



City of Biggs

Agenda Item Staff Report for the Regular City Council Meeting: May 24, 2016

TO: Honorable Mayor and Members of the City Council
FROM: Mark Sorensen, City Administrator
Subject: Orchard Hospital Informational Presentation

Background:

As detailed in the attached resolution 2006-14 the City of Biggs participated in the formation of a special tax to financially support the hospital. The measure passed in November 2006. The special tax was set to expire after a period of ten years.

Hospital representatives wish to present information related to their plan for a successor special tax.

Mark Sorensen, City Administrator

VOTER'S PAMPHLET
MEASURES, ANALYSES AND ARGUMENTS
(whichever is applicable to your ballot)

Arguments in support of, or in opposition to, the proposed laws are the opinions of the authors.

COUNTY OF BUTTE

MEASURE C1

Shall a special property tax in the amount of \$70 per residential equivalent unit, as enacted by Butte County Ordinance No. 3937 for a period of ten years, to fund stand-by costs of providing emergency room services at the Biggs-Gridley Memorial Hospital, and a corresponding increase in the County's spending limit for a period of four years, be approved?

**County Counsel's Impartial Analysis of Measure "C1":
Special Tax Measure**

The Butte County Counsel has prepared the following impartial analysis of Measure "C1" pursuant to Elections Code Section 9160. This analysis is not an argument for or against the measure.

Analysis:

This measure is being submitted to voters within an area in the unincorporated area of the County known as County Service Area 37 (the "CSA 37 area"), pursuant to the requirements of Proposition 218, which was approved by California voters in November 1996. Proposition 218 prohibits new taxes and/or tax increases within any area of the County unless and until the new tax or tax increase is submitted to the voters within that area and approved by a two-thirds vote.

This measure would authorize a proposed special tax within the unincorporated area of the CSA 37 area, as specified in Ordinance 3937, adopted by the Board of Supervisors of the County on July 25, 2006, for stand-by costs of providing emergency room services at the Biggs-Gridley Memorial Hospital, a critical access hospital. If the measure is approved by two-thirds or more of the votes cast on the measure, the proposed special tax, in the amount of \$70.00 per Equivalent Residential Unit, will be imposed on real property in the unincorporated area of the CSA 37 area for fiscal year 2006-07 and each fiscal year thereafter, for a period of ten (10) years. The proposed tax would expire after ten (10) years. The amount of the proposed special tax for each parcel of residential real property would be based upon the number of Equivalent Residential Units.

For the purposes of defining an Equivalent Residential Unit, the following categories have been established:

- (1) Single family residential (1);
- (2) Multi-family residential unit (.75);
- (3) Condominium (.75);
- (4) Vacant parcels and parcels without residential units shall not be subject to the Tax.

The imposition and levy of the tax is expressly conditioned upon the adoption by the cities of Biggs and Gridley and the approval of their respective electorates, of special tax measures within their respective jurisdictions which also provide funding for the hospital emergency room at the same rates and for the same duration as the proposed special tax.

The tax would not be imposed upon real property owned by the County, the State of California, any other public district or agency of the State or the United States of America.

The tax could not be increased in the future unless another election were held in the unincorporated area of the CSA 37 Area approving the increase by two-thirds or more of the votes cast.

The amount of the tax imposed each year would appear as a separate item on each tax bill and would be collected by the County in the same manner and at the same time as property taxes.

The revenues generated from the tax could only be used for stand-by costs of providing emergency room services at the Biggs-Gridley Memorial Hospital.

Bruce S. Alpert
Butte County Counsel

By: /s/ Robert W. MacKenzie
Chief Deputy County Counsel

The above statement is an impartial analysis of Measure "C1". If you desire a copy of the measure or a copy of Ordinance 3937, please call the Butte County Elections Office at (800) 894-7761 or (530) 538-7761 and a copy will be mailed at no cost to you. You may also access the full text of the measure and Ordinance 3937 on the county Web site at the following Web site address: <http://clerk-recorder.buttecounty.net>

VOTER'S PAMPHLET
MEASURES, ANALYSES AND ARGUMENTS
(whichever is applicable to your ballot)

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ARGUMENT IN FAVOR OF MEASURE C1

Measure C-1 will ensure our communities continue to have access to emergency medical services.

