

BLUE FOLDER ITEM

Blue folder items are additional back up material to administrative reports and/or public comments received after the printing and distribution of the agenda packet for receive and file.

CITY COUNCIL MEETING APRIL 1, 2025

J.1 PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

- **PUBLIC COMMUNICATION**

From: [Mark Nelson \(Home Gmail\)](#)
To: [Judy Rae](#)
Cc: [CityClerk](#); cityclerk@hermosabeach.gov; citycouncil@manhattanbeach.gov; cityclerk@manhattanbeach.gov; [City Council](#); CityCouncil@citymb.info
Subject: LTE - BCHD's March 2025 Board Meeting
Date: Wednesday, March 26, 2025 7:28:52 PM

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BCHD had a Board meeting on last Wednesday, March 26th. At that meeting, it discussed the history of the South Bay Hospital District in very incomplete terms. First, the BCHD Board ignored that South Bay Hospital testified to the Superior Court that it was created for the benefit of "residents who reside within the District". As Al Gore said, that's an inconvenient truth. It's especially inconvenient for the current Board that spends District resident taxes and funds from taxpayer-owned land and buildings on non-residents without limit. Second, it completely glossed over the fact that South Bay Hospital failed in its mission to be a publicly owned and operated hospital. As the Daily Breeze wrote, in the late 1970s South Bay Hospital layoffs and financial shortfalls were common while other hospitals flourished.

Will the BCHD Board ever return to its only voter-authorized role to service the "residents who reside within the District"? Why is servicing the voters, taxpayers and residents who founded, funded and own the District so difficult for the current Board? Why is the plan for the Healthy Living Campus to be 80% to 95% non-resident services from a 100% private developer? As my good Catholic mother would say, "it's a mystery".

Mark Nelson
Redondo Beach

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Subject: Public Comment All Agencies: 100% of BCHD's revenues and assets are TAXPAYER FUNDED
Date: Friday, March 21, 2025 11:41:08 PM

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BCHD creates no revenue. BCHD loses \$1M annually on the CHF (costs are \$1M greater than revenues). BCHD loses \$880K per year on AdventurePlex. Both allow for the free ridership of non-residents and taxpayers in the District subsidize non-residents as well.

Clearly, 100% of the revenues from building rents, interest payments, taxes, LPs, etc. are the property of RESIDENT TAXPAYERS ONLY.

For an easy example of BCHD's doublespeak, CHF and AdventurePlex require \$2M in taxpayer subsidies, ABOVE AND BEYOND the undercharges that BCHD claims as "revenue". BCHD needs to transparent in its claims and stop obfuscating its use of 100% TAXPAYER FUNDS.

Q: How is BCHD funded?

A: BCHD has a diverse funding structure, maximizing your tax contribution and allowing the District to provide residents with a wide range of community health and wellness programs. FY23-24 Incoming Funding:

- 33% (\$5m) – Property Taxes
- 27% (\$4.1m) – Property Leases
- 15% (\$2.4m) – Grants, Interest

- 14% (2.1m) – AdventurePlex/Center for Health & Fitness user fees
- 11 % (\$1.7m) – Limited Partnerships

BCHD has maintained a balanced or surplus budget for the last decade. The only exceptions were during the pandemic, and those shortfalls were later reimbursed by FEMA. We are projecting a revenue shortfall two years from now when the old South Bay Hospital building is decommissioned and will address that shortfall through alternative revenue sources and expenditure reductions.

The District's annual audits routinely report no issues and for the last five years, BCHE has received the Certificate of Achievement for Excellence in Financial Reporting award from the Government Finance Officers Association of the U.S. and

Canada (GFOA).

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Subject: Public Comment All Agencies: BCHD continues to falsely take credit for results of programs that are unevaluated
Date: Friday, March 21, 2025 11:35:56 PM

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In California Public Records Request responses, BCHD clearly acknowledges that it does not even have the capability to determine if any of its programs have any net benefits (that is, benefits that exceed program costs). For example, LA County was clear to say that NO EVALUATION has ever been done of the LiveWell Kids program, because BCHD failed to structure a control group and the other needed measures to evaluate the program.

All claims by BCHD of community benefits are subjective and unmeasured. We truly have no idea what the net benefit (if any) of the hundreds of millions spent by the District has been.

