

CALL TO ORDER

Mayor Procter called the meeting to order at 6:40 p.m. Councilmember Luna led the Pledge of Allegiance to the Flag.

ROLL CALL

Councilmember Richard C. Cook, Councilmember Mary Ann Krause, Councilmember Ray C. Luna, Vice Mayor Gabino Aguirre, and Mayor John T. Procter responded to roll call. City Manager Wally Bobkiewicz, Interim City Attorney Karl H. Berger, City Clerk Steven J. Salas, and Deputy City Clerk Josephine G. Herrera were also present.

PRESENTATION

A. Presentation of Certificate of Appreciation to the Kiwanis Club

Councilmember Cook presented a Certificate of Appreciation to Bill Mensing from the Kiwanis Club for their generous donation to the 2003 City of Santa Paula Summer Camp Program. Recreation Supervisor Ed Mount noted that the Summer Camp Program is a free program offered to first through six graders at Glen City School and Grace Thille School, and further noted that over 160 children visit the camp per day to participate in sports, arts and crafts, and other activities. Bill Mensing thanked the City Council for their consideration, and noted that proceeds from the Kiwanis Club's Citrus Festival go toward benefiting children's activities.

B. Recognition of Corporate Challenge Participants

City Manager Wally Bobkiewicz noted that the recognition of Corporate Challenge participants would be postponed to a future meeting.

PUBLIC COMMENT

There was no Public Comment.

CITY COUNCIL, STAFF COMMUNICATIONS

Vice Mayor Aguirre commended the Santa Paula High School Art Department for their presentation at Las Medallas de Oro Art Exhibit at the California Oil Museum. Mayor Procter echoed Vice Mayor Aguirre's commendation.

Councilmember Luna mentioned that he participated in the Santa Paula Elementary School District's disaster drill, and noted that the disaster drill was successful.

APPROVAL OF FINAL AGENDA

There were no changes to the agenda.

CONSENT CALENDAR

Councilmember Luna pulled Items 9 H and I. It was moved by Councilmember Krause, seconded by Vice Mayor Aguirre, to waive the reading of Ordinances and Resolutions appearing on the Consent Calendar; to waive the reading of all other Resolutions appearing on the Agenda; to read all other Ordinances appearing on the Agenda, in title only; and to adopt the Consent Calendar as amended. There was no opposition. The Consent Calendar was adopted.

- A. Waiver of Reading of Ordinances and Resolutions – Approved waiver of the reading of Ordinances and Resolutions appearing on the Consent Calendar; waiver of the reading of all other Resolutions appearing on the Agenda; and reading all other Ordinances appearing on the Agenda, in title only.
- B. Warrants and Certifications – Approved the Warrants and Certifications dated May 27, 2003. (88-2)

Wire Transfers	\$ 45,738.05
Salaries	\$301,070.98
Invoices	<u>\$396,913.54</u>
TOTAL	\$743,722.57

- C. Minutes – Adopted the Minutes of the Regular City Council Meeting of April 21, 2003. (50-6)
- D. Minutes – Adopted the Minutes of the Regular City Council Meeting of May 5, 2003.
- E. Minutes – Adopted the Minutes of the Special City Council Meeting of May 12, 2003.
- F. Alcohol Permit at Railroad Plaza for June 21, 2003 – Approved a beer garden at the Railroad Plaza on June 21, 2003 Community Celebration. Community Services Director Brian J. Yanez's report dated May 23, 2003.
- G. Second Reading of Ordinance No. 1067 Rezoning Certain Property from R-2(D) PD to R-2 PD at 416 Ojai Road (Project No. 2003-CDP-01) – Adopted Ordinance No. 1067 rezoning certain property from R-2(D)PD (Low Density Multiple Family-Duplex, Planned Development) to R-2 PD (Low Density Multiple Family, PD) located at 416 Ojai Road (APN 100-0-181-045). **ORDINANCE NO.**

1067, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTA PAULA ZONING CERTAIN PROPERTY LOCATED AT 416 OJAI ROAD, APPLICANT: ROBERT BURCIAGA, REPRESENTATIVE: LAURO REZENDEZ, PROJECT NO. 2003-CDP-01.

