

EXECUTIVE OFFICER'S REPORT

To The

Local Agency Formation Commission

TO:

Commissioner	DON CAMPBELL	[City]	Commissioner	MICHAEL KELLEY (Vice-Chair)	[Supervisor]
Commissioner	JASON JACKSON (Chair)	[City]	Commissioner	RAY CASTILLO	[Supervisor]
Commissioner	DAVID WEST	[Public]			
	Alt Commissioner	JACK TERRAZAS			[Supervisor]
	Alt Commissioner	MARIA NAVA-FROELICH			[City]
	Alt Commissioner	RALPH MENVIELLE			[Public]

REPORT DATE: July 31, 2015

FROM: Jurg Heuberger, AICP, CEP, Executive Officer 

PROJECT: Heffernan Memorial Healthcare District HMHD 1-15) SAP/MSR/Sphere of Influence.

HEARING DATE: August 27, 2015 **TIME:** 8:35 a.m.

AGENDA ITEM NO: 12

HEARING LOCATION: El Centro City Council Chambers, 1275 Main Street, El Centro, CA

RECOMMENDATION(S) BY THE EXECUTIVE OFFICER (In summary & order)

OPTION #1: Accept/adopt the report and take action outlined below and on page 11 of Mr. Braitmans report.

- 1) Accept any public testimony regarding the proposed Municipal Service Review and the proposed Sphere of Influence Update.
- 2) Approve the recommended Municipal Service Review determinations, together with any changes deemed appropriate.
- 3) Approve the recommended Sphere of Influence determined and affirm the existing Sphere of Influence.
- 4) Adopt the enclosed resolution initiating a reorganization to concurrently (a) dissolve the Heffernan Memorial Healthcare District and (b) annex territory within the District of the Pioneers Memorial Healthcare District, creating one District and considering whether the Board of Directors of the expanded District should be enlarged.

OPTION #2: Accept the report and provide direction in addition to that presented in the report or as an alternative to that presented in the report.

ANALYSIS

I: Executive Officers Summary:

General Background:

During the December 2014 LAFCO hearing your Commission was asked to provide direction regards to the Heffernan Health Care District. At that time, the Commission agreed to allow the Heffernan District to prepare a SAP/MSR and to do so within a reasonable time.

Subsequently in communication between Heffernan Memorial Hospital District (HMHD) representative Eduardo Rivera and the Executive Officer it was agreed that LAFCO would retain a consultant approved by HMHD and paid for by HMHD to actually prepare an independent report for the Sphere of Influence/MSR/SAP.

LAFCO therefore contracted with Braitman and Associates to prepare said report. Braitman and Associates contacted, met with and communicated with a number of people and agencies in Imperial County, including but not limited to HMHD, County of Imperial, Pioneer Hospital District, ECRMC, etc... Ultimately Braitman & Associates developed a draft report and said report was shared with HMHD. Braitman and Associates also met with the HMHD Board of Directors on August 5th, 2015.

A final report which is now before you was then prepared.

Purpose of MSR/SAP and SOI under Cortese Knox Hertzberg Act (CKH):

The LAFCO regulations are contained within Government Code 56000 et. Seq. Specifically, LAFCO's are required to conduct municipal service reviews in order to prepare Sphere of Influence Updates per Gov. Code Section 56425.

Remember also that among the numerous powers of LAFCO, the purpose of LAFCO's are the discouragement of urban sprawl and the encouragement of the orderly formation and development of local agencies. To that end LAFCO's are uniquely positioned to objectively review the efficiency and effectiveness of local agencies which includes special districts. When the law creating LAFCO was enacted in 1963, one of the more important considerations that the State Legislature expect LAFCO's to address was the effectiveness of special districts and the Legislature then enabled LAFCO's with more Authority concurrent with more Responsibility.

In fact the State expected and still expects local LAFCO's to use this power to initiate proceedings including but not limited to reorganization of agencies which can include the dissolution of an agency, if the Commission reaches that conclusion.

This is not an "authority" to be taken lightly. At the same time it is a responsibility to take a serious look at local agencies to determine if, in fact, they are necessary to provide a service that they were formed to provide, or whether there is a better or more effective and efficient way to provide the same or better service.

Commission Responsibility:

The charge to your Commission is to examine the Heffernan Healthcare District, review the independent report from Braitman & Associates; take input from members of the public including representatives of the District and other local agencies, and then determine whether the District is effectively providing the services intended when it was created and whether the continued independent existence of the District is in the best overall public interest. .

It is your further obligation to determine if the services being provided by the District could be provided more efficiently, cost effectively and effectively via an alternative local governmental structure.

The Commission must consider all information and then determine what is or would be best for the public at large. If the Commission finds as recommended by the Braitman & Associates report, that the District services could be better provided via an alternative system or agency, the Commission must consider the reorganization which in this case is the dissolution of the HMHD and the inclusion of its current service area within the boundaries of Pioneers Memorial Healthcare District or other such capable agency.

II: Executive Officers Recommendation:

With respect to any potential or perceived conflict of interest the Executive Officer herewith states that he owns no property within said District, has no financial or other interests within said District and will receive no financial or other benefit through a decision on this matter.

The Executive Officers responsibly (Gov. Code 56665) is to provide the Commission with the best possible information available and to make recommendations with the intent of the enabling act, in this case Government Code 56000 et al. Seq.

Given this mandate, the information available to the Executive Officer and the Legislative directive, the Executive Officer in this case must recommend that you initiate through the Resolution Attached as Exhibit "B" proceedings to dissolve the Heffernan Memorial Healthcare District and concurrently annex this portion of the County to the Pioneers Memorial Healthcare District.

cc: HMHD
PMHD

ATTACHMENTS:

EXHIBIT A – Braitman & Associates Report for HMHD MSR & SOI Update

EXHIBIT B – LAFCO RESOLUTION Initiating Proceedings for Reorganization: Annex PMHD and Dissolve HMHD