

Report paints grim picture of Doctors Medical Center operating losses

By Sandy Kleffman
Contra Costa Times

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SAN PABLO -- An audit released Tuesday shed new light on the financial struggles of Doctors Medical Center, including details of millions of dollars in operating losses over the past three years.

The financial challenges "raise substantial doubt about the district's ability to continue as a going concern," concludes a sobering report by Moss Adams, a public accounting firm.

The hospital board approved the audit but made no decisions about the facility's future. Board members have said they will do all they can to keep the hospital open.

They have acknowledged that without a quick cash infusion, the hospital may need to declare bankruptcy for the second time in five years. But they stress that a bankruptcy would enable the hospital to restructure its debt while continuing to serve patients.

County Supervisor John Gioia, who chairs the hospital's board, and other leaders are involved in discussions with Kaiser

Permanente and John Muir Health to see if those institutions would be willing to help out, as they did when the medical center declared bankruptcy in 2006. An answer is expected soon.

Overall, Doctors Medical Center ended 2010 worse off financially than at the end of 2009 despite actions by management to rein in costs and boost revenue, the audit concluded. The hospital recorded operating losses of \$15.5 million in 2010, \$13.2 million in 2009 and \$18.8 million in 2008.

The hospital had the equivalent of 26 days' worth

of unrestricted cash available in 2009 to sustain its operations. By 2010, it had just 16 days' worth of cash reserves on hand.

The report cited several reasons for the growing financial challenges, including:

- The loss of an anticipated \$8 million in federal matching funds from the California Medical Assistance Commission because of state budget issues and a change in funding

July 13, 2011
Agenda Item 16c



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- The end of subsidies of \$12 million provided by Kaiser over three years and \$3 million from John Muir. The payments were designed to help the hospital emerge from bankruptcy.
- An increase in the hospital's numbers of uninsured and Medi-Cal patients -- the state's version of the federal Medicaid program for low-income people. Its share of more lucrative managed-care patients has dropped. Hospital leaders blame the economy for leaving more people without insurance.
- Longer hospital stays than anticipated for patients during the first half of 2010, driving up staffing costs.
- Rising supply expenses as the hospital performed more joint replacements and other major implant surgeries. The report notes that hospital managers have been implementing cost-control measures, beefing up patient collection procedures and developing turnaround plans to help meet the financial challenges.



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San Ramon pushing for annexation of 88-acre hunk of Dougherty Valley land

By **Sophia Kazmi**
Contra Costa Times

Posted: 06/15/2011 02:45:46 PM PDT

Updated: 06/15/2011 03:17:58 PM PDT

SAN RAMON -- The San Ramon City Council on Tuesday approved moving forward with annexation of about 88 acres of the Dougherty Valley into the city limits.

If approved by the Local Agency Formation Commission later this year, it is estimated the city would receive about \$40,000 in property tax next fiscal year. The annexation area includes Quail Run Elementary School, the Dougherty Valley Service Center and land approved for the construction of 355 single family homes, officially part of San Ramon.

That amount is expected to grow as more houses are built. It is estimated that by 2016 the amount of tax dollars could reach \$200,000.

Dougherty Valley, which encompasses nearly 6,000 acres, has been annexed into the city in stages since 1998. The phased annexations are part of a 1994 settlement agreement reached after lawsuits were filed challenging the adequacy of environmental documents for proposed Dougherty Valley development.

The city is expected to file the application for annexation on July 1, and LAFCO is expected to take up the matter at its Sept. 14 meeting.

Contact Sophia Kazmi at 925-847-2122. Follow her at [Twitter.com/sophiakazmi](https://twitter.com/sophiakazmi).



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Contra Costa County Grand Jury wants to have health care district dissolved

By Sandy Kleffman
Contra Costa Times

Posted: 06/15/2011 05:38:23 PM PDT

Updated: 06/15/2011 05:38:27 PM PDT

MARTINEZ -- For the fourth time, a Contra Costa County grand jury has called for the elimination of the Mt. Diablo Health Care District after concluding it has outlived its purpose.

In a report delivered this week, the grand jury noted that from 2000 to 2009, the health district received more than \$2.45 million in property taxes and contributions from John Muir Health. It used less than 10 percent of that money, or about \$243,800, for community grants.

