

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

DEPT: Board of Supervisors

BOARD AGENDA # *A-8

Urgent

Routine

AGENDA DATE February 5, 2008

CEO Concurs with Recommendation YES NO

4/5 Vote Required YES NO

(Information Attached)

SUBJECT:

Approval to Hold a Special Election for the Oak Valley Hospital to Authorize the Issuance of General Obligation Bonds on April 29, 2008

STAFF RECOMMENDATIONS:

Hold a Special Election for the Oak Valley Hospital to Authorize the Issuance of General Obligation Bonds on April 29, 2008.

FISCAL IMPACT:

There is no fiscal impact associated with this item.

BOARD ACTION AS FOLLOWS:

No. 2008-087

On motion of Supervisor Grover, Seconded by Supervisor DeMartini

and approved by the following vote,

Ayes: Supervisors: O'Brien, Grover, Monteith, DeMartini, and Chairman Mayfield

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) X Approved as recommended

2) _____ Denied

3) _____ Approved as amended

4) _____ Other:

MOTION:

ATTEST: Christine Ferraro
CHRISTINE FERRARO TALLMAN, Clerk

File No.



Oak Valley Hospital

A Division of Oak Valley Hospital District

AN AFFILIATE OF CATHOLIC HEALTHCARE WEST

BOARD OF SUPERVISORS
2008 FEB -5 A 3: 23

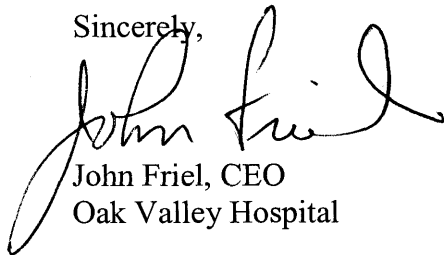
January 31, 2008

Stanislaus County Board of Supervisors
1010 10th Street, Suite 6700
Modesto, CA 95361

Attn: Christine Farrero

This letter will serve as notice that the Oak Valley Hospital District Board of Directors passed Resolution 2008-01 at their January 30, 2008 meeting requesting a Special Election to be held on April 29, 2008.

Sincerely,



John Friel, CEO
Oak Valley Hospital



Oak Valley Hospital

A Division of Oak Valley Hospital District

AN AFFILIATE OF CATHOLIC HEALTHCARE WEST

January 31, 2008

I certify that this is a true and correct copy of the Oak Valley Hospital District Resolution 2008-01 approved at the January 30, 2008 Board Meeting.

Melissa Tozzi,
Administrative Assistant
Oak Valley Hospital

OAK VALLEY HOSPITAL DISTRICT

RESOLUTION NO. 2008-01

RESOLUTION OF THE BOARD OF DIRECTORS OF THE OAK VALLEY HOSPITAL DISTRICT ORDERING AN ELECTION TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS, ESTABLISHING SPECIFICATIONS OF THE ELECTION ORDER, AND CERTAIN RELATED MATTERS

WHEREAS, in the judgment of the Board of Directors (the "Board") of the Oak Valley Hospital District (the "District"), it is advisable to call an election to submit to the electors of the District the question whether general obligation bonds of the District shall be issued and sold for the purpose of raising money for the development, expansion, improvement, acquisition, construction, equipping and renovation of health facilities of the District;

WHEREAS, Article XIII A, Section 1(b), of the California Constitution ("Article XIII A") provides an exception to the limit on ad valorem property taxes for bonded indebtedness for the acquisition or improvement of real property approved by two-thirds (2/3) of the votes cast by the voters voting on the proposition;

WHEREAS, the Board is specifically authorized to pursue the authorization and issuance of bonds by a two-thirds (2/3) vote of the electorate on the question of whether bonds of the District shall be issued and sold for specified purposes, pursuant to section 32300 et seq. Of the California Health and Safety Code (being California's Local Health Care District Law) (the "Law");

WHEREAS, pursuant to section 10403 et seq. of the California Elections Code, it is appropriate for the Board to request the Stanislaus County Registrar of Voters to perform required election services for the District;

WHEREAS, certain provisions of the California Government Code (sections 53410 et seq.) require that a local agency submitting a bond measure to the voters provide specific accountability measures; and

WHEREAS, it is the intent of the Board to set forth by this Resolution the specified accountability measures with respect to the proceeds of the bonds to be authorized by the election called pursuant to this Resolution;

NOW, THEREFORE, THE BOARD OF DIRECTORS OF OAK VALLEY HOSPITAL DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. Call for Election. The Board hereby orders an election and submits to the electors of the District the question of whether general obligation bonds (the "Bonds") of the District shall be authorized to be issued and sold in a principal amount not to exceed \$27,000,000 for the purpose of reimbursing, financing and refinancing the expansion, development, improvement, acquisition, construction, equipping and renovation of health

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BOARD OF SUPERVISORS

facilities of the District, and to pay costs incident thereto (the "Project"), as set forth more fully in the ballot proposition approved pursuant to Section 3 of this Resolution. This Resolution constitutes the order of the District to call such election.

