

RESOLUTION NO. _____

BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA

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RESOLUTION A) AUTHORIZING THE COUNTY MANAGER TO EXECUTE A MEMORANDUM OF UNDERSTANDING WITH SAN MATEO MEDICAL CENTER REGARDING OUTSTANDING FINANCIAL OBLIGATIONS; B) AMENDING RESOLUTION 65311 MAINTAINING THE \$60 MILLION UPPER LIMIT OF GENERAL FUND CASH ADVANCES THROUGH JUNE 30, 2006, AND REDUCING IT TO \$30 MILLION AS OF JULY 1, 2006

RESOLVED, by the Board of Supervisors of the County of San Mateo, State of California, that

WHEREAS, the County provides General Fund loans to the San Mateo Medical Center (SMMC) to address budget deficits and negative cash flow.

WHEREAS, as a result of these loans, the Medical Center's outstanding financial obligations to the County total \$51,631,674 as of June 30, 2006 (subject to year-end audit); and

WHEREAS, this Board approved an increase in cash loan advances from the General Fund to SMMC to \$19.6 million through FY 1999-2000; and

WHEREAS, this Board approved an increase in cash loan advances from the General Fund to SMMC from \$19.6 to \$30 million through FY 2000-01; and

WHEREAS, this Board approved an increase in cash loan advances to SMMC from \$30 to \$40 million through FY 2001-02; and

WHEREAS, on June 4, 2002, this Board authorized an increase of cash loan advances to SMMC from \$40 to \$60 million; and

WHEREAS, as of June 30, 2006, the balance of the County's cash loan advances to the Medical Center is \$20,166,736 (subject to year-end audit); and

WHEREAS, SMMC auditors have asked that a Memorandum of Understanding be established between the County and SMMC to properly account for SMMC's financial obligations to the County; and

WHEREAS, there has been presented to this Board of Supervisors for its consideration and acceptance a Memorandum of Understanding (MOU), whereby SMMC shall be obligated to reimburse the County for all outstanding financial

obligations. In addition, SMMC shall be subject to a limit on total borrowing and cash loan advances from the General Fund; and

WHEREAS, this Board has been presented with a form of such MOU and said Board has examined and approved it as to both form and content.

NOW, THEREFORE, IT IS HEREBY RESOLVED that the Board of Supervisors A) authorize the County Manager to execute a Memorandum of Understanding with San Mateo Medical Center regarding outstanding financial obligations and B) amend Resolution 65311 maintaining the \$60 million upper limit of General Fund cash advances through June 30, 2006, and reducing it to \$30 million as of July 1, 2006.

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