

SPECIAL ELECTION SEQUOIA HOSPITAL DISTRICT TUESDAY, AUGUST 6, 1996

Voter Information

THIS IS AN ALL MAIL BALLOT ELECTION THERE WILL BE NO POLLING PLACES

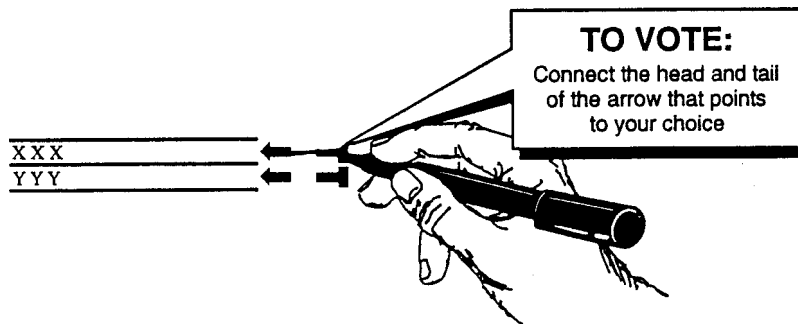
If you want to vote, you must vote the enclosed ballot and return it by mail or in person to one of the receiving sites listed below, using the return/identification envelope provided within.

VOTE EARLY! Your ballot must be received by August 6, 1996 to be counted.

How to Mark your Ballot

Use a # 2 pencil to mark your selection on the ballot by connecting the head and the tail of the arrow that points to your choice.

EXAMPLE



Preparing your Return Envelope

1. Sign your name on the back of the return envelope on the line that indicates "REQUIRED".
2. Print your residence address on the line under your signature.
3. Enter today's date on the line below your residence address.
4. Moisten the glue strip and make sure the return envelope is securely sealed.
5. Place 32 cents postage on the envelope.

Returning your Voted Ballot

You may mail your voted ballot to us or if you desire, you may hand deliver it to one of the following locations:

San Mateo County Elections Office
40 Tower Road
San Mateo

County Clerk-Recorder
401 Marshall Street - 6th Floor
Redwood City

A voter who, because of illness or other physical disability is unable to return his/her ballot, may designate his/her spouse, child, parent, grandparent, grandchild, brother or sister to return the ballot to one of the locations listed above.

Electronic Voter Information

or visit our Election Web Site at <http://www.care.co.sanmateo.ca.us>

ARGUMENTS IN SUPPORT OF OR OPPOSITION TO THE PROPOSED LAWS ARE THE OPINIONS OF THE AUTHORS

SEQUOIA HOSPITAL DISTRICT

MEASURE H

"In order to maintain Sequoia Hospital and continue local emergency services, acute medical/surgical care, and specialized **healthcare services like the Sequoia Hospital cardiovascular program, shall the action of the Sequoia Hospital District governing board to transfer certain district assets to a new non-profit corporation, in accordance with the Memorandum of Understanding of May 8, 1996, and pursuant to Resolution 96-4, adopted May 8, 1996, be approved?"**

IMPARTIAL ANALYSIS OF MEASURE H

Sequoia Hospital District is a local hospital district created pursuant to the Health and Safety Code. Section 32121(p)(1) of the Health and Safety Code allows the hospital district to transfer at fair market value, any part of its assets to one or more nonprofit corporations. However, the voters must first approve the transfer by a majority vote.

The Sequoia Hospital District distributed a request for proposal to parties interested in affiliating with the District. The Board selected Catholic Healthcare West and entered into a Memorandum of Understanding (MOU) with Catholic Healthcare West. Pursuant to the MOU, the District will transfer specified assets to a nonprofit corporation called Hospital Acquisition Corporation. This measure would authorize the Sequoia Hospital District to transfer the assets specified in the MOU to Hospital Acquisition Corporation. The Board of Directors of Hospital Acquisition Corporation will be composed of ten directors, five of whom shall be appointed by the District and five of whom shall be appointed by Catholic Healthcare West. Catholic Healthcare West will undertake the management of the hospital and the assets to be transferred. The Board of Directors has determined that the transfer is necessary to provide for the continued maintenance and operation of Sequoia Hospital and would ensure availability to the community of local emergency and hospital services.

