and significant liquidity issues with which the hospital is faced. The proposed ballot measure, to be mailed to District voters, will result in approximately \$20 million annually. This will eliminate the operating gap, will prevent the hospital from closing this summer, and will provide the necessary stability for continued partnership discussions. She reviewed the measures pursued in an effort to prevent the necessity of a new parcel tax, including significant expense reduction over the past several years, and ongoing efforts to secure additional funding from other area providers and both state and federal resources. Ms. Gideon stated that the hospital was created by and for the local community, and it can only be saved by the community.

#### **PUBLIC COMMENT**

County Supervisor John Gioia expressed his knowledge of the fiscal crisis and spoke regarding his previous experience when DMC filed bankruptcy in 2006. With the hard work of the community and employees, DMC has cut that deficit in half. One of the main reasons for the financial struggle is that 80% of our patients have Medicaid and Medicare insurance and that means we get a reimbursement that is less than the cost of the providing service. The 10% of patients are commercial pay and that's just not enough to cover loss on the Medicaid and Medicare patients. The community needs this emergency room to keep them alive and healthy.

William Walker, M.D., Contra Costa County Health Services Director, stated that in 2011 the County commissioned a study on emergency rooms access across Contra Costa County. Based on the study results, he reported that it would be catastrophic to the community if the DMC emergency room had to be closed. The Contra Costa Health Services and Emergency Medical Services staff support the proposed ballot measure and understand that DMC provides many special services to this community.

Ms. ML Millender (El Sobrante resident) wanted to state that their simply not enough information provided to the residents of Contra Costa County. She asked for increased information sharing with community residents.

***The motion made by Director Deborah Campbell and seconded by Director Nancy Casazza to approve Resolution No. 2014-01: Calling a special Election Upon the***

*question of Authorizing the District to Impose and Levy a Special Tax passed unanimously.*

Mr. Zell closed the public hearing.

**6. APPROVAL OF RESOLUTION AND TERMS OF AGREEMENT FOR PARKING LOT USE EASEMENT WITH LYTTON RANCHERIA OF CALIFORNIA**

Ms. Dawn Gideon, Interim President and CEO reported on the efforts of management and the Board to secure additional funding to support the hospital beyond May and the previously discussed parcel tax measure. Without the parcel tax the hospital will close. Unless additional funding is secured immediately, the hospital will not be able to remain open long enough to get to the parcel tax. One solution explored has been the leasing of certain property to the Lytton Rancheria of California for use by the Lytton Casino for parking. She referred the Directors to the Resolution 2014-02 in their Board materials which outlines the proposed transaction. In summary, the lease would provide the Lytton Rancheria of California exclusive access to parking situated behind the hospital and currently used by employees and cancer center patients. The lease is for 20-years, and payment of the entire lease amount of \$5 million would be in advance. At any time after the fifth year anniversary of the agreement, the District can terminate the easement and refund the outstanding balance. The arrangement and its financial terms have been negotiated at arms' length, with substantial negotiations and adjustment to the lease price based on the general value of long term parking space in San Pablo, and, especially, in light of the rapidity with which the transaction is being concluded, and the unique needs of the Hospital and the Tribe under the circumstances. Management therefore believes that the transaction price is reasonable based on fair market value and public policy needs. We are obtaining an evaluation by an independent consultant, and ask that approval of the resolution carry with it the authority for the Chair of the Board and CEO to execute the definitive agreements if they continue to deem the transaction price fair and reasonable after the consultant's evaluation.

**Public Comment**

Jeanni Miranda (Surgery Department) expressed her concern with the loss of parking spaces; she asked how this will affect the patient and employee parking and safety, and also asked about the relocation of Department of Correction patient access.

Ms. Gideon responded by stating that the final plan is still in development, but the current plan will include valet parking for patients coming to the cancer center and other outpatients using the back entrance. Employee parking will be available in the current managers parking lot near the physician parking lot, and across the street by West County Health Clinic. The area will have security and a shuttle to transport staff to the hospital's front entrance. Employees will have security escort them and DMC will provide shuttle service to employee cars and designated areas. Manager parking will become a first come first serve basis for all employees of DMC.

Directors Campbell and Casazza asked questions regarding the cost of changes to the property and the terms of the termination clause. Dr. Campbell asked that the Lytton Casino's construction plans be shared with this Board prior to implementation

*The motion made by Director Eric Zell and seconded by Director Beverly Wallace to approval of Resolution No. 2014-02 Terms of Agreement for Parking Lot Easement between WCCHD and Lytton Rancheria of California, with the stipulation of fair market value as discussed above, passed unanimously.*

**THE MEETING ADJOURNED TO CLOSED SESSION AT 5:40 PM**



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**APPROVAL OF RESOLUTION AND  
TERMS OF AGREEMENT FOR LEASE  
TERMS BETWEEN WCCHD AND  
LYTTON RANCHERIA OF CALIFORNIA**

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**TAB 5**

**WEST CONTRA COSTA HEALTHCARE DISTRICT**

**RESOLUTION NO. 2014-05**

**RESOLUTION AUTHORIZING AND DIRECTING EXECUTION OF  
AGREEMENT FOR PURCHASE AND SALE OF EASEMENT,  
AND DIRECTING CERTAIN ACTIONS WITH RESPECT THERETO**

RESOLVED, by the Board of Directors (the "Board") of the West Contra Costa Healthcare District, Contra Costa County, California (the "District"), as follows:

WHEREAS, pursuant to Section 32121 (c) of the California Health and Safety Code, the District has the power to buy and sell interests, including leaseholds and easements, in real property;

WHEREAS, the Lytton Rancheria of California, a federally recognized Indian tribe, a Tribal Government ("LRC"), which owns and operates a casino adjacent to the south east of the District's hospital campus, offered to purchase for Five Million Dollars (\$5,000,000) an easement for a period of time to use a portion of the District's hospital campus adjacent to LRC's property for use as a parking lot for its casino, based on LRC's estimate that it could redesign the parking lot to create approximately two hundred thirty (230) parking spaces for casino use;

WHEREAS, on January 29, 2014, the Board by its Resolution No. 2014-02 approved the proposed parking lot easement purchase and sale based on terms and conditions set forth in a term sheet attached to the Resolution;

WHEREAS, on January 31, 2014, the District filed with the Contra Costa County Clerk a Notice of Exemption announcing the Board's finding that granting of the easement and proposed parking use of the District's property by LRC as described in its Resolution No. 2014-02 are exempt from the need for consideration under CEQA;

WHEREAS, the District and LRC subsequently determined that redesign of the parking lot would only result in approximately one hundred sixty-four (164) parking spaces being available for casino use, and consequently negotiated a reduced purchase price of Four Million Six Hundred Thousand Dollars (\$4,600,000);

WHEREAS, LRC and the District have revised the proposed terms and conditions to reflect the change in parking spaces and price, and to reflect other new and revised details for the parking lot easement arrangement, including but not limited to regarding LRC's responsibility to install improvements such as fencing and lighting, and such revised terms and conditions are set forth in that certain Term Sheet for Parking Lot Easement attached to this resolution as Attachment 1;

WHEREAS, LRC's purchase of the parking lot easement, which includes payment of the full amount of the purchase price up front in a lump sum, permits the District to meet certain of its financial obligations that it would not be able to otherwise meet in a timely fashion;

WHEREAS, members of the Board have reviewed the attached term sheet with the aid of its management;

WHEREAS, the Board has considered whether the easement requested by LRC requires treatment as a subdivision under state or local law;

WHEREAS, the Board has considered whether the easement and its use by LRC requires consideration under the California Environmental Quality Act;

NOW, THEREFORE, the Board of Directors hereby DECLARES and ORDERS, as follows:

1. The Board of Directors of the West Contra Costa Healthcare District hereby approves the proposed parking lot easement purchase and sale with LRC and hereby directs and authorizes the District's Chief Executive Officer to execute an agreement therefor and a recordable easement document, each of which incorporates the terms and conditions set forth in the term sheet attached to this resolution as Attachment 1, and otherwise contains such terms and conditions that are consistent therewith and are deemed in the Chief Executive Officer's judgment to be reasonable and necessary to effectuate the transaction.

2. All actions heretofore taken by the officers and agents of the District with respect to the execution, delivery and purchase and sale of the parking lot easement are hereby approved, confirmed and ratified.

3. The Chief Executive Officer is authorized to take such other steps and do such acts and things, all as in her judgment may be necessary, appropriate or desirable on behalf of and in the name of the District to carry out, observe and perform and enforce the performance by others of, and comply with, the terms and provisions of the proposed agreement for the parking lot easement purchase and sale with LRC, and to consummate the transactions therein contemplated.

4. The Board finds that granting of the easement is exempt from subdivision regulation, and no tentative map, parcel map or final map is required, as authorized by California Government Code section 66428(a)(2) and City of San Pablo Municipal Code section 16.02.060.B.2.

5. The Board finds that granting of the easement and proposed use of the District's property by LRC as revised from what was approved by its Resolution No. 2014 remain exempt from the need for consideration under Public Resources Code section 21000 et seq., the California Environmental Quality Act ("CEQA"), and under California Code of Regulations Title 14, Chapter 3 (the "CEQA Guidelines"), (a) pursuant to CEQA Guidelines section 15301 ("Existing Facilities – minor alteration") as they involve continued use of an existing parking area that will not have a significant effect on the environment, (b) pursuant to CEQA Guidelines

section 15303 (“New Construction of Small Structures” which exempts the fencing and lighting to be installed by LRC as accessory structures, and (c) pursuant to the general “common sense” exemption in CEQA Guidelines section 15061(b)(3) where it can be concluded with certainty that there is no risk of the physical improvements and casino parking use causing significant environmental impacts, and each grounds for exemption independently is sufficient to support this finding.

6. The Board authorizes and directs the Chief Executive Officer to file a second notice of exemption pursuant to CEQA Guidelines section 15062 with the County Clerk of Contra Costa County, reflecting this Resolution and the exempt status of this Resolution and the changes from the previous Resolution.

7. This Resolution shall take effect upon its adoption by this Board.

**PASSED AND ADOPTED** this 7<sup>th</sup> day of May, 2014, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

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Eric Zell, Chair of the Board of Directors  
West Contra Costa Healthcare District

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Nancy Casazza, Secretary of the Board of Directors  
West Contra Costa Healthcare District

## Secretary's Certification

I, the undersigned Secretary of the West Contra Costa Healthcare District, hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted by the Board of Directors of the District at a meeting thereof held on the 7<sup>th</sup> day of May, 2014.

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Nancy Casazza, Secretary of the Board of Directors  
West Contra Costa Healthcare District