On Thu, Apr 7, 2022 at 5:15 PM PRR <PRR@bchd.org> wrote:

Please see below for the District's response (*in BOLD*) to your public records request received 1/27/22 that reads:

Q -For each KPI presented in the Board study session Jan 26, 2022, provide Forecasted Benefit-to-Cost ratios to justify continued program operation.

A - Please note that the District has previously explained that **calculating a dollar community benefit for each program is beyond the scope of the District's mission, financial resources and abilities.**

Further, Gallup director of research stated on video in a BCHD Board Meeting that Gallup does not conduct any evaluation of any BCHD programs.

See video at <https://www.facebook.com/bigbadbchd/videos/3753666611629022> for Gallup's Dan Witter statement on the record.

Taxpayer's deserve more than happy chat. They deserve 100% of BCHD assets and funds to be spent ON RESIDENTS.

Q: What is BCHD's impact on the community?

A: Here are some examples of BCHD's positive impact on our

community:

- The Beach Cities are near the nation's best in the Gallup National Health and Well-Being Index (WBI) while well-being has declined nationally.
 - The Beach Cities' WBI score of 68.0 is well above the national score of 58.2.
 - Manhattan Beach's WBI score of 70.6 is the highest ever recorded by Gallup among 1,500+ community scores since 2008.
 - From these results, Gallup estimates that [Beach Cities adults save \\$182.4 million on healthcare costs each year](#) thanks to lower rates of obesity, diabetes and smoking.
- In 2024, the obesity rate for RBUSD elementary school students was 5.0%, the lowest rate in 17 years.
 - There has been a 75%

decline in RBUSD student obesity since 2007, when the BMI rate was 20%. 2007 is the year BCHD and RBUSD began the LiveWell Kids program in schools.

- During the 2023-24 fiscal year, 1,611 BCHD volunteers put in 28,433.43 hours, which equates to \$1,097,583.07 in value, based on Independent Sector's average volunteer value for California of \$38.61 per hour*. The 2023-24 value delivered by BCHD volunteers surpassed the previous record, set in 2018-19, when volunteers contributed \$1,082,872 in value to our community.
- In November 2022, BCHD opened the first allcove center in Southern California/second allcove facility in California. Since opening, more than 10,000 young people have visited allcove Beach Cities,

with nearly 1,200 young people enrolled in an allcove service stream. Fifty-five percent of enrollees are from the Beach Cities (more than 650 young people).

- BCHD was named a recipient of a five-year, \$625,000 Drug-Free Communities Grant in 2019 and 2024.
 - Since receiving the DFC grant, the percentage of Beach Cities 11th graders who report ever using alcohol has dropped 14 percent, from 46% in 2019 to 32% in 2023, according to the California Healthy Kids Survey.
 - The [Beach Cities Partnership for Youth Coalition](#) conducted on-campus assemblies for nearly 800 Beach Cities students to warn of the dangers of substance use and illicitly manufactured fentanyl. The assemblies

were held at Redondo Union HS on January 13 and Mira Costa HS on January 17.

- BCHD's Center for Health & Fitness (CHF) is one of just two facilities in California certified by the Medical Fitness Association.
- During the COVID-19 pandemic (2020-2023):
 - BCHD coordinated 74 COVID-19 vaccine clinics, with more than 23,100 doses administered
 - BCHD ran a COVID-19 testing site that administered 155,684 tests.
 - BCHD's 500+ volunteers helped complete more than 2,600 errands for residents needing assistance and delivered more than 4,700 meals.
- The Little Hoover Commission, a non-partisan