A "yes" vote on this measure would authorize the Sequoia Hospital District to transfer hospital assets specified in the MOU to the nonprofit corporation Hospital Acquisition Corporation.

A "no" vote would prevent the Sequoia Hospital District from transferring hospital assets specified in the MOU to the nonprofit corporation Hospital Acquisition Corporation.

This measure passes if a majority of those voting on the measure vote "yes".

ARGUMENT IN FAVOR OF MEASURE H

Sequoia Hospital needs your help. The changing healthcare industry is threatening our local hospital and the valuable services it provides. Sequoia can only compete in the healthcare market by teaming with a comprehensive healthcare system. Voting YES on Measure H protects our healthcare and allows Sequoia to continue to provide first rate services.

Voting YES on Measure H costs taxpayers nothing and offers so much. Here's what Measure H **means** to you:

- Emergency Services - Measure H guarantees access to emergency services from neighborhoods in Atherton, Belmont, **Menlo Park, North Fair Oaks, Portola Valley, Redwood City, San Carlos, Woodside and unincorporated areas.**
- Heart Care Programs - Measure H maintains Sequoia's world class cardiovascular heart care program.
- Acute/Surgical Care - Measure H protects Sequoia's emergency room, acute care and surgical care facilities.
- **Prenatal/Maternity Care – Measure H maintains Sequoia's vital prenatal and maternity care services.**

Measure H protects all of these services and keeps jobs in our community.

Measure H helps Sequoia Hospital by allowing the hospital to team with a regional healthcare provider. A YES vote establishes a new non-profit organization to be jointly controlled by the Sequoia Hospital District Board and the non-profit company CHW. As California's largest healthcare provider and a non-profit company, CHW is recognized for a number of reasons:

- CHW provides free healthcare for poor and uninsured patients, contributing \$129 million in uncompensated community **benefits last year.**

- In 1995, CHW gave \$57 million in grants and gifts to the communities where its facilities are located.
- CHW reinvests all profits from its hospitals back to the community, not to corporate investors.

Measure H means our families will continue to enjoy nationally recognized healthcare. Join community leaders, businesspeople and healthcare experts.

Vote YES on Measure H.

/s/ Anna Eshoo,
Congresswoman,
Fourteenth District

/s/ Peter Uccelli,
Businessman,
Owner, Pete's Harbor

/s/ Judith A. Sullivan,
Registered Nurse

/s/ Jack Anthony,
Past Chair,
Redwood City
Senior Affairs Commission

/s/ **Brenton Britschgi**,
President,
Sequoia Hospital District
Board of Directors

(FULL TEXT)
RESOLUTION 96-4
RESOLUTION TO APPROVE THE MEMORANDUM OF UNDERSTANDING FOR
TRANSFER OF CERTAIN HOSPITAL ASSETS TO A NONPROFIT CORPORATION

WHEREAS, on October 11, 1995, this Board approved a strategic plan that clearly articulated a need for the District to affiliate with a larger healthcare delivery system that would satisfy the following objectives:

- Enhance the provision of quality health care to the communities served by the District;
- Promote the development of new managed care contracts, with a particular emphasis on further developing a regional health care system that utilizes the size and geographic scope arising from the affiliation in order better to serve the general public residing in the communities served by the District;
- Achieve general efficiencies and economies of scale;
- Provide capital and/or improve access to capital markets and enable the District to borrow at lower interest rates;
- Eliminate unnecessary duplication of major capital equipment;
- Continue the development of the District as a comprehensive integrated health care system to better serve District residents and the communities served by the District;
Spread new technology risks among a broader provider base;
Preserve and protect, for the benefit of District residents, the District's assets and ensure the ability to service all present and future District financial obligations, including, but not limited to, the District's outstanding tax-exempt bond obligations;
- Retain essential patient services for the communities served by the District; and

