



Tri-City's severance deal tops \$1 million



Former CEO agrees to drop legal action

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Online: To read the settlement agreement, go to uniontrib.com/more/gonzalez

NORTH COUNTY — The Tri-City Healthcare District board and former chief executive Arthur Gonzalez have agreed to a severance deal worth more than \$1 million in cash and benefits.

The district made the agreement public yesterday, although Gonzalez signed the document April 24 and it became effective Friday.

In exchange for the deal, Gonzalez agreed to drop all legal action against the public hospital district, which runs the 397-bed Tri-City Medical Center in Oceanside.

Gonzalez was Tri-City's chief for almost a decade. He was placed on paid leave in December.

He could not be reached to comment yesterday. His attorney, Leslie Devaney, said Gonzalez was pleased with the deal.

The agreement gives Gonzalez \$125,000 immediately; his monthly base pay of \$41,250 for 18 months, adding up to \$742,500; \$150,000 at the end of the 18 months; and full benefits that he may collect for 18 months or cash out.

If he remains unemployed for 18 months, the district will receive a credit of up to \$50,000 on the initial \$125,000 payment.

The deal also indemnifies Gonzalez from any litigation that might name him during the period he was a district employee.

The agreement ends Gonzalez's turbulent tenure at Tri-City. When he was hired in December 1998, the district was in financial trouble.

He brought economic stability and surplus budgets to the district. That changed last fall, when high interest rates on bonds and the loss of patients to Scripps Memorial Hospital Encinitas have threatened to push the district into the red.

In December, a newly-elected board majority put Gonzalez and eight other administrators on paid leave and launched a "forensic audit," the results of which have not been released.

Gonzalez's detractors said his pay was too high, although it was in line with that of other hospital chiefs.

He also was faulted for the district's failure three times in two years to pass a bond measure for state-required seismic upgrades.

Tri-City's chief of medical staff, Dr. Richard Burruss, said yesterday that he wished Gonzalez well.

"Regardless of what critics may have said, Art Gonzales was always passionate and committed in his promotion of the hospital," Burruss said.

Burruss has warned that recent controversy harms the hospital's reputation.

"The medical staff feels strongly that the community deserves to know the final findings of the audit so the confidence of the community in the hospital can be restored," he said.

Last week, the board extended the contract of interim CEO Larry Anderson for six more months at a pay of \$40,000 a month.

Devaney yesterday would not discuss the seven other administrators she represents. A ninth district employee placed on leave has not been identified.

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