During that same period, the district spent more than \$360,000 on lifetime health insurance benefits for a current and former board member and their spouses and dependents, the report notes.

"This is a district whose original mission has been completed, and one that only sporadically provides services to the community," the grand jury concluded.

Supporters counter that although the district no longer runs a hospital, it has trained more than 6,000 high school

students to do CPR and engaged in other activities.

The Local Agency Formation Commission will discuss at its July 13 meeting whether to pursue dissolution, which would require a vote of central Contra Costa residents.

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Contra Costa County firefighters to vote on major wage concession package

By Lisa Vorderbrueggen
Contra Costa Times

Posted: 06/17/2011 03:23:44 PM PDT

Updated: 06/18/2011 04:31:46 PM PDT

Rank-and-file firefighters and dispatchers at the financially beggared Contra Costa Fire District will vote Monday and Tuesday on a tentative contract packed with \$6.2 million in worker pay cuts.

Firefighters will also decide whether to reopen their pension deal. Employees and the county seek to ease skyrocketing retirement costs in the wake of the economic downturn.

The wage concessions will avert imminent station closures and service rollbacks in Concord, Pittsburg and Martinez.

"When we look at the fire district budget, we know we are a substantial part of it and we want to help," said Firefighters Local 1230 President Vince Wells. "We know this will be a significant out-of-pocket expense for us. But the proposed service reductions were unacceptable."

The tentative deal calls for firefighters to give up two scheduled 21/2 percent wage hikes, which would have kicked

in July 1 and Jan. 1, 2012. The deal also seeks an added 5 percent pay cut in 2012.

It is a significant hit to firefighters' wallets.

A top-step fire captain who earned \$113,056 a year in base pay in 2010, according to the Bay Area News Group's public employee salary database, would forgo \$5,652 in previously approved raises. He would also see his paycheck drop by the same amount by July 1, 2012.

The fire district needs the money and it has few places to find fast cash.

Without relief, the district will burn through its reserves by next

summer. It relies almost solely on property tax dollars collected specifically for the purposes of fire protection, a source that has precipitously declined in the economy.

County Supervisor John Gioia, of Richmond, praised the firefighters' willingness to reopen their contract a year early and vote on cutbacks that would have once been

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untenable. If ratified, the new contract will expire mid-2014.

[Twitter.com/lvorderbrueggen](https://twitter.com/lvorderbrueggen).

"The firefighters could have just taken their raises," Gioia said. "But they are not only proposing to give up those raises but take another 5 percent cut on top of that. We criticize our public employees when they need to be criticized but we congratulate them when they need to be congratulated."

Firefighters no doubt also factored burgeoning taxpayer dissatisfaction with public employee pension benefits that often outstrip those offered in the private sector.

The district is also talking about pursuing a parcel tax or other type of fire tax on the 2012 ballot. Substantiative firefighter concessions will go a long way toward improving its chances of passage.

Without the salary savings contained in the tentative contract, fire Chief Daryl Louder said he would implement brownouts at two Concord stations and an engine company each in Pittsburg and Martinez. The district has 30 stations, largely in Central Contra Costa County.

The district would shutter the stations during times of lower call volumes, such as late at night and into the early mornings, and all day Sunday.

"From a community standpoint and a district standpoint, (the tentative contract) is a very significant benefit that will enable us to maintain our service levels," Louder said.

Contact Lisa Vorderbrueggen at 925-945-4773, www.ibabuzz.com/politics or at



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Developer wants to move 193-acre parcel into Pittsburg

By Rick Radin
Contra Costa Times

Posted: 06/22/2011 06:10:33 AM PDT

Updated: 06/22/2011 06:11:01 AM PDT

PITTSBURG -- A major East Bay homebuilder is circulating a petition for a ballot measure that would move a former petroleum tank farm within Pittsburg's urban limit line, paving the way for it to be developed according to the city's rules.

West Coast Home Builders, an affiliate of Concord-based A.D. Seeno Construction, is trying to smooth the permitting process to build homes on the 193-acre site, near Buchanan and Somersville roads, according to Pittsburg City Councilman Ben Johnson, who said he favors the effort.

