

Contra Costa Times
Thursday, December 15, 2011

Vote to dissolve Mt. Diablo Health Care District set for January

By Lisa Vorderbrueggen
Contra Costa Times
Contra Costa Times

January 11, 2012
Agenda Item 13c

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MARTINEZ -- Contra Costa regulators unanimously set a Jan. 11 hearing for a dissolution vote on the embattled Mt. Diablo Health Care District, despite its chairman's plea for more time over the holidays.

The decision set a somber tone for what appears to be the district's likely fate.

No members of the Contra Costa Local Agency Formation Commission, a board of county, city and special district elected officials who oversee political agency boundary matters, spoke in the health care district's defense, and most of the dozen speakers Tuesday afternoon called for its elimination.

Among them were Contra Costa Supervisor Karen Mitchoff, Pleasant Hill Councilman Jack Weir, the president of the Contra Costa chapter of the California Grand Jurors' Association and the executive director of the Contra Costa Taxpayers Association.

The speakers agreed with the commission's consultants, who found what they characterized as "ample justification" to disband the health care district.

With no hospital to manage since 1996, it has spent only about a quarter of more than \$3 million in property tax revenues on community programs; the balance paid for litigation, elections, overhead and lifetime health and dental benefits for one former and one current district board member.

Critics urged the commission to move swiftly, noting that the district has in the past three months contracted with an interim executive director for \$10,000 a month, retained a lawyer and approved thousands of dollars in new community grants.

"This is an opportunity to offer the taxpayers a better value for their dollars," said Wendy Lack, a member of the taxpayers association and a district resident who has been lobbying for dissolution.

Health care district director Jeff Kasper spoke only briefly, referring to a letter he had submitted and asking for more time.

"We believe the consultants' report is incomplete," Kasper said.

In the letter, Kasper called the district a "valuable public asset" and indicated it will submit more information for the consultants' review before the release of the final recommendations.

The commission's consultants recommended the dissolution of the district and that its \$240,000 in annual property tax revenues be turned over to an existing countywide benefit district established in 1989 to provide emergency ambulance service.

Overseen by the Board of Supervisors, the successor district could create a zone that matches the district's boundaries and appoint an advisory committee whose members would decide how to spend the money.

There would be administrative costs under the new structure, but it would eliminate the need to pay for elections for the health care district board. Four of the board members are up for re-election in 2012, and if the seats are contested, costs could exceed \$100,000.

The successor agency would also assume the liability for the lifetime dental and health benefits for former director and Concord Councilman Ron Leone and current director Grace Ellis.

The public health care district's boundaries encompass 200,000 residents in Concord, Martinez, Pacheco and Clyde, and portions of Lafayette and Pleasant Hill.

Contact Lisa Vorderbrueggen at 925-945-4773, www.ibabuzz.com/politics or at [Twitter.com/lvorderbrueggen](https://twitter.com/lvorderbrueggen).

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Letters for Monday, Dec. 19

BAY AREA NEWS GROUP

Posted: 12/18/2011 04:00:00 PM PST

Tired of hearing Richmond demeaned

For the third time recently, I heard my city referred to as "the ghetto," in a derogatory manner.

The first time was when I read a Yelp review from an Albany resident who ventured for the first time to the new "target in the ghetto of Richmond."

The last time was from a protesting UC Berkeley student lamenting the tuition hikes because it might force students to look for housing in the "Richmond ghetto."

I live in a working-class neighborhood whose residents include blue-collar families with school-age children, degreed professionals, artists, musicians, police, firefighters, small business owners, retirees, immigrants, homeowners and home renters -- people of all colors and all walks of life. It's pretty much one of the most diverse neighborhoods I've ever run across, including in Berkeley, Oakland and San Francisco.

Richmond's full of little gems the rest of the Bay Area hasn't been fortunate enough to have discovered. Maybe if they'd get their noses out of the air and come down to earth, they might find Richmond isn't as scary as they imagine.

Debbie Rheuark

Richmond

High-speed rail a waste of money

Tom Barnidge hit the nail (spike) on the head. Big organizations, private and government, always spend up to or over their budgets so they don't leave any

money on the table that would diminish their next money request.

If the high-speed rail starts building two lines from nowhere to nowhere and uses up all its money, it will be right back with hands out. The story line will be, "Gee folks, we've got this rail line out in the valley that doesn't seem to go anywhere or carry many people. We can't let that just sit there. We need mega-billions to connect to places where riders might use it."

This waste of scarce money has to be stopped before they can back the taxpayers into a corner. State Sen. Mark DeSaulnier (D-Concord) has it right. If they have to spend money, let them practice between L.A. and San Diego where it would make some sense.

Dunstan Granshaw

Martinez

Don't buy imported goods this season

Here's a solution for a debt-free New Year, at least for Christmas debt. The 99 percenters should buy nothing not made in America. Y/ow.

Just think what China and all other sweatshop manufacturing countries that heed the bidding of huge corporations' bottom line would do. Would that be a middle-class statement to corporate greed?