Readily accessible emergency room services can mean the difference between life and death. The communities of Biggs, Gridley, Richvale and the surrounding area are fortunate to have a hospital with 24-hour physician-staffed emergency room service with supporting staff including nurses and radiology, laboratory, and cardiology technicians. Life-sustaining treatment can be provided and if specialized medical services are not available, emergency stabilization and transportation to a trauma center are provided. The ER has saved countless lives in our communities.

The hospital needs support to continue to pay for having these vital emergency services available, which is the sole reason for the assessment being placed on your ballot. The hospital loses approximately \$800,000 yearly providing emergency services for our community. The proposed assessment will raise \$300,000 annually, which approaches the cost of maintaining ER staff availability at all times. The assessment does not pay for uninsured patients. It pays for standby expenses for keeping the emergency room open. This assessment ends in ten years, for as our communities grow, the hospital's volume will grow making the subsidy unnecessary. Waiver of the assessment for qualifying low-income residents is included. Your elected officials will control the funds. Ultimately, these funds help the hospital support newer facilities and equipment.

Measure C-1 will allow us to keep our local hospital open.

Measure C-1 is more than just the emergency room. If the emergency room were to close, it would mean the hospital would also close. The impact on healthcare in our communities would be enormous. Fewer qualified physicians would locate here and residents would need to drive out of town for diagnostic testing.

Please vote "yes". A "yes" vote means continued emergency services and a hospital in our regional community.

/s/ Curt Josiassen, County Supervisor District 4
/s/ Mike Dahl, Resident
/s/ Otto Behunin, Resident
/s/ Marvin Stowe, Resident
/s/ John Harris, BGMH Hospital Foundation President

**NO ARGUMENT WAS SUBMITTED
AGAINST MEASURE C1**

Election Summary Report
General Election - November 7, 2006
Butte County, California - Official Results
Countywide - Cumulative

Date:07/08/08
Time:13:30:08
Page:9 of 10

Registered Voters 115659 - Cards Cast 70298 60.78%

Num. Report Precinct 175 - Num. Reporting 175 100.00%

PROPOSITION 85 MINOR'S PREGNANCY NOTICE			
	Total		
Number of Precincts	175		
Precincts Reporting	175	100.0 %	
Vote For	1		
Total Votes	67561		
Times Blank Voted	2729		
Times Over Voted	8		
Number Of Under Votes	0		
No	35609	52.71%	
Yes	31952	47.29%	

PROPOSITION 89 CAMPAIGN/FINANCING TAX			
	Total		
Number of Precincts	175		
Precincts Reporting	175	100.0 %	
Vote For	1		
Total Votes	66569		
Times Blank Voted	3718		
Times Over Voted	11		
Number Of Under Votes	0		
No	51363	77.16%	
Yes	15206	22.84%	

PROPOSITION 86 CIGARETTE TAX			
	Total		
Number of Precincts	175		
Precincts Reporting	175	100.0 %	
Vote For	1		
Total Votes	68524		
Times Blank Voted	1762		
Times Over Voted	12		
Number Of Under Votes	0		
No	44494	64.93%	
Yes	24030	35.07%	

PROPOSITION 90 GOVERN ACQUISITION PROPERTY			
	Total		
Number of Precincts	175		
Precincts Reporting	175	100.0 %	
Vote For	1		
Total Votes	66076		
Times Blank Voted	4206		
Times Over Voted	16		
Number Of Under Votes	0		
Yes	34807	52.68%	
No	31269	47.32%	

PROPOSITION 87 STATE OIL PRODUCER TAX			
	Total		
Number of Precincts	175		
Precincts Reporting	175	100.0 %	
Vote For	1		
Total Votes	68074		
Times Blank Voted	2215		
Times Over Voted	9		
Number Of Under Votes	0		
No	43841	64.40%	
Yes	24233	35.60%	

