

Governance Options (Summarized from Special Study of Governance Options - Eden Township Healthcare District pp.55-64)			
Governance Option	Summary	Advantages	Disadvantages
Status Quo	The current District would remain intact in the Status Quo option, and the Board of Directors would continue to be elected and conduct District business.	<ul style="list-style-type: none"> ▪ Leases can provide non-tax source of revenue; funding can increase upon payment of debts ▪ Lease revenue provides higher return (6-8%) over cash investments (1-2%) ▪ No reorganization proceedings/special elections 	<ul style="list-style-type: none"> ▪ Limited resources for grants until settlement paid to Sutter ▪ Real estate operations relatively risky ▪ Risk that services will not meet community needs/may inefficiently allocated in future ▪ AB2737 may require disposition of assets reducing net revenues for grants
Dissolution with No Continuation of Services	Dissolution would eliminate the ETHD and its assets would be liquidated and distributed to other public agencies, after obligations of the ETHD have been paid. LAFCo would appoint a successor agency to wind up the affairs of the ETHD and manage the liquidation and distribution of assets.	<ul style="list-style-type: none"> ▪ Elimination of administrative expenses ▪ One-time distribution of assets to other health care service providers ▪ Reduces duplication of services, though some needs may remain unmet 	<ul style="list-style-type: none"> ▪ Loss of allocation of net lease revenues from its buildings to address community health needs
Dissolution and Naming a Successor to Continue Services	The ETHD would be dissolved and services would be continued by a successor agency. Potential successor agencies include a non-profit, the County, or the cities via a Joint Powers Agreement. LAFCo would review and approve a Plan to Provide Services prior to approval of dissolution.	<ul style="list-style-type: none"> ▪ Reduction in some overhead costs ▪ Could require expanded board representation ▪ Benefits from coordinating funding efforts, leveraging state/federal funds, provide expanded oversight of grantmaking ▪ Ongoing source of revenues, depending on disposition of assets and successor agency 	<ul style="list-style-type: none"> ▪ Eliminates elections (recent elections have been uncontested; does not currently control taxes; many residents do not receive services/have direct interest in District activities) ▪ Potentially results in less public accountability if Board members are appointed rather than elected ▪ Service redundancies/duplication of efforts

<p>Dissolution and Creation of a County Service Area (CSA) to Continue Services</p>	<p>The ETHD would be dissolved and a County Service Area, governed by the Board of Supervisors, would be created by voter approval, as well as approval by all cities within the CSA.</p>	<ul style="list-style-type: none"> ▪ Reduction in some overhead costs ▪ Could require advisory body expanding representation ▪ Establishes discrete boundaries dictating where funds could be expended ▪ Ongoing source of revenues, depending on disposition of assets 	<ul style="list-style-type: none"> ▪ Eliminates elections (recent elections have been uncontested; does not currently control taxes; many residents do not receive services/have direct interest in District activities) ▪ Potentially results in less public accountability because Board of Supervisors covers entire county ▪ Costs associated with formation of new CSA (special election, etc.) ▪ Service redundancies/duplication of efforts
<p>Reorganize ETHD as a Subsidiary District</p>	<p>Creating a subsidiary district would require that ETHD be reorganized with a city council sitting as the governing body. This option is not viable as State law requires that a healthcare district have its own Board of Directors.</p>		
<p>Consolidation with Washington Township Healthcare District</p>	<p>Consolidation is not a viable option. Washington Township Healthcare District has expressed that it has neither interest nor ability to consolidate with ETHD.</p>		