Tell me, how bad would it be if American families went to tree lightings at malls for the fun of seeing all the sights but didn't buy anything made in China? What fun. Maybe, we could see Santa come for the little ones, and the adults make a



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commitment not to buy stuff. We all have way too much stuff, and most is from China.

Happy Holiday, and God bless America.

Eleanor Newman

Concord

Maryann Sheridan

Walnut Creek

Time to shutter health district

Grace Ellis, Ron Leone and other directors of the Mt. Diablo Health Care District should declare victory and close down their office.

They have succeeded in their goal to keep John Muir Hospital from shutting down the Concord campus. Indeed, they "forced" John Muir to spend \$325 million in Concord, thus ensuring the campus will remain open for many years.

Or, they could choose to struggle to maintain the district's existence, when it no longer has a purpose for being, and leave a legacy like toenail fungus -- one of no redeeming value but very difficult to eradicate. The choice is theirs. I urge them to choose wisely.

A. John Ahlquist

Walnut Creek

LAFCO, please close the health district

I had to read Lisa Vorderbrueggen's article twice. I just cannot believe that the Mt. Diablo Health Care District hired an executive director even though it's been almost 15 years, so why now?

Also, the next question is where is the district getting the money to cover his salary?

What is Grace Ellis trying to do, make sure all the money is spent before LAFCO finally puts an end to the district debacle once and for all?

Last but not least, who is going to pay for health and dental for Ellis, the taxpayer? I do not think anyone is that stupid, or am I giving too much credit -- after all we have kept the district going since 1947.

LAFCO, please act now before there is nothing left.



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County commission to vote next month on Martinez annexation of North Pacheco

By Lisa P. White
Contra Costa Times

Posted: 12/20/2011 01:23:11 PM PST

MARTINEZ -- The city may need to buy a new "Welcome to Martinez" sign if a county commission next month approves the annexation of North Pacheco.

Attracted by the economic development possibilities in the area and the opportunity to clean up a gateway to Martinez, city leaders seek to annex 111 acres along Interstate 680 from Highway 4 north to the BNSF railroad overcrossing.

The Contra Costa County Local Area Formation Commission is scheduled to hold a public hearing Jan. 11.

"If (commissioners) approve it and if there are no protests from residents, land owners or voters within the area proposed for annexation, then the annexation is approved," said Lou Ann Texeira, LAFCO executive officer.

If anyone objects, the commission will hold a protest hearing in mid-February, she added.

Critics say the annexation is a bad deal for Martinez because the costs of providing police protection and other services to the area are projected initially to exceed the property tax and sales tax revenue the area generates. But people who live and own property in North Pacheco did not oppose annexation when the issue was before the City Council.

The Contra Costa County Board of Supervisors last week approved the tax-sharing deal the council passed in October. Although the county has kept as much as 60 percent of the sales tax in the past, under the agreement Martinez will get 55 percent. The city's initial share of the sales tax is an

estimated \$25,000 per year.

In exchange for the favorable split, the county will continue to process residential developments in the northwest area of North Pacheco for up to five years. A subdivision of 120 houses is mostly complete and tentative maps have been approved for two other developments -- one with 20 lots, the other with eight. The county estimates it will reap about \$278,000 in permit and plan processing fees during the five-year period.

Martinez and the county will abide by a property tax sharing agreement that dates back to 1980. Under that policy, the city will get \$13,510 annually, which amounts to about 23 percent of the county's share of the property tax at the time of annexation. As the property value increases over time, Martinez will get about 46 percent of the county's portion of the tax increment.

Although Martinez will take over road maintenance, public works and police protection in the area when LAFCO approves the annexation, the city was due to receive property tax revenue after the Board of Equalization adds North Pacheco to the tax rolls in July 2013.

The county has agreed to give the city a prorated share of the \$13,510 of property tax for the current fiscal year and the full share for the fiscal year beginning in July 2012.

In June, the city filed an application with LAFCO to annex part of the Alhambra valley, a plan that has rankled residents who worry about road

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maintenance, police service and higher property taxes if the area becomes part of Martinez. LAFCO will schedule a hearing once the city and county work out a tax-sharing deal, Texeira said.

Lisa P. White covers Martinez and Pleasant Hill. Contact her at 925-943-8011. Follow her at [Twitter.com/lisa_p_white](https://twitter.com/lisa_p_white).

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Credit rating agency downgrades Pleasant Hill Recreation and Park District

By Lisa P. White
Contra Costa Times

Posted: 12/23/2011 04:58:58 PM PST

Updated: 12/24/2011 05:10:58 AM PST

A credit-rating agency has downgraded the Pleasant Hill Recreation and Park District's rating due to its shrinking reserve fund and several years of deficit spending.

Moody's earlier this month dropped the district's rating two levels, from Aa3 to A2. The firm also downgraded the rating on \$2.5 million in outstanding certificates of participation the district issued in the late 1990s to buy the land under the community center and Pleasant Oaks Park.