MEASURE J - Y.C.C.D BOND MEASURE			
	Total		
Number of Precincts	2		
Precincts Reporting	2	100.0 %	
Vote For	1		
Total Votes	182		
Times Blank Voted	24		
Times Over Voted	0		
Number Of Under Votes	0		
Bonds No	107	58.79%	
Bonds Yes	75	41.21%	

PROPOSITION 88 EDUC FUND PROPERTY TAX			
	Total		
Number of Precincts	175		
Precincts Reporting	175	100.0 %	
Vote For	1		
Total Votes	67205		
Times Blank Voted	3088		
Times Over Voted	5		
Number Of Under Votes	0		
No	54560	81.18%	
Yes	12645	18.82%	

MEASURE C1 - COUNTY SPECIAL TAX			
	Total		
Number of Precincts	8		
Precincts Reporting	8	100.0 %	
Vote For	1		
Total Votes	2067		
Times Blank Voted	56		
Times Over Voted	0		
Number Of Under Votes	0		
Yes	1549	74.94%	
No	518	25.06%	

RESOLUTION NO. 2006-14

A RESOLUTION OF THE BIGGS CITY COUNCIL CALLING AND GIVING NOTICE OF A GENERAL ELECTION FOR CITY SPECIAL TAX MEASURE (STANDBY COSTS OF PROVIDING EMERGENCY ROOM SERVICES IN A CRITICAL ACCESS HOSPITAL (BIGGS-GRIDLEY HOSPITAL)) TO BE HELD NOVEMBER 7, 2006; REQUESTING THE BOARD OF SUPERVISORS OF BUTTE COUNTY TO CONSOLIDATE SAID ELECTION WITH THE GENERAL STATEWIDE ELECTION; APPROVING AN INCREASE IN THE CITY'S SPENDING LIMIT, AND SETTING THE BALLOT LANGUAGE

WHEREAS, the City Council (Council) of the City of Biggs (City) has determined:

1. That the cost to maintain satisfactory levels of health care at the local health care facilities is greater than the revenue those facilities receive.
2. That absent supplemental funding by the citizens of Biggs, the local health care facilities will be forced to close.
3. That closure of the local health care facilities would constitute a detriment of and to the health, welfare and safety of the citizens of the City.
4. That the levy of a City-wide special tax as hereinafter provided is necessary to provide funding to maintain the local health care facilities and services.

WHEREAS, the Council has also determined that it is in the best interest of the community to seek voter approval, which will require approval by two-thirds voters voting thereon, for the proposed special property tax in order to be able to maintain the local health care facilities and services; and,

WHEREAS, the Council has determined that it is necessary and appropriate to submit a proposal to the City voters for the adoption of a this special property tax measure; and,

WHEREAS, if approved by the voters, the special property tax for stand by costs of providing emergency room services in a critical access hospital (Biggs-Gridley Hospital) will be used solely for the purpose of providing those services; and,

WHEREAS, if this special property tax is approved by the voters, the City may exceed the spending limit as previously established for the City in accordance with the provisions of Article XIII B of the California Constitution; and,

WHEREAS, Article XIII A, Section 4 of the California Constitution and Sections 50075, 50076, 50077 and 53722 et. seq. of the California Government Code authorize cities, by two-thirds vote of the qualified electors, to impose special taxes; and,

WHEREAS, the City of Biggs is a general law city and is empowered to exercise all powers necessary and appropriate to a municipal corporation for the general welfare of its inhabitants; and,

WHEREAS, pursuant to Elections Code section 1300 and Biggs Municipal Code section 2.05.020, the City of Biggs' general election is to be held at the same time as the statewide general election and said date for both is set forth in Elections Code 1200, and for this year, 2006, is November 7, 2006; and,

WHEREAS, the Council desires to submit this special tax ballot measure to the voters of the City of Biggs for their approval and adoption at the general election to be held in the City on November 7, 2006; and,

WHEREAS, this ballot measure is as follows:

A ballot measure to adopt a local public health facilities and services parcel tax.