WHEREAS, this Board approved and authorized the preparation and distribution of a request for proposals on October 25, 1995, from parties interested in affiliating with the District (the "RFP"); and

WHEREAS, the RFP was distributed widely in connection with local, regional and national advertising thereof, on October 26, 1995; and

WHEREAS, in response to the RFP, proposals were received from Adventist Health System-West, Catholic Healthcare West and Columbia/HCA on or before December 4, 1995; and

WHEREAS, this Board on January 3, 1996, authorized concurrent negotiations with, and investigation of, Catholic Healthcare West and Columbia/HCA for the purpose of selecting one party with whom to seek to enter into a Letter of Intent; and

WHEREAS, this Board actively solicited and received comments from the public at community forums held throughout the District and during numerous meetings of the Board; and

WHEREAS, the opinions voiced by residents of the District were found to be supportive of an affiliation with Catholic Healthcare West and were duly considered by the Directors in making their decision; and

WHEREAS, this Board on March 20, 1996, authorized and directed the Chief Executive Officer to execute a Letter of Intent with Catholic Healthcare West under which the District and Catholic Healthcare West would pursue negotiations concerning a transaction to organize a new nonprofit public benefit corporation for the purpose of operating Sequoia Hospital and to pursue negotiations with Catholic Healthcare West to reach a definitive agreement; and

WHEREAS, since March 20, 1996, representatives of the District and Catholic Healthcare West have negotiated the terms of a Memorandum of Understanding, dated as of May 8, 1996, in the form presented to the Board (the "MOU") whereby the District will transfer specified assets to a nonprofit public benefit corporation to operate and maintain Sequoia Hospital; and

WHEREAS, the Board finds the transactions contemplated by the MOU are necessary to provide for the continued maintenance and operation of Sequoia Hospital, thereby ensuring availability to the community of local emergency and hospital services, including the cardiovascular program, and has determined it to be in the public interest, in the best interests of the District and the communities served by the District, and in furtherance of the purposes of the District, that the District enter into the MOU and consummate the transactions contemplated by the MOU;

NOW, THEREFORE, BE IT RESOLVED:

1. That the actions and findings of the Board described above are hereby severally ratified, confirmed, approved and adopted in all respects.
2. That the form, terms and provisions of the MOU are hereby approved in all respects.
3. That the execution of the MOU by the President and Secretary of the Board is hereby authorized and approved.
4. That the President and Secretary of the Board and any person or persons designated and authorized to act by the President and Secretary are hereby authorized and directed to: (a) prepare, or cause to be prepared, and/or approve and execute, in accordance with, as contemplated by or as consistent with the terms of the MOU, all exhibits, schedules, certificates, letters, agreements, papers and instruments and other documents, and amendments and restatements thereof (collectively, with the MOU, the "Transaction Documents"), (b) to make such representations in writing, and (c) to take such other steps and to do such acts and things, all as in their respective individual judgments may be necessary, appropriate or desirable on behalf of and in the name of the District to carry out, observe and perform, and enforce the performance by others of, and comply with the terms and provisions of the Transaction Documents, and to consummate the transactions contemplated by the Transaction Documents.
5. That any acts of the President and Secretary of the District, and any person or persons designated and authorized by them to act, which acts would have been authorized by this Resolution except that such actions were taken prior to the adoption of this Resolution, are hereby severally ratified, confirmed, approved and adopted as acts in the name and on behalf of the District.