CONSENT CALENDAR – SEPARATE ACTION ITEMS

- H. Bus Shelter for VISTA Bus Station at Northeast Corner of Ventura Street/Mill Street Intersection, Project No. 01.02.222 SPC and
- I. Bus Shelter for VISTA Bus Station, Project No. 00.01.222 SPC Execute Cooperative Agreement between Ventura County Transportation Commission and the City of Santa Paula

Public Works Director/City Engineer Clifford G. Finley's reports dated May 23, 2003.

City Manager Wally Bobkiewicz responded to a question regarding whether a bus shelter was planned for the southeast corner of Mill and Ventura Streets by stating that only the expansion of the shelter at the northeast corner of Mill and Ventura Streets is contemplated at this time.

It was moved by Councilmember Luna, seconded by Vice Mayor Aguirre, to approve the Contract Documents and adopt Resolution No. 5579 to authorize the Public Works Director to invite bids for the VISTA Bus Station Shelter at the northeast corner of Ventura Street/Mill Street intersection, and to approve the attached Cooperative Agreement between Ventura County Transportation Commission (VCTC) and the City of Santa Paula, and authorize the Mayor and the City Manager to execute the said agreement and Resolution No. 5580 on behalf of the City. There was no opposition, and the motion carried.

RESOLUTION NO. 5579

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA PAULA APPROVING THE DESIGN AND PLANS FOR THE CONSTRUCTION OF BUS SHELTER FOR VISTA BUS STATION PURSUANT TO GOVERNMENT CODE SECTION 830.6

RESOLUTION NO. 5580

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA PAULA AUTHORIZING THE MAYOR AND THE CITY MANAGER TO SIGN COOPERATIVE AGREEMENT BETWEEN VENTURA COUNTY TRANSPORTATION COMMISSION (VCTC) AND CITY OF SANTA PAULA

ORDER OF BUSINESS

A. Options to Support Continued Operation of Santa Paula Memorial Hospital

Councilmember Krause provided a verbal summary of the actions taken thus far by the City Council and the Hospital Ad Hoc Committee.

The City Councilmembers discussed their concerns with the condition of the hospital's emergency room, lack of supplies, payments to the hospital's retirement trust fund, and the hospital's overall financial situation. They also spoke in support of hospital employees and of the proposed merger with the Ventura County Medical Center.

Rodney Fernandez, Boardmember on the Santa Paula Memorial Hospital Board of Directors, noted that Boardmembers Carol Burhoe, Phillip Romney, Anita Tate, Angie Morales, and Mike Tushla, and hospital staff Mark Gregson and Dan Jessup were in attendance. Mr. Fernandez stated that he and Boardmember Burhoe would comment on the steps taken by the Board to date, the status of the negotiations with the County of Ventura, and future plans.

Carol Burhoe, Boardmember on the Santa Paula Memorial Hospital Board of Directors, provided a summary of the steps taken by the Board to keep the hospital open and to maintain the level of services by reducing expenses and reducing payroll. She noted that although there has been a 27% increase in the volume of patients since January, current revenues are not sufficient to cover the hospital's previous debt. She further noted that County Supervisor Kathy Long would present her report to the Board of Supervisors tomorrow to obtain approval to begin formal negotiations, and that a partnership with the County of Ventura could be approved within 30 to 60 days.

Rodney Fernandez noted that the hospital has undergone a rigorous periodic review by the State, and that the hospital was accredited for three additional years. He also noted that the Board has taken action to terminate the contract with Quorum Management pending final negotiations with the County of Ventura, and mentioned that payments have not been made to Quorum Management for quite some time. He also addressed concerns regarding the possibility of the hospital declaring bankruptcy, which the Board hopes to avoid. Lastly, he mentioned that payments have been kept current on the employees' retirement fund, although there is an obligation of \$300,000 due in September. He responded to a question regarding whether the amount owed to the retirement fund could be closer to \$500,000 by stating that he does not believe the amount owed has increased because payments have been kept current.

Carol Burhoe responded to a question regarding who may sign to withdraw the retirement plan and whether Quorum Management employees were authorized to do so by stating that in order to withdraw funds, the fund must be fully vested, which would be when the final contributions have been made. She also stated that she would follow-up with the Board so that she may address this concern at a later time.