Section 2. Election Date. The Board hereby calls a mailed ballot election for April 29, 2008, to be held within the boundaries of the District in accordance with section 4108 of the California Elections Code.

Section 3. Purpose of Election; Ballot Measure. The purpose of the election shall be for the voters in the District to vote on a ballot measure, a copy of which is attached hereto and marked Exhibit A, containing the question of whether the District shall issue the Bonds to finance the Project, which is hereby approved and adopted by the Board. The Board hereby determines to include within the ballot pamphlet the Full Ballot Text attached hereto as Exhibit B, which is hereby approved and adopted by the Board. The Stanislaus County Registrar of Voters is hereby requested to reprint the measure in its entirety (the Full Ballot Text located in Exhibit B) in the voter information pamphlet to be distributed to voters, together with the tax rate information (attached as Exhibit C) required by the Law.

The Chief Executive Officer, the Chief Financial Officer, and each of them, or their respective designee(s), are hereby authorized and directed to make any changes to the text of the ballot measure as required to conform to any requirements of Article XIII A, the Law, the California Elections Code and the Stanislaus County Registrar of Voters.

Section 4. Authority for Election. The authority for ordering the election and for the specification of this election order are contained in section 32301 of the Law and Article XIII A, Section 1(b)(2), of the California Constitution. The District hereby finds that the bonded indebtedness proposed herein, together with all outstanding bonded indebtedness of the District, shall not exceed 2.5% of the assessed value of all taxable property in the District, as shown by the last equalized assessment role of Stanislaus County in accordance with section 32308 of the Law.

Section 5. Terms of the Bonds upon Approval by the Electorate. As required under section 32302 of the Law, in the event two-thirds (2/3) of the voters voting in the District approve the issuance of the Bonds, the Board shall cause the Bonds to be issued in one or more series in an aggregate principal amount not to exceed \$27,000,000; provided that such aggregate maximum amount shall be equal to the par amount of the Bonds, which shall not include any premium at which the Bonds or any series thereof may be issued. A portion of the Bonds may be issued in the form of capital appreciation bonds. The Bonds shall bear interest payable at a rate not exceeding the legal limit (at the current time twelve percent (12%) per annum), and any series of which shall have a maturity date no later than thirty (30) years following the date of issuance of such series. The Board shall apply the Bond proceeds only to the specific purposes stated in the ballot measure, shall cause the continuation or creation of funds and accounts into which Bond proceeds shall be deposited; and shall cause the preparation of an annual report pursuant to sections 53410-53411 of the California Government Code.

Section 6. Accountability Provisions.

(a) **No Money For Administrators' Salaries.** Proceeds from the sale of the Bonds

authorized by this proposition shall be used only for costs incurred in connection with funding of the Project and the cost of the issuance of the Bonds, and not for any other purpose, including staff and administrator salaries and other operating expenses.

(b) Special Bond Proceeds Account; Annual Audit And Report to Board. The Board hereby directs that a separate account shall be established for deposit of proceeds of the sale of the Bonds if the measure is approved by District voters. For so long as any proceeds of Bonds remain unexpended, the chief financial officer of the District (the "Chief Financial Officer") shall cause a report to be filed with the Board no later than five (5) months after the end of each fiscal year, commencing with the first fiscal year during which any proceeds of Bonds authorized by this measure shall have been received. The report shall state (1) the amount of Bond proceeds received and expended in such fiscal year and (2) the status of any projects funded or to be funded from the proceeds of Bonds authorized to be issued by this measure. The report may be incorporated into or filed with the audit or other appropriate routine report provided to the Board. Audited financial statements of the District will continue to be made available in accordance with applicable requirements.

(c) Independent Citizens' Oversight Committee. The Board shall establish an independent citizens' oversight committee to ensure Bond proceeds are expended only for the Project authorized by the ballot measure. The committee shall be established within 90 days after the election.

