

| MEASURE M  | COMPLETE TEXT OF MEASURE M   |
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| COUNTY COUNSEL'S IMPARTIAL ANALYSIS<br>OF MEASURE M  |  |
| <p>Voters of the El Camino Hospital District (District) proposed, and the District has placed on the ballot, an initiative measure to limit the annual salary and compensation package for any executive, manager, or administrator of either the District or El Camino Hospital (Hospital) to no more than twice the annual salary of the Governor.</p> <p>The Governor's salary is determined by the California Citizens Compensation Commission on an annual basis. Currently, the Governor's salary is \$173,987. Effective December 3, 2012, the governor's salary will be \$165,288; double that amount will be \$330,576.</p> <p>There is a legal question whether a hospital district is subject to a voter approved initiative. Additional questions may arise with respect to implementation of Measure M, which is not addressed in the Measure.</p> <p>A "yes" vote is a vote to approve the measure capping the salary and compensation package for El Camino Hospital and Hospital District executives, managers or administrators.</p> <p>A "no" vote is a vote to reject the measure capping the salary and compensation package for El Camino Hospital and Hospital District executive, managers or administrators.</p> <p>Lori E. Pegg<br/>Acting County Counsel</p> <p>By: /s/ Susan Swain<br/>Lead Deputy County Counsel</p> | <p>The annual salary and compensation package for any executive, manager, or administrator of either El Camino Hospital or El Camino Hospital District shall not exceed twice the annual salary of the state governor.</p> |

## ARGUMENT IN FAVOR OF MEASURE M

A million dollars a year is too much to pay executives at El Camino Hospital, a nonprofit that receives millions of taxpayer dollars annually.

Right now the CEO at El Camino receives over \$1.1 million and six other executives receive between \$400,000 and \$700,000. These salaries are excessive, especially for a taxpayer funded nonprofit hospital. Almost no other hospital in the County pays its executives so much.

The Governor earns \$165,288. Twice his salary, \$330,576, is more than enough to attract and retain quality executives. If you think twice the Governor's salary is enough for El Camino executives, vote Yes on Measure M.

Unlike other hospitals in the County, El Camino receives taxpayer money from a "special district," made up of residents of Mountain View, Sunnyvale, Los Altos, Los Altos Hills, Cupertino, Santa Clara and Palo Alto. Unfortunately, it is not spending this money the way it should.

The Local Agency Formation Commission, which oversees special districts like El Camino, found that it has failed to provide sufficient community health services to the taxpayers who fund the hospital. El Camino delivers less community medical services than almost every other hospital in the area. It should be providing more free and low cost health programs instead of paying executives so much.

El Camino provides excellent patient care, but its finances are badly mismanaged. The Santa Clara County Grand Jury found that the District does not adequately account for the taxpayer money it receives. Measure M will reorder its priorities.

Measure M will end excessive executive compensation at El Camino and refocus the hospital's attention on programs to improve the health of the residents who pay taxes to the hospital district. That's what this nonprofit, taxpayer-funded hospital was supposed to be doing in the first place.

Vote Yes on Measure M

[www.ElCaminoExecPayCap.org](http://www.ElCaminoExecPayCap.org)

/s/ Laura Huston  
Certified Nurse Assistant

/s/ Kary W. Lynch  
Licensed Psych. Tech.

## REBUTTAL TO ARGUMENT IN FAVOR OF MEASURE M

We strongly oppose and will Vote No on Measure M because the future of El Camino Hospital is just too important to let it be endangered by scare tactics and unsubstantiated charges.

Consider this:

- Not one penny of tax dollars goes to paying salaries. Instead, all tax dollars are used for hospital capital improvement projects and funding community health initiatives such as school nurses and free clinics.
- Measure M is too risky. Tying our hospital executives' compensation to the governor's salary is arbitrary and unreasonable.
- Measure M is probably illegal. It doesn't even affect the CEO's salary until 2015!
- The Hospital's board sets salaries for executives and ALL staff at the market's midpoint based on salaries paid by comparable hospitals. To lure voters into reaching the wrong conclusion, this flawed measure's supporters wrongly argue that executive salaries are excessive compared to other hospitals.
- The LAFCO Commission found that the Hospital provides quality healthcare to District residents, and taxpayer funds are properly tracked and accounted for.

Measure M does not explain why voters should take control of the Hospital away from the District board we elect. Good leadership ensures the Hospital will continue providing high-quality healthcare to our community. Salary is critical to retaining our outstanding executives.

All of us should reject this ill-advised measure.

Vote No on Measure M!