PASSED AND ADOPTED by the Board of Directors of SEQUOIA HOSPITAL DISTRICT this 8th day of May, 1996, by the following vote:

AYES: Directors Bachman, Britschgi, Kane, Krakower, Smith

NOES: None

ABSENT: None

/s/ Brenton C. Britschgi
President, Board of Directors

ATTEST:

/s/ Jeffrey M. Krakower, M.D.
Secretary, Board of Directors

SEQUOIA HOSPITAL DISTRICT
 SPECIAL ELECTION
 Tuesday, August 6, 1996

Official Canvass

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203 PRECINCTS	REGISTERS REGISTERED	BALLOTS	TURNOUT PERCENTAGE	MEASURE H	
				YES	NO
VOTING PRECINCTS	119354	43266	36.25 ~	40921	2310
COUNTY TOTAL	119354	43266	36.25 ~	40921	2310
TOWN OF ATHERTON	5426	1906	35.13	1812	93
BELMONT	14675	5245	35.74 ~	4955	287
FOSTER CITY	8632	2163	25.06 ~	2004	157
MENLO PARK	11788	4212	35.73 ~	4018	192
TOWN OF PORTOLA VALLEY	3339	1323	39.62 ~	1240	82
REDWOOD CITY	32673	12463	38.14 ~	11861	592
SAN CARLOS	17956	7674	42.74 ~	7313	352
SAN MATEO	6057	1654	27.31 ~	1528	124
TOWN OF WOODSIDE	3866	1410	36.47 ~	1314	93
UNINCORPORATED	14942	5216	34.91 ~	4876	338
TOTAL	119354	43266	36.25 ~	40921	2310

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	R	0	A j	Y	
	E	T	G	E	N
203 PRECINCTS	D	S	E	S	0
3007 ATHER70N 07	564	216	38.30 j	211	5
3008 ATHERTON 08	620	99	15.97 j	95	4
3009 ATHERTON 09	674	240	35.61 j	231	9
3115 BELMONT 15	705	309	43.83 ~	296	13
3116 BELMONT 16	698	236	33.81 ~	229	7
3117 BELMONT 17	551	140	25.41 ~	130	10
3118 BELMONT 18	578	159	27.51 ~	151	8
3119 BELMONT 19	647	211	32.61 ~	198	13
3120 BELMONT 20	742	326	43.94 ~	314	12
3121 BELMONT 21	819	356	43.47 ~	338	18
3201 BELMONT OUT 01	71	30	42.25 j	29	1
3202 BELMONT OUT 02	526	234	44.49 j	222	12
3370 SKYLINE 70	55	14	25.45 j	12	2
3371 SKYLINE 71	216	64	29.63 j	60	4
3401 ALAMEDA 01	906	310	34.22 j	285	25
3402 ALAMEDA 02	770	241	31.30 j	233	8
3403 ALAMEDA 03	840	271	32.26 ~	254	17
3410 LADERA 10	665	209	31.43 j	185	24
3411 LADERA 11	665	262	39.40 ~	248	14
3420 LS TRANCOS 20	468	175	37.39 ~	160	15
3601 SAN CARLOS 01	737	255	34.60 ~	245	10
3602 SAN CARLOS 02	679	279	41.09 ~	259	20
3603 SAN CARLOS 03	683	270	39.53 ~	259	11
3604 SAN CARLOS 04	646	286	44.27 ~	269	16
3605 SAN CARLOS 05	624	248	39.74 ~	236	11
3606 SAN CARLOS 06	636	250	39.31 ~	235	14
3607 SAN CARLOS 07	767	258	33.64 ~	243	15
3608 SAN CARLOS 08	620	236	38.06 ~	221	15
3609 SAN CARLOS 09	753	332	44.09	320	12
3610 SAN CARLOS 10	709	303	42.74 ~	294	8
3611 SAN CARLOS 11	683	264	38.65 ~	247	17
3612 SAN CARLOS 12	710	224	31.55 j	208	16
3613 SAN CARLOS 13	735	345	46.94 j	333	11
3614 SAN CARLOS 14	699	409	58.51 ~	391	18
3615 SAN CARLOS 15	705	326	46.24 ~	316	10
3616 SAN CARLOS 16	697	301	43.19 ~	270	31
3617 SAN CARLOS 17	660	289	43.79	279	10
3618 SAN CARLOS 18	723	326	45.09 ~	319	6
3619 SAN CARLOS 19	605	299	49.42 i	289	10
3620 SAN CARLOS 20	678	403	59.44 ~	384	18
3621 SAN CARLOS 21	755	288	38.15 ~	274	14
3622 SAN CARLOS 22	804	367	45.65 ~	349	18
3623 SAN CARLOS 23	623	296	47.51 ~	280	15
3624 SAN CARLOS 24	689	318	46.15 ~	311	b
3625 SAN CARLOS 25	603	209	34.66 ~	201	8
3626 SAN CARLOS 26	733	293	39.97 ~	281	12
3701 LAKE 01	778	316	40.62 j	299	17
3702 LAKE 02	832	310	37.26 ~	292	18
3703 LAKE 03	892	323	36.21 ~	298	25
3704 LAKE 04	14	5	35.71 (5	0

