



County of Monterey

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legislation Details (With Board Report)

File #: RES 22-096 **Name:** Watsonville Community Hospital

Type: BoS Resolution **Status:** Passed - Health Department

File created: 5/5/2022 **In control:** Board of Supervisors

On agenda: 5/17/2022 **Final action:** 5/17/2022

Title: Adopt Resolution to
 a. Amend County Administration Fiscal Year (FY) 2021-22 Adopted Budget 001-1050-8029-CAO007 to increase appropriations by \$3.0 million financed by operating transfers in the amount of \$2.0 million (\$1.0 million from Natividad 451-9600-8142-NMC001, and \$1.0 million the Health Department (023-4000-8473-HEA017), and \$1.0 million from Cannabis Assignment (001-3132) (4/5th vote required); and
 b. Authorize the Auditor Controller to transfer \$1.0 million from Natividad (451-9600-8142-NMC001) where Natividad has sufficient appropriations in its FY 2021-22 Adopted Budget to cover the transfer, and to transfer \$1.0 million from the Health Department (023-4000-8473-HEA017) where the Health Department has sufficient appropriations in its FY 2021-22 Adopted Budget to cover the transfer (4/5th vote required); and
 c. Receive an updated response to Board Referral No. 2022.03 to support efforts to keep the Watsonville Community Hospital open and operating through an expedited purchase of the hospital by the Pajaro Valley Healthcare District Project; and
 d. Authorize and direct the County Administrative Office to issue payment in the amount of \$3.0 million to the Pajaro Valley Healthcare District Project to support the purchase of Watsonville Community Hospital.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Board Report, 2. Resolution, 3. Board Order - Board Referral No. 2022.03, 4. Preliminary Analysis Report - Board Referral No. 2022.03, 5. Completed Board Order Item No. 32, 6. Completed Resolution Item No. 32

Date	Ver.	Action By	Action	Result
5/17/2022	1	Board of Supervisors	adopted - health department	

Adopt Resolution to

a. Amend County Administration Fiscal Year (FY) 2021-22 Adopted Budget 001-1050-8029-CAO007 to increase appropriations by \$3.0 million financed by operating transfers in the amount of \$2.0 million (\$1.0 million from Natividad 451-9600-8142-NMC001, and \$1.0 million the Health Department (023-4000-8473-HEA017), and \$1.0 million from Cannabis Assignment (001-3132) (4/5th vote required); and
 b. Authorize the Auditor Controller to transfer \$1.0 million from Natividad (451-9600-8142-NMC001) where Natividad has sufficient appropriations in its FY 2021-22 Adopted Budget to cover the transfer, and to transfer \$1.0 million from the Health Department (023-4000-8473-HEA017) where the Health Department has sufficient appropriations in its FY 2021-22 Adopted Budget to cover the transfer (4/5th vote required); and
 c. Receive an updated response to **Board Referral No. 2022.03** to support efforts to keep the Watsonville Community Hospital open and operating through an expedited purchase of the hospital by the Pajaro Valley Healthcare District Project; and
 d. Authorize and direct the County Administrative Office to issue payment in the amount of \$3.0 million to the Pajaro Valley Healthcare District Project to support the purchase of Watsonville Community Hospital.

RECOMMENDATION:

It is recommended that the Board of Supervisors Adopt a Resolution to:

- a. Amend County Administration Fiscal Year (FY) 2021-22 Adopted Budget 001-1050-8029-CAO007 to increase appropriations by \$3.0 million financed by operating transfers in the amount of \$2.0 million (\$1.0 million from Natividad 451-9600-8142-NMC001, and \$1.0 million the Health Department (023-4000-8473-HEA017), and \$1.0 million from Cannabis Assignment (001-3132) (4/5th vote required); and
- b. Authorize the Auditor Controller to transfer \$1.0 million from Natividad (451-9600-8142-NMC001) where Natividad has sufficient appropriations in its FY 2021-22 Adopted Budget to cover the transfer, and to transfer \$1.0 million from the Health Department (023-4000-8473-HEA017) where the Health Department has sufficient appropriations in its FY 2021-22 Adopted Budget to cover the transfer (4/5th vote required); and
- c. Receive an updated response to **Board Referral No. 2022.03** to support efforts to keep the Watsonville Community Hospital open and operating through an expedited purchase of the hospital by the Pajaro Valley Healthcare District Project; and
- d. Authorize and direct the County Administrative Office to issue payment in the amount of \$3.0 million to the Pajaro Valley Healthcare District Project to support the purchase of Watsonville Community Hospital.