WHEREAS, it is desirable that the Butte County Department of Elections canvas the returns of the consolidated election and that the election be handled in all respects as if it were only one election; and,

WHEREAS, the City finds that under the California Environmental Quality Act (CEQA) guidelines sections 15060(c)(2) and 378 subdivisions (2) and (4) of subdivision (b), this measure does not constitute a project under CEQA and therefore review under CEQA is not required; and,

WHEREAS, November 7, 2006 is the date of the state's and the City's general statewide election; and,

WHEREAS, Elections Code 9282 sets forth procedures for how arguments in favor or in opposition of any city measure shall be submitted.

NOW, THEREFORE, THE BIGGS CITY COUNCIL DOES HEREBY RESOLVE, DECLARE, DETERMINE, AND ORDER AS FOLLOWS:

Section 1. Call of Election.

The City Council hereby calls an election at which the questions of the approval of the proposed special tax and spending limit increase shall be submitted to the registered voters within the City. The election shall be held on November 7, 2006. Pursuant to the provisions of California Elections Code Section 10002, the Council hereby requests the

Butte County Board of Supervisors to authorize and direct the Butte County Clerk/Registrar of Voters/Election Official to serve as the election official conducting this election in all respects and to consolidate this election with the regular election to be held on that date. The costs of the election shall be borne by the City of Biggs. Pursuant to Elections Code sections 10400 et seq., the election for this measure shall be consolidated with the general statewide election to be conducted on November 7, 2006.

Section 2. Request to Consent.

Pursuant to the requirements of Elections Code section 10403, the Board of Supervisors of the County of Butte is hereby requested to consent and agree to the consolidation of said election.

Section 3. Request for Services.

The Council does hereby request that the Registrar of Voters/Election Official of the County of Butte perform necessary services in connection with said election.

Section 4. Filing of Resolution.

The City Council hereby authorizes and directs the City Clerk to file with the Butte County Clerk and Registrar of Voters/Election Official certified copies of this resolution.

Section 5. Impartial Analysis.

The City Clerk is hereby directed to submit copies of this ballot measure to the City Attorney, who shall prepare an impartial analysis of this measure in accordance with Elections Code 9280. The analysis shall be submitted by the City Attorney to the Registrar of Voters/Elections Official of Butte County, for printing by the date set by the County Registrar of Voters/Elections Official. The analysis shall not exceed 500 words in length for the measure and shall otherwise comply in all substantial respects with the applicable provisions of the Elections Code of the State of California.

Section 6. Arguments.

Arguments for and against the measure shall be filed in accordance with this resolution and applicable provisions of law. Arguments for and against the measure shall be submitted to the Biggs' City Clerk before 5:00 p.m., August 18, 2006. Rebuttal arguments shall be submitted to the City Clerk's office before 5:00 pm, August 25, 2006. The Biggs' City Clerk shall transmit the arguments to the Butte County Clerk and Registrar of Voters/Election Official. Any argument shall not exceed 300 words in length and shall not be signed by more than five persons. Any rebuttal shall not exceed 250 words in length and shall not be signed by more than five persons; those persons may be different persons who signed the direct arguments.

Section 7. Mayor/Subcommittee.

The Mayor or a designated subcommittee consisting of Council Members are hereby authorized to prepare a written argument in favor of this measures not to exceed 300 words each, on behalf of the Biggs City Council. At the Mayor's/subcommittee's discretion, the arguments may also be signed by bonafide organizations or by individual voters.

Section 8. Transmittal of Arguments.

Pursuant to Elections Code section 9285, when the City Clerk has received the arguments for and against the measure, the City Clerk shall send copies of the arguments in favor of the measure to the authors of the arguments against the measure, and copies of the arguments against the measure to the authors of the arguments in favor of the measure.

Section 9. Notices and Text of Implementing Ordinance.

The City Clerk is hereby directed to cause notice of the measure to be published in a newspaper of general circulation, or any other newspaper designated as an official newspaper of the City of Butte in accordance with Elections Code section 12111 and Government Code Section 6061.