[www.protectelcaminohospital.com](http://www.protectelcaminohospital.com)

/s/ John L. Zoglin  
Chairman, El Camino Hospital District Board of Directors

/s/ David W. Reeder  
Secretary/Treasurer, El Camino Hospital District Board of Directors

/s/ Dominick A. Curatola  
Cardiologist and Former Chairman and Member El Camino Hospital District Board of Directors

/s/ Robert A. Grimm  
Former Mayor of Los Altos

/s/ Cheryl Reinking  
Registered Nurse

| ARGUMENT AGAINST MEASURE M  | REBUTTAL TO ARGUMENT AGAINST MEASURE M  |
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| <p><b>Vote No On Measure M. Protect El Camino Hospital.</b> This misleading and potentially illegal measure will result in hundreds of thousands of dollars being wasted on lawyers' fees and court costs that could be better spent on improving healthcare. Here are the facts:</p> <ul style="list-style-type: none"> <li>• The Hospital does not use <i>any</i> District tax revenue to pay salaries. Administrators are paid only from money generated by hospital operations.</li> <li>• The Hospital sets salaries in accordance with federal and state laws, based on a Board policy of paying executives at the 50<sup>th</sup> percentile of the market and information obtained from independent surveys.</li> <li>• Measure M doesn't devote a single dollar more to improving health care.</li> <li>• The measure sets a bad precedent, asking voters to micro manage operations and reduce the authority of your elected board.</li> <li>• This flawed measure would force the District to pay salaries more in line with a rural hospital one-fifth its size, jeopardizing its ability to retain and attract top staff.</li> <li>• Skilled staff and outstanding medical care are the hallmarks of El Camino Hospital.</li> </ul> <p>For more than 50 years, El Camino Hospital has been providing quality health care services in our community. The majority of residents have received care at El Camino Hospital, many within the past two years. Recent surveys indicate that 86% of District residents believe the Hospital "contributes directly to the quality of health care delivered to the community." Almost three-quarters of the population agrees that continuing to have El Camino Hospital owned by the community and governed by the locally elected District Board will provide the community with the best quality of care.</p> <p>Don't be deceived! <b>Vote No On Measure M.</b> Make sure that El Camino Hospital remains a vital, community-owned hospital that will continue to provide excellent health care to you and your family.</p> <p><a href="http://www.protectelcaminohospital.com">www.protectelcaminohospital.com</a></p> <p>/s/ Wesley F. Alles<br/>Member, El Camino Hospital District Board of Directors</p> <p>/s/ Patricia A. Einarson<br/>Vice Chair, El Camino Hospital District Board of Directors</p> <p>/s/ David W. Reeder<br/>Secretary/Treasurer, El Camino Hospital District Board of Directors</p> <p>/s/ John L. Zoglin<br/>Chairman, El Camino Hospital District Board of Directors</p> | <p>The opponents of Measure M have mismanaged the hospital's money, spending millions on excessive executive compensation. Now they want to mislead you about Measure M. Here are the <i>real</i> facts:</p> <ul style="list-style-type: none"> <li>• At \$1.1 million, the CEO of El Camino makes more than almost all the hospital CEOs in the county.</li> <li>• The CEO of the much larger Valley Medical Center makes one third as much as the CEO of El Camino.</li> <li>• The millions spent on executive compensation at El Camino could be spent on patient care.</li> </ul> <p>Every dollar that Measure M saves would go back into the hospital's general fund. It would be up to the hospital to spend the savings on increased health care for the community. To say otherwise is misleading and wrong.</p> <p>The people who signed the argument against Measure M run the El Camino Hospital District. Here's what the Santa Clara County Grand Jury concluded about their financial mismanagement of the hospital:</p> <ul style="list-style-type: none"> <li>• "The District does not adequately account for taxpayer monies."</li> <li>• "The lack of transparency with regard to budgets ... makes it impossible to determine whether there was also misconduct."</li> </ul> <p>We cannot trust the Hospital Board to spend taxpayer money wisely. A vote for Measure M is a vote against the Hospital Board's financial mismanagement.</p> <p>A vote for Measure M is a vote to spend hospital money on medical services for the community instead of excessive executive compensation.</p> <p>Don't buy the Hospital Board's scare tactics. Vote yes on Measure M.</p> <p><a href="http://www.ElCaminoExecPayCap.org">www.ElCaminoExecPayCap.org</a></p> <p>/s/ Anthony Spitaleri<br/>Retired Fire Captain</p> <p>/s/ Sally J. Lieber<br/>Former State Assemblywoman</p> <p>/s/ Deborah Weatherspoon<br/>Pastor</p> <p>/s/ Kary W. Lynch<br/>License Psych. Tech</p> <p>/s/ Laura Huston<br/>Certified Nursing Assistant</p> |