SUMMARY/DISCUSSION:

Board Referral No. 2022.03 assigned on February 1, 2022, requested the Natividad CEO, Health Director and County Administrative Officer to explore efforts to support keeping the Watsonville Community Hospital (WCH) open and operating through an expedited purchase of the hospital by the Pajaro Valley Healthcare District Project (PVHD). The WCH meets critical healthcare needs for the Pajaro Valley residents in southern Santa Cruz and northern Monterey counties.

On February 8, 2022, a preliminary response was presented by Dr. Chad Harris, Natividad CEO and Consultant from the Pajaro Valley Healthcare District Project (PVHD) summarizing the formation the PVHD Project, a local non-profit to prevent the closure of the WCH, and its activities to date. The WCH meets critical healthcare needs for the Pajaro Valley residents in southern Santa Cruz and northern Monterey counties. In an effort to prevent the hospital from closing, Senator Laird authored Senate Bill (SB) 418 which moved quickly through the California legislature and was signed by Governor Newsom on February 4, 2022, establishing the PVHD and paving the way for the purchase of Watsonville Community Hospital (WCH) by the PVHD Project.

At the February 8, 2022, meeting, after presentation of the preliminary analysis, the Board committed a contribution in the amount of \$3.0 million towards the purchase of WCH to keep it open and operating and identified Natividad and Cannabis revenue as sources of funding, each contributing \$1.0 million, and a third source to be determined. Health Department funds have been identified as the third funding source to contribute the remaining \$1.0 million.

On February 23, 2022, the bankruptcy court approved the sale of the WCH to the PVHD Project affirming funding has been secured for the purchase requiring the close of escrow on or before August 31, 2022.

As directed by the Board of Supervisors on February 8, 2022, all County funding sources have been identified; the County is ready to issue payment in the amount of \$3.0 million to the PVHD Project for Monterey County's contribution to the acquisition of WCH.

OTHER AGENCY INVOLVEMENT:

The CAO Budget and Analysis Division, Natividad, and the Health Department worked together to identify eligible funding sources as directed by the Board of Supervisors for its contribution to the PVHD project for its acquisition of the WCH.

FINANCING:

There is no impact to the General Fund. The contributed funds will come from allowable departmental sources.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Check the related Board of Supervisors Strategic Initiatives:

Economic Development:

- Through collaboration, strengthen economic development to ensure a diversified and healthy economy.

Administration:

- Promote an organization that practices efficient and effective resource management and is recognized for responsiveness, strong customer orientation, accountability and transparency.

Health & Human Services:

- Improve health and quality of life through County supported policies, programs, and services; promoting access to equitable opportunities for healthy choices and healthy environments in collaboration with communities.

Infrastructure:

- Plan and develop a sustainable, physical infrastructure that improves the quality of life for County residents and supports economic development results.

Public Safety:

- Create a safe environment for people to achieve their potential, leading businesses and communities to thrive and grow by reducing violent crimes as well as crimes in general.

Prepared by: Miriam Y. Mendoza-Hernández, Finance Manager, 755-4622

Approved by:

Date: _____

Elsa Mendoza Jimenez, Director of Health, 755-4526

Approved by:

Date: _____

Dr. Chad Harris, CEO, Natividad, 783-2504

Approved by:

Date: _____

Charles McKee, CAO, 755-5312

Attachments:

Resolution

Board Order - Board Referral No. 2022.03

Preliminary Response - Board Referral No. 2022.03