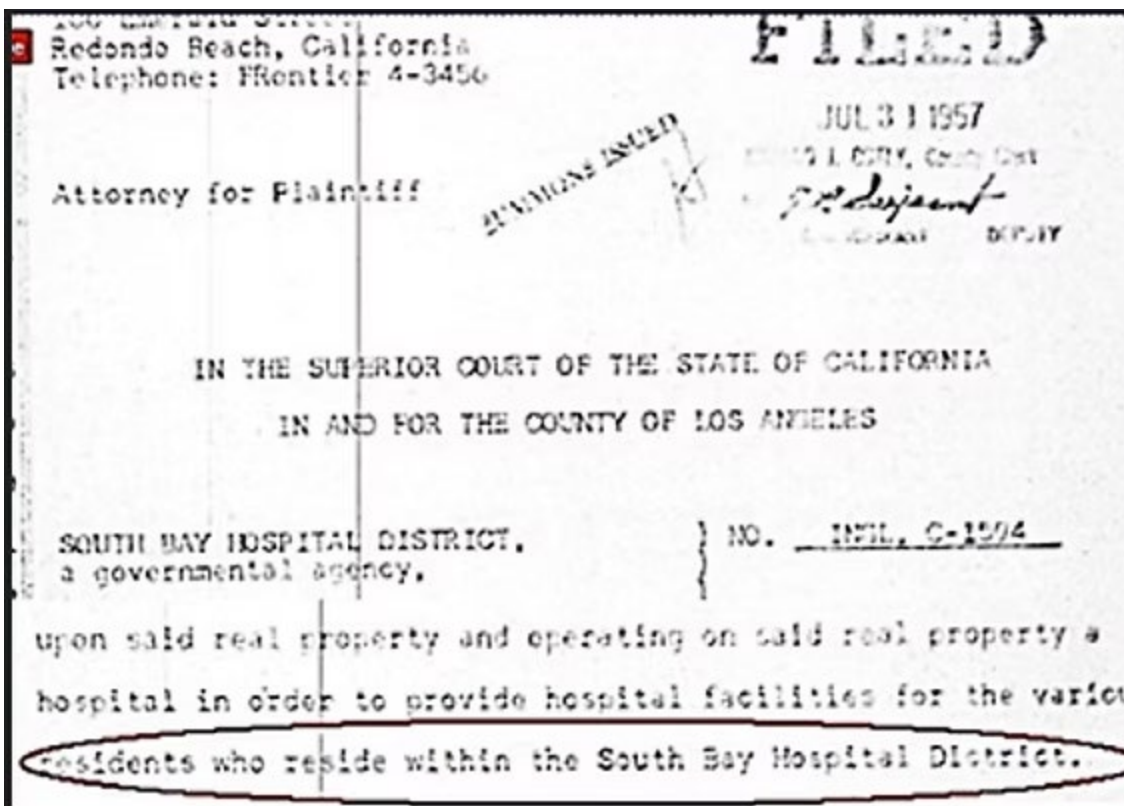
oversight agency that promotes economy and efficiency in California government, cited BCHD as an exemplar of how a health district can successfully operate.

- The Beach Cities were named the 1st certified Blue Zones Project® community in the US in 2016.
- In June 2016, U.S. Surgeon General Vivek Murthy visited BCHD, and told representatives, “We tend to believe that America’s health problems are too big and intractable. You have proven that communities can take charge and reverse the trend.”

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Subject: Public Comment All Agencies: BCHD Simply CANNOT Tell the Entire Truth - The District condemned the 10 acre site for the benefit of "residents who reside" within the District
Date: Friday, March 21, 2025 11:10:30 PM
Attachments: [image.png](#)

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LALAFCO, in the same meeting as BCHD cites below in its HALF TRUTH Q&A, also clearly stated that BCHD has no preclusion from having a RESIDENCY REQUIREMENT for its services. BCHDs Board and its \$2.4M per year in executives are CHOOSING to give away the value of taxpayer-owned facilities along with taxpayer-funding to non-residents. Notwithstanding any opinion of the LALAFCO, the language of the condemnation of the Prospect land CLEARLY requires residency for services. It states clearly that benefits of the land to be condemned are for the "residents who reside within the District".



Q: Does BCHD charge non-resident fees?

A: BCHD has two fee-based facilities, the Center for Health & Fitness and AdventurePlex. Later this year, these facilities will introduce a non-resident fee to help contribute to costs, offset expenses, and maintain high-quality services. Government entities like cities and healthcare districts have the option to charge non-resident fees or give preference to residents in their jurisdiction.

The Los Angeles County Local Area Formation Commission, or LAFCO, has jurisdiction over special districts, including BCHD. In September 2022, they confirmed that residency requirements are not mandated, let alone required. The following is from the LAFCO staff report as part of the most recent Municipal Services Review of the County's Health Districts:

“The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (“Act”) empowers a special district to provide services within its jurisdictional boundary. LAFCO’s statutory authority pertains to what services a district offers, and where those services are provided. The Act does not impose a “residency” requirement for an individual who receives services within the boundary of a special district – doing so would be both contrary to State law, and is impractical. If one thinks of this issue in the context of other municipal services – such as law enforcement, fire protection, retail water service, and sanitary sewage treatment – the limits of such a residency requirement become apparent.”