Section 7. Request for All-Mail Ballot; Costs.

(a) The District requests that the Stanislaus County Registrar of Voters take all steps necessary to hold the election by all-mail ballot pursuant to Division 4 (commencing with section 4000) of the California Elections Code.

(b) The District hereby agrees to reimburse Stanislaus County for actual costs incurred by it for the District's election, as set forth in the current election cost allocation procedures of Stanislaus County.

Section 8. Delivery of this Resolution. The Secretary is hereby directed to fax (209-525-5210) no later than 4:00 p.m. on January 31, 2008, and file (or cause to be filed) a certified copy of this Resolution no later than the close of business on February 1, 2008, with the Stanislaus County Registrar of Voters. The Secretary is hereby directed to fax (209-525-4420) no later than 4:00 p.m. on January 31, 2008, and file (or cause to be filed) a certified copy of this Resolution no later than the close of business on February 1, 2008, with the Clerk of the Stanislaus County Board of Supervisors.

Section 9. Impartial Analysis; Ballot Arguments; Further Authorization. The Stanislaus County Counsel is hereby requested to prepare the impartial analysis of the ballot measure in accordance with section 9160 of the California Elections Code and transmit it to the Stanislaus County election officer. Any and all members of the Board, the Chief Executive Officer and the Chief Financial Officer of the District, or any of their respective designees, are hereby authorized to act as an author of any ballot argument prepared in connection with the election, including a rebuttal argument. Each of the Chairman and Vice Chairman of the Board, and the Chief Executive Officer and the Chief Financial Officer of the District, or any of their respective designees, are each hereby authorized, empowered, and directed, for and on behalf of the District, to execute any and all

documents, and to perform any and all acts necessary or appropriate to place the Bond measure on the ballot.

Section 10. Effective Date. This resolution shall take effect immediately on and after its adoption.

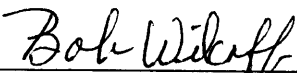
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PASSED AND ADOPTED this 30th day of January, 2008, by the following vote:

AYES: Abell, Chock, Teter, Peterson, Westberg, Wikoff

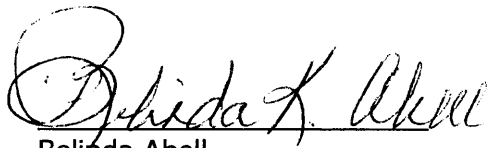
NAYS:

ABSENT: Belski, Martin, Vaughan, Wiley



Bob Wikoff
Chairman, Board of Directors
Oak Valley Hospital District

ATTEST:



Belinda Abell
Secretary, Board of Directors
Oak Valley Hospital District

CERTIFICATION

I, Belinda Abell, Secretary of the Board of Directors of Oak Valley Hospital District, Stanislaus County, California, do hereby certify that the foregoing is a full, true and correct copy of Resolution No. 2008-01 passed and adopted by said Board of Directors at a meeting held on the 30th day of January, 2008, and that the minutes of said Board of Directors show that Six (6) members of said Board voted for, and Zero (0) members of said Board voted against, the adoption of said Resolution (with Four (4) members absent, and the said Resolution is now spread upon the minutes of said Board.

A handwritten signature in cursive script that reads "Belinda L. Abell". The signature is written in black ink and is positioned above the printed name.

Belinda Abell

Secretary of the Board of
Directors
Valley Hospital District

EXHIBIT A

BALLOT MEASURE

To ensure local access to life-saving emergency medical care, reduce overcrowding, improve patient care and safety and replace outdated hospital buildings shall the Oak Valley Hospital District complete the replacement of Oak Valley Hospital, including building an expanded and improved emergency room intensive care unit, and maternity care facilities by issuing \$27 million in bonds with mandatory audits, an independent citizens' oversight committee, all money staying local and without increasing previously approved average tax rates?

EXHIBIT B

FULL BALLOT TEXT

The following is the full ballot text of the measure to be presented to the voters by Oak Valley Hospital District in the ballot pamphlet:

To ensure local access to life-saving emergency medical care, reduce overcrowding, improve patient care and safety and replace outdated hospital buildings shall the Oak Valley Hospital District complete the replacement of Oak Valley Hospital, including building an expanded and improved emergency room, intensive care unit, and maternity care facilities by issuing \$27 million in bonds with mandatory audits, an independent citizens' oversight committee, all money staying local and without increasing previously approved average tax rates?