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	R	O	A	Y	
	E	T	G	E	N
203 PRECINCTS	D	S	E	S	0
4610 REDWOOD 10	683	309	45.24 ~	288	21
4611 REDWOOD 11	662	289	43.66 ~	277	12
4612 REDWOOD 12	709	407	57.40 ~	391	16
4613 REDWOOD 13	742	405	54.58 ~	385	20
4614 REDWOOD 14	687	283	41.19 ~	274	9
4615 REDWOOD 15	776	270	34.79 ~	258	12
4616 REDWOOD 16	738	290	39.30 ~	271	19
4617 REDWOOD 17	655	263	40.15 ~	255	8
4618 REDWOOD 18	724	297	41.02 ~	277	20
4619 REDWOOD 19	704	208	29.55 ~	196	12
4620 REDWOOD 20	649	197	30.35 ~	187	8
4621 REDWOOD 21	736	234	31.79 ~	223	11
4622 REDWOOD 22	596	181	30.37 ~	175	6
4623 REDWOOD 23	635	175	27.56 ~	158	17
4624 REDWOOD 24	549	174	29.05 ~	163	11
4625 REDWOOD 25	734	236	32.15 ~	223	13
4626 REDWOOD 26	711	239	33.61 ~	233	6
4627 REDWOOD 27	722	265	36.70 ~	253	12
4628 REDWOOD 28	654	273	41.74 ~	269	4
4629 REDWOOD 29	719	353	49.10 ~	340	11
4630 REDWOOD 30	746	279	37.40 ~	269	10
4631 REDWOOD 31	714	322	45.10 ~	303	19
4632 REDWOOD 32	787	413	52.48 ~	400	13
4633 REDWOOD 33	862	408	47.33 ~	391	17
4634 REDWOOD 34	787	354	44.98 ~	339	15
4635 REDWOOD 35	794	414	52.14 ~	388	24
4636 REDWOOD 36	791	357	45.13 ~	346	11
4637 REDWOOD 37	748	317	42.38 ~	303	14
4638 REDWOOD 38	802	380	47.38 ~	366	14
4639 REDWOOD 39	742	334	45.01 ~	321	12
4640 REDWOOD 40	685	248	36.20 ~	240	8
4641 REDWOOD 41	592	200	33.78 ~	189	11
4642 RED4100D 42	634	195	30.76 ~	187	8
4643 REDWOOD 43	849	303	35.69 ~	281	21
4644 REDWOOD 44	652	191	29.29 ~	176	15
4645 REDWOOD 45	1023	318	31.09 ~	300	18
4646 REDWOOD 46	0	0		0	0
4647 REDWOOD 47	92	31	33.70 ~	30	1
4701 REDU00D OU7 01	409	167	40.83 ~	155	12
8001 ABSENTEE	0	0		0	0
8002 ABSENTEE	0	0		0	0
8003 ABSENTEE	0	0		0	0
8004 ABSENTEE	0	0		0	0
8005 ABSENTEE	0	0		0	0
8006 ABSENTEE	0	0		0	0
8007 ABSENTEE	0	0		0	0
8008 ABSENTEE	0	0		0	0
8009 ABSENTEE	0	0		0	0
8010 ABSENTEE	0	0		0	0
8011 ABSENTEE	0	0		0	0