Rodney Fernandez asked the City Council to consider asking the community to use the hospital; ask physicians to continue to support the hospital; send a strong signal to the County of Ventura to expedite negotiations; provide short term debt assistance; and ask the community to support the hospital through donations.

City Manager Wally Bobkiewicz and Interim City Attorney Karl H. Berger presented the staff report dated June 2, 2003.

County Supervisor Kathy Long reported that the hospital Board of Directors voted to endorse the negotiations for an affiliation with the Ventura County Medical Center. She also noted that she and Dr. Pierre Durand and Dr. Samuel Edwards met to discuss the steps needed to move forward with the confidentiality agreements, and to discuss what is needed to put together a legal team to advise on state and federal regulatory laws and licensing. She also stated that because of confidentiality and non-disclosure agreements, a due diligence is required in order to move ahead with an affiliation. Further, the Board of Supervisors would meet tomorrow to consider approving the affiliation, and that the Board of Supervisors recognizes the importance of the hospital in the Santa Clara Valley.

Walt Adair, 594 Anacapa Terrace, expressed his concerns with comments made from the community and with the tone of the staff report; urged the City Council to allow the hospital Board of Directors and the County of Ventura to conduct their negotiations without the threat of investigations; and spoke against the language of the resolution presented in the staff report. He also stated that because a large percentage of Santa Paula households are living below the poverty level, the community is out of balance and cannot pay for the use of community services.

John Wisda, 550 Monte Vista, questioned what would happen to the hospital's art collection, and spoke in support of keeping hospital open.

Agi Kessler, 247 W. Harvard Boulevard, representing Valley Medical Group, spoke in support of keeping the hospital open and with an affiliation with the County of Ventura.

Ernest Carlson, M.D., 1323 Say Road, a previous medical staff member of the hospital and a previous member of the Board of Directors, stated that he was encouraged by the comments made by Boardmembers Rodney Fernandez and Carol Burhoe and Supervisor Kathy Long. He expressed his concern with payment to a line of credit taken by the Board of Directors a year ago, which was to be paid from the hospital's accounts receivables. He also expressed his concern with the possibility of the hospital filing for bankruptcy.

Michael Sparkuhl, M.D., 845 N. Tenth Street, expressed his concern with the hospital's survival and with physicians and nurses leaving. He urged the Board of Directors and

the County of Ventura to consummate a relationship in the best interest of the hospital and the community.

Laura Flores Espinosa, 233 Corte Linda, representing Clinicas del Camino Real, commended the City Council for their leadership and support. She stated the Clinicas del Camino Real offers its support and healthcare to the community.

Gus Iwasiuk, M.D., 1330 Boosey Road, a practicing physician for 32 years, concurred with Walt Adair's comments that the community is a poor community, and stated that the hospital has suffered many consequences related to indigent and Medi-cal patients. He spoke in favor of a merger with a group that is tax based. He also urged the City Council to support and expedite the merger, and to put aside any type of punitive investigations.

Jody Caudillo, 720 W. Santa Maria Street, representing the hospital's Womens Auxiliary, noted the Womens Auxiliary's support of the merger between the hospital and the County of Ventura, and urged the City Council to support the merger.

Bob Borrego, 524 N. Fourteenth Street, representing Latino Town Hall, commended the City Council for their involvement in this issue.

Scott Rushing, 299 W. Santa Paula Street, member of the Hospital Ad Hoc Committee, spoke regarding the issue of lack of payments to the hospital's retirement fund. He noted that he has received numerous calls in support of an affiliation with the County of Ventura, and that he was pleased to hear that Quorum Management was given notice.

Rodney Fernandez responded to the question regarding the status of the hospital's art collection by stating that the art collection is the treasure of the community and that it would be taken seriously by the Board to keep it in the community. He also urged the City Council to table any adverse action as it could send a negative signal.

RECESS TO A HEALTH AND SAFETY BREAK

Mayor Procter recessed the City Council to a break at 8:20 p.m.

RECONVENE TO REGULAR MEETING

Mayor Procter reconvened the City Council at 8:36 p.m.

