

Taxpayers win bid to leave district

Sonoma West hospital could lose funds from Russian River taxpayers

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Russian River taxpayers weary of supporting the struggling Sonoma West Medical Center won a crucial victory this week when a key county commission backed their effort to exit the Palm Drive Health Care District, which provides the hospital with important financial backing.

The Sonoma County Local Area Formation Commission — after hearing arguments for and against the “detachment” effort — voted unanimously Wednesday evening to let property owners in three school districts in the Russian River area leave the 16-year-old hospital district.

LAFCO commissioners are expected to finalize their vote at their next monthly meeting in October. Hospital supporters would then have a chance to launch their own petition drive and, if successful, force the issue before voters.

The detachment campaign is being waged by Taxpayers Against Unfair Taxes, or TAUT, a group of residents who claim that property owners along the Russian River corridor have received little benefit from the health care district, which collects about \$4 million annually in property taxes on nearly 25,000 parcels in 200 square miles. The move was spearheaded by Forestville real estate brokers Gary and Carolyn Harris and a group of volunteers.

Last May, TAUT completed a six month petition drive that gathered more than 2,000 signatures from residents in the Monte Rio, Guerneville and Forestville school districts, which make up the area the group hopes to detach from the health care district.

That triggered LAFCO to conduct a municipal services review of the health care district’s finances and operations. The review, presented Wednesday to LAFCO commissioners, raised questions about the hospital’s governance and the Palm Drive Health Care District’s financial liability should the medical center be forced to close, said Mark Bramfitt, LAFCO executive officer. He said the district’s entire board is “sitting on the governance body of the hospital.”

“That raised a lot of concern,” Bramfitt said.

About half of the district’s \$4 million in annual parcel tax proceeds is used to pay down bond debt, and about a quarter is directed toward bankruptcy creditors. The remaining \$1 million is used to subsidize the hospital and other west county health care services.

If the detachment drive succeeds, property owners in the three school districts would still be responsible for paying down the district's bond debt — about \$20 million — as well as money owed to bankruptcy creditors, said Jim Maresca, president of the board of directors of the Palm Drive Health Care District. The \$155 annual assessment on each parcel in the affected area would decline by about \$25 to \$30, he said.

The loss of that tax money would have a significant impact on the district, wiping out about 40 percent of the revenue it currently uses to support Sonoma West Medical Center, community health initiatives and district operation costs, according to the LAFCO review.

"We have to gather and make some decisions quickly and moving forward," said Maresca. "It's going to be tougher to keep the hospital open without that money. That doesn't mean it can't be done."

Bramfitt said the public would be given the chance to ask LAFCO to reconsider its decision after it is finalized next month. If the decision stands, hospital supporters who live in the proposed detachment area would then be given the chance to gather signatures from those who wish to stay in the district. The issue would be placed before voters if hospital supporters gather about 2,100 signatures, a sum equal to 25 percent of landowners or 25 percent of registered voters in the affected area, Bramfitt said.

"We're giving the people in the river community who want to stay in the district the chance to say so," Bramfitt said.

Mark Olson, a Forestville resident and the owner of Forestville Pharmacy, said he and other hospital supporters will likely consider mounting an opposing petition drive. Olson, who is on the board of directors of the Sonoma West Medical Foundation, said there are many people in the Russian River corridor who use the hospital.

His wife, who is diabetic, frequently visits the hospital for lab work and has been seen in the emergency department several times in the past 10 years since they moved to Forestville, Olson said.

But those who support detachment say they are tired of supporting the hospital, which has filed bankruptcy twice since 2007 and in May defaulted on \$5.8 million in loans from its two largest benefactors.

"We're not paying for a failing system anymore," said Jeanette Dillman, resident of Pocket Canyon on Highway 116. "We're not getting any services within the school districts ... the hospital has continually failed all along for 16 years and we're no longer supporting it."



The Sonoma West Medical Center is opening at the former Palm Drive Hospital location. CHRISTOPHER CHUNG / THE PRESS DEMOCRAT