

RESOLUTION OF THE BOARD OF DIRECTORS OF THE MENDOCINO
COAST HEALTH CARE DISTRICT CALLING FOR A JUNE 5, 2018
ELECTION TO APPROVE A HEALTHCARE PARCEL TAX

WHEREAS, the Mendocino Coast Health Care District (the “District”) is devoted to maintaining emergency room services, attracting and retaining high quality doctors and nurses, maintaining 911 services and providing essential healthcare to residents of Mendocino County; and

WHEREAS, the District believes that making critical repairs and upgrades to medical equipment and facilities and maintaining local surgical and obstetric services will attract and retain high-quality doctors and nurses; and

WHEREAS, while Mendocino Coast District Hospital has made significant adjustments in order to stay open, the District requires stable local funding to remain functional and provide essential healthcare services; and

WHEREAS, Article XIII A, of the California Constitution and Section 53730.01, of the California Government Code permit a hospital district to propose a parcel tax for specified purposes and to levy such tax following approval by at least two-thirds of the voters voting upon the proposition; and

WHEREAS, the Board of Directors (the “Board”) of the District proposes to place a measure on the June 5, 2018 ballot to approve a healthcare parcel tax upon parcels of land within the District for the purposes set forth in this Resolution; and

WHEREAS, the Board will apply all the proceeds of the healthcare parcel tax to maintaining emergency room services, attracting and retaining high quality doctors and nurses, maintaining 911 services and providing essential health care to residents of Mendocino County, and for uses as set forth in this Resolution, and will not use any of said proceeds for administrator’s salaries, benefits or pensions; and

WHEREAS, all expenditures of the healthcare parcel tax will be subject to citizen and taxpayer oversight to ensure funds are spent appropriately; and

WHEREAS, the Board proposes to enact the healthcare parcel tax because the revenues will benefit only the Mendocino Coast District Hospital and cannot be taken by the State of California or by other entities; and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Mendocino Coast Health Care District as follows:

Section 1. This Board finds and determines that the foregoing recitals are true and correct.

Section 2. This Board hereby proposes to establish the levy of the healthcare parcel tax to provide stable local funding the State cannot take away to help:

- Maintain local emergency room services;
- Attract and retain high quality doctors and nurses;
- Maintain local 911 services;
- Make critical repairs and upgrades to medical equipment and facilities;
- Maintain local surgical services; and
- Maintain local obstetric services.

UNDER NO CIRCUMSTANCES SHALL ANY OF THE PROCEEDS OF THE HEALTH CARE PARCEL TAX BE USED FOR ADMINISTRATORS' SALARIES, BENEFITS OR PENSIONS.

Pursuant to Government Code Section 53730.01 the Board determines that the proceeds of the healthcare parcel tax shall only be applied for the purposes stated above.

Section 3. Subject to voter approval, the healthcare parcel tax shall be \$144 per year per Parcel, commence on July 1, 2018 and shall continue for twelve years from that date.

As used herein, the term "Parcel" means any parcel of land which lies wholly or partially within the boundaries of the District, for which the Mendocino County Assessor/Tax Collector (together, "Tax Collector"), issues a separate tax bill for *ad valorem* property taxes; provided, however, that any such parcels which are (i) contiguous, and (ii) used solely for owner-occupied, single-family residential purposes, and (iii) held under identical ownership, may, by submitting an application of the owners thereof by June 15 of any year to the District be treated as a single parcel for purposes of the levy of this healthcare parcel tax.

Section 4. Subject to voter approval as set forth below, the healthcare parcel tax shall be levied commencing with the 2018-2019 (starting on July 1, 2018) fiscal year of the District, and shall be collected with, and in the same manner and subject to the same interest and penalties as general *ad valorem* taxes collected by the Mendocino County Treasurer and Tax Collector. The District shall create a separate account into which the proceeds of the healthcare parcel tax shall be deposited.

Section 5. The levy and collection of the healthcare parcel tax is not intended to decrease or offset any increase in local, state or federal government funding sources that would otherwise be available to the District at any time during which the healthcare parcel tax may be levied. In the event that the levy and collection of the healthcare parcel tax does have such an effect, the District shall reduce the healthcare parcel tax levy to the extent of any such decrease or offset.

Section 6. The Board shall provide in each year (pursuant to Section 7902.1 of the Government Code) for any increase in the District's appropriation limit as shall be necessary to

ensure that proceeds of the healthcare parcel tax may be spent for the authorized purposes set forth in Section 2 above and Section 7 below.

Section 7. The Board hereby requests that the Mendocino County Registrar of Voters submit the measure attached hereto as Exhibit B to the voters of the District and to print the entire Full Ballot Text in the ballot pamphlet to be published and mailed for the election scheduled for Tuesday, June 5, 2018.

The abbreviated text of the ballot proposition with respect to the foregoing measure shall read as shown in Exhibit A hereto.

The District's Chief Executive Officer, or designee, is hereby authorized and directed to make any changes to the text of the measure, or to the abbreviated form of the measure, as may be convenient or necessary to comply with the intent of this Resolution, the requirements of elections officials, and requirements of law.

Section 8. The measure set forth in Exhibits A and B shall be submitted to the voters of the District at an election to be held on June 5, 2018. If approved by at least two-thirds of the voters voting on the measure, the measure shall take effect on July 1, 2018.

Section 9. This Resolution shall stand as the order to the Mendocino County Registrar of Voters, respectively, to call an election within the boundaries of the District on June 5, 2018. This Board requests that the District election be consolidated with any and all elections to be held within the boundaries of the District on June 5, 2018. Pursuant to Elections Code Section 10403 the Board acknowledges that the consolidation election will be held and conducted in the manner prescribed in Elections Code Section 10418.