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Subject: Public Comment ALL AGENCIES: South Bay Hospital District testified to the Superior Court that it condemned the 10 acres Prospect parcel for the Benefit of "Residents Who Reside" within the District
Date: Friday, March 21, 2025 11:16:29 PM

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BCHD continues its PR campaign of half truths. In order to gain funding and condemn the Prospect site and take it from private residential use, the District clearly stated in its pleading that the land was needed for the benefit of the "residents who reside" within the District. That contemporaneous evidence provided to the Court by the District is a clear statement of the limits of the specific need of the District. Had the District intended to "take" the land for the broad use of the region, it was compelled to state that. IT DID NOT.

Q: What is the original language for the measure establishing Beach Cities Health District (néé South Bay Hospital District)?

A: On Thursday, December 23, 1954, the Daily Breeze included a Public Notice in its “Legals and Proposals” section: “Notice of Special Election to be held on January 11, 1955, to determine whether the proposed South Bay Hospital District shall be formed.”

NOTICE IS HEREBY GIVEN

that on Tuesday, the 11th day of January, 1955, a special election will be held, pursuant to a resolution adopted by the Board of Supervisors of the County of Los Angeles dated November 30, 1954, for the purpose of submitting to the qualified voters of the proposed South Bay Hospital District a proposition which will appear on the ballot in substantially the following form:

“Shall the proposed South Bay Hospital District, with boundaries as fixed and described in that certain resolution of the Board of Supervisors of the County of Los Angeles, duly adopted on the 20th day of November, 1954, be formed and organized pursuant to the Local Hospital District law?”

It is important to note that the public notice and proposed ballot language make no mention of limiting services to residents of the Beach Cities. In addition, the

Local Hospital District Law was updated in 1994 to meet the evolving health needs of communities.

From California Health Care District Law, section 32000, known as “The Local Health Care District Law.” Any reference in any statute to the Local Hospital District Law shall be deemed a reference to the Local Health Care District Law, and any reference in any statute to a hospital district shall be deemed to be a reference to a health care district. (Amended by Stats. 1994, Ch. 696, Sec. 1. Effective January 1, 1995)

From the Legislative Analyst's Office: State Law Enumerates Various Powers. Authority granted to health care districts under current law includes, but is not limited to:

- Operating health care facilities such as hospitals, clinics, skilled nursing facilities

(SNF), adult day health centers, nurses' training school, and child care facilities.

- Operating ambulance services within and outside of the district.
- Operating programs that provide chemical dependency services, health education, wellness and prevention, rehabilitation, and aftercare.
- Carrying out activities through corporations, joint ventures, or partnerships. - Establishing or participating in managed care.
- Contracting with and making grants to provider groups and clinics in the community.
- Other activities that are necessary for the maintenance of good physical and mental health in communities served by the district.

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Subject: Public Comment: Letter to the Editor - BCHD Fiscal Mismanagement of District Taxpayer Funds
Date: Saturday, March 22, 2025 10:35:48 AM

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After years of fiscal mismanagement, BCHD claims it is finally implementing charges for non-resident use. BCHD has been subsidizing non-residents with District taxpayer funds and continues to plan for an 80% to 95% non-resident use commercial facility on District taxpayer-owned land. BCHD's Board and its \$2.4M per year in executive management continue to argue that BCHD has a "right" to give away District taxpayer funds to non-residents. Even after BCHD asked for a \$30M bond issue that was soundly rejected. During BCHD's Municipal Service Review at the County, it was clearly told by a sitting lawyer-commissioner that BCHD was allowed to implement a residency text and use its District taxpayer resources for District resident only use. Yet, the Board continued to bleed off funding for non-resident use.

The District condemned the Prospect Avenue land from a private developer. That's an important fact. When government takes land, it has an obligation to demonstrate why it needs the land and who will benefit from the land. The District testified to the Court that the land was needed for the health care of the "residents who reside within the District". It didn't make a claim that it would be a regional service provider as BCHD now attempts. Had the District sought to condemn Redondo Beach land for LA County Service Planning Area 8 use (the 1.4 million population area that BCHD services with allcove), it would have been denied by the Courts.

District residents and taxpayers need to keep the pressure on BCHD to stop giving away District resources to non-residents. At a minimum, BCHD must charge the full cost-of-service to non-residents so that District residents do not provide subsidies. A much easier solution would be to require District residency for all services, as the District swore to the Court that it was planning to do when it took the Prospect Avenue land.

Mark Nelson
Redondo Beach