The proposed initiative also would eliminate a provision in the city's general plan for the area south of the site limiting new residential development to a maximum of three units per acre up to a maximum of seven units per acre.

The density change may be a signal that Pittsburg is trying to raise money through developer fees to build a long-coveted extension of James Donlon Boulevard from Somersville to Kirker Pass Road, according to former county supervisor and state

Assemblyman Joe Canciamilla.

"The city seems intent on (the extension), and will pretty much do anything to get it done," Canciamilla said. "The problem I've always had with the bypass is that the new construction that will pay for it will generate the congestion it's intended to relieve."

The ballot measure would amend Measure P, a 2006 Seeno-sponsored initiative that expanded Pittsburg's urban limit line and added 2,200 acres of open space to the

city's sphere of influence.

The land sought for eventual annexation is within Antioch's urban limit line and sphere of influence.

Seeno cleaned up and built homes on an adjacent 50-acre parcel, known as Highlands Ranch Phase I, between 2001 and 2003.

Signatures to place the measure on the November ballot have been gathered at Pittsburg shopping centers and other locations since early May.

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"I want (the development) in Pittsburg," Johnson said. "I would love to have the developer fees and the property taxes (from the homes), and obviously so would Antioch."

Seeno owns about 90 percent of Pittsburg's developable land, Johnson said.

Pittsburg Councilwoman Nancy Parent, who co-signed the notice of intent to circulate a petition filed with the city, did not return calls seeking comment.

Antioch City Manager Jim Jakel said he has only heard about the petition from residents, though the city is aware of Seeno's intentions based on copies of the developer's correspondence with the Contra Costa Local Agency Formation Commission, which regulates changes to local government boundaries.

"Seeno's going to look for the most effective plan for him and try to maximize the deal from his perspective," Jakel said.

It is a Pittsburg issue until it qualifies for ballot consideration, he said.

"If it moves forward, then we would do an analysis of what the possible impacts on Antioch would be if enacted and then approved by (the local agency commission)," Jakel said.

Pittsburg associate planner Kristin Vahl said the ballot measure would change the urban limit line, general plan amendment and zoning.

The developer could then apply to the city to

initiate a sphere of influence amendment with the local agency commission, Vahl said.

"This is probably the most likely next step," she said. "After that, there would probably be a development proposal and then annexation."

Pittsburg has taken steps lately to encourage home development. In September, it reduced developer fees from \$17,795 to \$15,795 for a single-family home and from \$10,924 to \$9,700 for a unit in a multifamily project.

In December, the City Council also agreed to allow builders to defer the payment of fees to the time of the final property inspection or for 12 months after the developer pulls the permit, whichever comes first.

Previously, builders had to pay the fees at the time they took out construction permits.

Pittsburg also pulled out of a regional transportation funding authority on the grounds that it wanted to put more emphasis on its transportation priorities.



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Chevron's Los Medanos Tank Farm was built almost a century ago and once contained 40 aboveground tanks that stored crude oil before refining.

It was used until 1980, and all but one of the tanks was removed within a year. Chevron uses the remaining tank at its Buchanan Road pump station.

The site required a cleanup of soil contamination from petroleum residue, according to a 2007 report from the California Regional Water Quality Control Board.

Staff writer Paul Burgarino contributed to this story. Contact Rick Radin at 925-779-7166.



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Brentwood pushing ahead with plans to sever ties with East County fire district

By Paula King
Correspondent

Posted: 06/28/2011 10:50:29 PM PDT

BRENTWOOD -- The City Council pressed forward this week with plans to eventually pull out of the struggling East Contra Costa Fire District and form its own fire agency.

The council voted to submit a detachment/formation fire district application with the Local Agency Formation Commission, which governs boundary changes and special district formations countywide. Brentwood has been exploring other fire protection options for several years as the East Contra Costa fire district continues to struggle.

Councilman Erick Stonebarger said the application submission is the next step in the process of exploring the creation of a new fire district, which he added is the best option.

The fire district's board of directors is considering options ranging from merging with the Contra Costa Fire District, to closing stations, to trying to pass a property assessment to preserve service levels.

The board will hold a workshop July 11 to

seek another way of keeping the district intact. The meeting will be at 6:30 p.m. at Oakley City Hall, 3231 Main St.



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