Section 10. The Board hereby requests that the Mendocino County Registrar of Voters or other appropriate election officials of Mendocino County, take all actions which are necessary or appropriate in connection with the election, including, but not limited to, printing and mailing sample ballots, arguments and applications for absentee ballots, canvassing election returns and certifying the results of the election to the Board. Pursuant to Elections Code Section 10002, the Board of Supervisors of Mendocino County is requested to permit the Registrar of Voters to render all services specified by Elections Code Section 10418 relating to the election. The Board hereby agrees to reimburse Mendocino County in full for any services performed by it for the District upon presentation of an invoice to the District.

Section 11. The Secretary of the Board is hereby authorized and directed to deliver a copy of this Resolution to the Mendocino County Registrar of Voters/Elections Department of Mendocino County, not later than February 27, 2018, and to give notice of the election by causing the Registrar of Voters/Elections Department to publish the text of the measure and other items, not later than 15 days before the date of the election. The Secretary of the Board is hereby further authorized and directed to post a copy of this Resolution in three public places within the District for at least two weeks before the date of the election.

Section 12. If any section, subsection, phrase or clause of this Resolution is for any reason found to be invalid, such section, subsection, phrase or clause shall be severed from, and

shall not affect the validity of, all remaining portions of this Resolution which can be given effect without the severed portion.

Section 13. The members of the Board are hereby authorized, but not directed, to prepare and file with the Mendocino County Registrar of Voters/Election Department, respectively, a ballot argument in favor of the proposition contained in Section 7 hereof, within the time established by such Department.

Section 14. The officers of the District are, and each of them acting alone is, hereby directed to take such other actions and to execute such other documents as are necessary to carry out the purposes of this Resolution.

The foregoing Resolution was adopted by the Board of Directors of the Mendocino Coast Health Care District at a regular meeting held on February 22, 2018 by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

/s/ _____
President, Board of Directors
Mendocino Coast Health Care District

ATTEST:

/s/ _____
Clerk, Board of Directors
Mendocino Coast Health Care District

EXHIBIT A

ABBREVIATED BALLOT TEXT

“To continue essential healthcare at our local hospital by attracting and retaining high quality doctors and nurses, maintaining local emergency room, obstetric, surgical and 911 services, and making critical repairs and upgrades to medical equipment/facilities, shall Mendocino Coast Health Care District levy an annual special tax of \$144 per parcel for 12 years, raising approximately \$1.7 million annually, with independent taxpayer oversight, no funds for administrators’ salaries/pensions, and all funds dedicated to local healthcare facilities and services?”

Shall the Measure Be Adopted: Yes _____

No _____

EXHIBIT B

START OF FULL BALLOT TEXT

MENDOCINO COAST HEALTH CARE DISTRICT Healthcare Funding Measure __

INTRODUCTION AND PURPOSE

To provide funding for maintaining emergency room services, attracting and retaining high quality doctors and nurses, maintaining 911 services and providing essential healthcare to residents of Mendocino County, with no proceeds used for administrators' salaries, benefits and pensions, the Mendocino Coast Health Care District ("District") proposes a healthcare parcel tax for a period of twelve years starting on July 1, 2018 at a rate of \$144 per parcel per year, and to implement accountability measures, including independent taxpayer oversight, to ensure the funds are used to help:

- Maintain local emergency room services;
- Attract and retain high quality doctors and nurses;
- Maintain local 911 services;
- Make critical repairs and upgrades to medical equipment and facilities;
- Maintain local surgical services; and
- Maintain local obstetric services.

The proceeds of the healthcare parcel tax shall be deposited into a separate account created by the District.

DEFINITION OF “PARCEL”

For purposes of the healthcare parcel tax, the term “Parcel” means any parcel of land which lies wholly or partially within the boundaries of the Mendocino Coast Health Care District, that receives a separate tax bill for *ad valorem* property taxes from the Mendocino County Assessor/Tax Collector, as applicable. All property that is otherwise exempt from or upon which are levied no *ad valorem* property taxes in any year shall also be exempt from the healthcare parcel tax in such year.

For purposes of this healthcare parcel tax, any such “Parcels” which are (i) contiguous, and (ii) used solely for owner-occupied, single-family residential purposes[?], and (iii) held under identical ownership may, by submitting to the District an application of the owners thereof by June 15 of any year, be treated as a single “parcel” for purposes of the levy of the healthcare parcel tax.

REDUCTION IN TAX IF RESULT IS LESS OTHER GOVERNMENT SUPPORT

The collection of the healthcare parcel tax is not intended to decrease or offset any increase in local, state or federal government revenue sources that would otherwise be available to the District during the period of the healthcare parcel tax. In the event that the levy and collection does have such an effect, the District may cease the levy or shall reduce the healthcare parcel tax to the extent that such action would restore the amount of the decrease or offset in other revenues.

ACCOUNTABILITY MEASURES

The following accountability measures, among others, shall apply to the healthcare parcel tax: (a) the specific purposes of the healthcare parcel tax shall be those purposes identified above; (b) the proceeds of the healthcare parcel tax shall be applied only to those specific purposes identified above; (c) a separate, special account shall be created into which the proceeds of the healthcare parcel tax must be deposited; and (d) an annual written report shall be made to the Board of Directors of the District showing (i) the amount of funds collected and expended from the proceeds of the healthcare parcel tax and (ii) the status of any projects or programs required or authorized to be funded from the proceeds of the healthcare parcel tax, as identified above. In addition to the accountability measures required by law, if any, the District will establish an independent taxpayer oversight committee to provide oversight as to the expenditure of healthcare parcel tax revenues.

End of Full Ballot Text of Measure