City Manager Wally Bobkiewicz suggested laying over this item for two weeks to allow the discussions to move forward between the County of Ventura and the Santa Paula Memorial Hospital Board of Directors, and to follow-up on its progress. He further suggested that Interim City Attorney Karl H. Berger modify the language to the

resolution to the County Board of Supervisors indicating the City's strong support for the ongoing negotiations between the hospital and the County of Ventura.

Interim City Attorney Karl H. Berger responded to a question regarding whether the City has any rights to be notified by the hospital board should they file for bankruptcy by stating that the City Council does not have any rights to be notified because the City Council is not a creditor. Rodney Fernandez stated that the Board would inform the City Council if bankruptcy is imminent. He responded to a question regarding whether filing of bankruptcy requires action of the full board by responding yes. He further responded to a question regarding whether the Board has considered formation of an assessment district or affiliation with a university by stating that this is the reason the Board is considering the merger with Ventura County Medical Center. Further the Board has considered an assessment district and would continue to consider this once negotiations with the County of Ventura are concluded. He further responded to a question regarding whether payments are being made to Quorum Management by stating that the hospital pays Quorum Management, who in turn pays the hospital's Chief Executive Officer and the Chief Financial Officer. However, the hospital has not paid Quorum Management for the management fee contract.

It was moved by Councilmember Cook to accept the City Manager's recommendation to lay over this item for a future discussion in two weeks.

A discussion ensued regarding amending the motion so that in two weeks representatives from the hospital would render a report on any progress that has been made.

Councilmember Cook amended his motion to include having hospital representatives report on anything they may legally report within two weeks, and if the City Council has not heard anything or the situation has not improved, that the City Council take further action. Vice Mayor Aguirre seconded the motion. There was no opposition, and the motion carried.

Interim City Attorney Karl H. Berger recommended language for a resolution for support by using the resolution included in agenda packet as the template by amending the title, keeping the findings, rewording Sections 2 and 3, and keeping the remainder. Recommended changes to title, "A Resolution of the City Council of the City of Santa Paula Declaring Support for the Continued Operation of Santa Paula Memorial Hospital. Section 2 would read as follows, "The continued operation of the Santa Paula Memorial Hospital is critical to protect the Santa Paula community's public health and welfare. The Council fully supports the County's efforts to assume operational responsibilities over the hospital and directs the City Manager to lend City resources to the extent practicable." Section 3 would read as follows, "The City Council directs (insert name of either someone from the City Council or a staff member) to present this certified copy of

this Resolution to the Ventura County Board of Supervisors at its meeting of June 3, 2003.” The resolution would be Resolution No. 5589.

It was moved by Councilmember Krause, seconded by Vice Mayor Aguirre, to approve Resolution No. 5589. It was further moved by Councilmember Cook, seconded by Councilmember Krause, that Vice Mayor Aguirre present the resolution to the Board of Supervisors. There was no opposition, and the motion carried.

A. Resolution from SEIU Local 998

City Manager Wally Bobkiewicz’s report dated May 29, 2003.

It was moved by Councilmember Cook, seconded by Councilmember Krause, to adopt Resolution No. 5587. There was no opposition, and the motion carried.

RESOLUTION NO. 5587

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA PAULA IN
SUPPORT OF *WE BELIEVE IN CALIFORNIA, PRINCIPLES FOR A BALANCED
SOLUTION OT THE STATE BUDGET CRISIS.*

CITY COMMUNICATIONS

City Manager Wally Bobkiewicz noted that interviews for the Planning Commission are scheduled for June 9, 2003, at 5:30 pm. He also noted that budget deliberations are scheduled for June 9, 16, and 23, 2003. He further noted that the celebration of the City of Oxnard’s Centennial is scheduled for June 30, 2003, and that it may be appropriate to present a proclamation. Finally, he noted that the impact fees workshop is scheduled for June 17, 2003.

FUTURE AGENDA ITEMS

There were no Future Agenda Items.

ADJOURNMENT

There being no further business to come before the City Council, Mayor Procter adjourned the meeting at 9:08 p.m.

ATTEST:

Steven J. Salas
City Clerk