It is unclear whether Moody's action will affect the interest rate on the \$28 million of general obligation bonds the recreation district is using to build new teen, senior and community centers. Board member Sandra Bonato has asked the district's bond counsel to submit a written opinion on the matter at a Jan. 25 meeting.

Moody's report lists as strengths the recreation district's manageable debt burden and above-average wealth of local taxpayers. But the agency also expresses concern about the district's finances.

"The downgrade primarily reflects the district's weakened general fund reserve levels, evident after three consecutive years of operating deficits, with a fourth deficit expected for fiscal 2011 as well," the report says.

Unexpected expenses, including \$232,000 to reimburse a pension fund for seasonal workers, \$140,000 to shore up the community center in the months before it was demolished and \$100,000 to explore buying modular buildings, pushed the district into

deficit spending, according to Mark Blair, the district's accounting supervisor.

"We dipped into reserves, but we have corrected that. This budget, we're certainly not doing that; so hopefully we can build that back up in the future," said General Manager Bob Berggren.

Earlier this year, the board laid off staff and cut employees' hours to make up a \$300,000 shortfall caused by declining property taxes and falling revenue from classes and activities. In July, the board approved a tight budget in which revenues exceed expenses by just \$59,000. To cut costs, full-time employees now must pay 1.5 percent of their contribution to CalPERS and 5 percent of their health care premiums. Employees also must take two unpaid furlough days in the last week of December.

The district has \$141,900 in reserves, Blair said. It also still owes \$2.3 million on the certificates of participation and has issued \$20 million of the bonds.

Bonato, who led the board through the sometimes-contentious budget process, said Moody's report supports board members' concerns about ensuring the district is properly funded.

"It follows on our own observations about the need for the district to have more in reserves, the need for the district to plan for our future buildings and the financial impact of bringing staff back," Bonato said.

The district's finances should improve when the new

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teen and senior centers open in fall 2012.
Construction of the new community center is due to begin next summer, with the goal of opening in 2013.

Moody's will be watching closely.

"Future rating reviews will take into account the district's ability to manage its financial position with the increased costs of operating these planned facilities and potential new revenues generated," the report says.

Lisa P. White covers Martinez and Pleasant Hill.
Contact her at 925-943-8011. Follow her at [Twitter.com/lisa_p_white](https://twitter.com/lisa_p_white).

By the numbers

Moody's, a credit-rating agency, has lowered the rating on debt the Pleasant Hill park district is using to build several major projects.

\$2.5 million

The amount of certificates of participation issued in the 1990s that were also downgraded

\$28 million

Amount of general obligation bonds the district is using to build new teen, senior and community centers

\$141,900

The amount the district has in reserve, which was one of the issues cited by the credit agency



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Stop the Annexation of Pacheco

The Local Area Formation Committee will vote on the proposal January 11.

By [TIM PLATT](#) | [Email the author](#) | January 2, 2012

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Tax losses from an annexation of Pacheco are as follows:

We lose fully 45 percent of all sales tax and property tax we would normally collect in North Pacheco, and we cannot make our city budget balance with getting full taxes now.

On sales tax, our City normally gets \$1 for every \$100 of taxable sales. In Pacheco it will decline to just \$0.55 for every \$100. On property tax, the City gets \$150 for every \$100,000 of assessed valuation on a house. In Pacheco the rate will be just about \$76. (The County keeps the difference.)

The consultant's two reports underscore the loss. The [first report](#) predicted a \$33,000 yearly deficit.

The [second report](#) published a year later called for a slim \$16,000 profit (pg. 2). Neither report included costs for necessary police services or for administration. Those are major omissions, especially when the consultant calls out the "...large number of calls for police service." (pg. 1—first report). This is not the only area in which the consultant's figures are questionable.

The \$16,000 becomes a loss of about \$25,000 when a modest figure of ¼ of a policeperson and about 100 hours of staff time is included.

This is a bad financial deal for Martinez taxpayers.

Martinez is running a budget deficit. Staff is very lean, too. Even our Planning Manager is on half-time now. Yet we face major unfinished projects that have been awaiting solution for many years. Sensible development of our marina and our downtown is critical. Measure H needs to be completed. A major rebuild of our water treatment system is starting.

This is not the time to load on the significant additional burden of trying to service and develop a difficult area like Pacheco. We are stretched too thin, both with money and personnel. And we have too much unfinished business to complete.

It is also a bad deal for the people of Pacheco. Can they expect good service levels when we are taking a loss on the area and have so much else to do?

We must act now to stop this. LAFCO is due to approve the annexation on January 11.

Go to our website and sign up to help or get further information: www.pachecoannex.com.

If you live in the Mountain View or Vine Hill areas, or by Viano Vineyards, or in the Midhill Road area, you are next. This annexation will make all of these areas islands surrounded by Martinez. Annexation will follow.

Together we can keep this mistake from going any further.