

## Sonoma Local Agency Formation Commission

### 3. DESCRIPTION AND JUSTIFICATION

The communities located within the Bodega Bay Fire Protection District submit this in support of detachment from Palm Drive Healthcare District. The cause for this request is the ongoing demonstration of poor hospital management resulting in continued fiscal failures.

On Friday, August 17, 2018, the Palm Drive Healthcare District (PDHCD) Board of Directors by a 4-1 vote approved a hospital management agreement with American Advanced Management Group (AAMG). The board ignored the overwhelming public comment against this contract. There was insufficient time for the public or the board to review the contract including analyzing current district finances resulting in no transparency. Some meetings were only noticed 24 hours prior, held during the day, preventing many from attending. There were multiple revisions of the Master Services Agreement (MSA) that were impossible to keep up with unless the revision was emailed, which most were not.

This contract destroyed the firewall and adds significantly more debt to the district. The minimum liability is \$1.7 million for the first 60 days. "Losses up through a possible successful election in March 2019 are estimated at **\$4.7 million**. With interest, in five years this \$4.7 million would climb roughly to **\$6 million**. If neither of those things happen, the District remains liable for whatever losses accrue, plus interest." (Jim Horne, PDHCD board member and lone NO vote.) The current overall incurred debt is somewhere around **\$20 million**. Our community district needs to stop the accrual of debt that current residents and future generations will be responsible to pay off.

Suffice it to say PDHCD board made yet another disastrous financial decision that continues to fleece its taxpayers. The AAMG contract does not meet the criteria in Measure W passed by voters in 2005 so the hospital could provide emergency services to the community.

Your prompt consideration for the territory within the Bodega Bay Fire Protection District to detach is requested.

A. Development Plans: **Not Applicable**

Is the subject territory to be developed at this time? \_\_\_\_\_

2. If yes, generally describe the anticipated development (building types, facilities, number of units).

\_\_\_\_\_  
\_\_\_\_\_

3. If no development is planned at this time, will approval of the proposed jurisdictional change increase the development potential of the property? \_\_\_\_\_  
(If yes, please indicate in terms of allowable uses, and number of units)

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