PURPOSE OF THE BOND. Proceeds from this bond may be used to upgrade, enhance, improve, expand, renovate, build, equip or replace facilities or acquire land needed to improve hospital facilities. Facility improvements resulting from this bond will maintain or enhance the quality of healthcare available to the residents of the Oak Valley Hospital District and patients requiring medical care in the region.

SPECIAL BOND ACCOUNT AND MANDATORY ANNUAL AUDITS. A separate account shall be established for deposit of proceeds of the sale of the Bonds. This account shall be audited annually and a report shall be made detailing (1) the amount of Bond proceeds received and expended in such fiscal year and (2) the status of any projects funded or to be funded from the proceeds of Bonds authorized to be issued by this measure.

NO MONEY FOR ADMINISTRATORS' SALARIES. Proceeds from the sale of the Bonds authorized by this proposition shall be used only for costs incurred in connection with funding of the Project and the cost of the issuance of the Bonds, and not for any other purpose, including staff and administrator salaries and other operating expenses.

INDEPENDENT CITIZENS' OVERSIGHT COMMITTEE. The Board shall maintain an independent citizens' oversight committee to ensure Bond proceeds are expended only for the projects authorized by the ballot measure.

ALL FUNDS STAY LOCAL FOR THE BENEFIT OF OAK VALLEY HOSPITAL. All bond proceeds shall be used to improve Oak Valley Hospital for the benefit of healthcare in the local community. No funds may be taken away by the state government, federal government, or other hospital districts or healthcare institutions.

ISSUANCE OF BONDS NOT ESTIMATED TO INCREASE TAX RATES. The District intends to structure the proposed bonds so that the estimated combined average tax rate needed to repay all of the District's bonds will not increase the average tax rate over the life of the bonds as estimated in the 2004 bond measure as a result of the issuance of the proposed bonds.

If this bond measure is approved by voters, the average tax rate paid by district residents is not estimated to increase beyond the average rate previously approved.

EXHIBIT C

TAX RATE STATEMENT

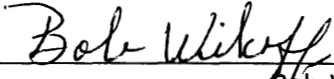
An election will be held in the Oak Valley Hospital District (the "District") on April 29, 2008, to authorize the sale of not to exceed \$27,000,000 in bonds of the District to finance health facilities as described in the ballot measure. If the bonds are approved, the District expects to sell the bonds in two series (but may issue the bonds in more than or fewer than two series). Principal and interest on the bonds will be payable from the proceeds of tax levies made upon the taxable property in the District. The following information is provided in compliance with sections 9400-9404 of the California Elections Code:

1. The best estimate of the tax rate that would be required to be levied to fund this bond issue during the first fiscal year after the sale of the bonds, based on estimated assessed valuations available at the time of filing this statement, is \$9.74 per \$100,000 of assessed valuation in the 2008-09 fiscal year.
2. The District's best estimate of the average tax rate that would be required to be levied to fund these bond issues, based on estimated assessed valuations available at the time of filing this statement, is \$11.35 per \$100,000 of assessed valuation.
3. The best estimate of the highest tax rate that would be required to be levied to fund these bond issues, based on estimated assessed valuations available at the time of filing this statement, is \$13.38 per \$100,000 of assessed valuation in fiscal year 2009-10.

Voters should note that the estimated tax rates are based on the assessed value of taxable property on the Stanislaus County official tax rolls, not on the market value of property. Property owners should consult their own property tax bills to determine their property's assessed value and any applicable tax exemptions. Attention of all voters is directed to the fact that the foregoing information is based on the District's projections and estimates only, which are not binding upon the District. The actual tax rates and the years in which they will apply may vary from those presently estimated, due to variations from these estimates in the timing of the sale of the bonds, the amount of bonds sold and market interest rates at the time of the sale, and actual assessed valuations over the term of repayment of the bonds.

The date of sale and the amount of bonds sold at any given time will be determined by the District based on the need for construction funds and other factors, including the legal limitations approved by a 2/3 vote. The actual interest rates at which the bonds will be sold will depend on the bond market at the time of each bond sale, among other factors. Actual future assessed valuation will depend on the amount and value of taxable property within the District as determined by the Stanislaus County Assessor in the annual assessment and the equalization process.

Dated: January 30, 2008



Bob Wikoff
Chairman, Board of Directors
Oak Valley Hospital District