The text of the implementing ordinance will be available from the Biggs City Clerk.

Section 10. Hearings.

The City Clerk is hereby directed to provide notice of any necessary public hearing regarding this tax measure and the Council shall hold any such hearings.

Section 11. Funds.

The City Administrator is authorized and directed to appropriate the necessary funds to pay for the City's cost to place the measure on the election ballot.

Section 12. Applicable Law.

All particulars not recited in this resolution regarding the conduct of the holding of the election shall be as provided by law for the holding of municipal elections.

Section 13. Enactment of a Special Property Tax for Stand by Costs of Providing Emergency Room Services in a Critical Access Hospital (Biggs-Gridley Hospital).

There is hereby enacted within the City, a special tax to be assessed against all taxable real property within the City for stand by costs of providing emergency room services in a

critical access hospital (Biggs-Gridley Hospital) . The special property tax shall be assessed against real property based upon the use of the property and in the amount of: \$70 per parcel containing one or more residential structures. Vacant and commercial parcels shall not be subject to the tax.

If approved by the voters, the special tax shall continue for 10 years.

Section 14. Authorization for Spending Limit Increase.

To the extent that the revenue from the special property tax enacted by this resolution is in excess of the spending limit for the City as calculated in accordance with the provisions of Article XIII B of the California Constitution and applicable statutory provisions, the approval of this special property tax by the voters shall constitute approval to increase the City's spending limit in an amount equal to the revenue derived from the special property tax for the maximum period of time as allowed by law.

Section 15. Submission of Special Tax Measure to Voters.

This special tax measure and corresponding increase in the City's spending limit established by this resolution shall be submitted to the registered voters within the City at an election for their approval or rejection. This special tax shall not become effective unless approved by two-thirds of the registered voters of the City voting thereon.

Section 16. Ballot Title and Question Submitted to the Voters.

The Butte County Registrar of Voters/Elections Official is hereby requested to include the following ballot title and measure, and the relevant voter pamphlet information, as set forth hereinafter, and that the following ballot question, to be numbered and designated by the County of Butte as a City Council proposed ballot measure, is to appear as follows:

Title: Special Property Tax for Stand by Costs of Providing Emergency Room Services in a Critical Access Hospital (Biggs-Gridley Hospital)

Shall a special property tax to fund stand-by costs of providing emergency room services at the Biggs-Gridley Hospital, in the amount \$70 per residential equivalent unit per year for ten years (vacant parcels and parcels without residential units shall not be subject to the tax), as enacted by Biggs Resolution No. 2006-14, and a corresponding increase in the City's spending limit, be approved?

YES _____ NO _____

Section 17. Effective Date of Special Tax and Termination Date.

This special tax shall be deemed established and shall be in effect as of the day following the election, upon certification of the election results evidencing approval by at least two-thirds of the registered voters voting thereon, by the Butte County Board of Supervisors and/or the City Council. The increase in the City spending limit shall be deemed effective beginning in the 2006-2007 fiscal year.

This special tax shall be levied against all taxable real property within the City beginning with the 2006-2007 fiscal year. The tax shall terminate effective July 1, 2017.

Section 18. Use of Special Tax Proceeds.

The proceeds of this tax shall be deposited in a special fund, maintained by the City, which proceeds, together with any interest and penalties thereon, collected each fiscal year (collectively, the "Tax Proceeds,"), shall be used for stand by costs of providing emergency room services in a critical access hospital (Biggs-Gridley Hospital). The City may transfer the Tax Proceeds to another public entity and/or to a private entity for the same purpose. The City shall direct and oversee the expenditure of the Tax Proceeds.

Section 19. Collection of Special Property Tax.

Unless otherwise ordered pursuant to a resolution adopted by the Council, the special property tax shall annually be collected on the County of Butte property tax bill in the same manner and subject to the same penalties as the county property taxes are collected. The City shall annually take such steps as are necessary to have the special property tax collected through the property tax bill and shall coordinate with the County Auditor and Tax Collector in this regard. The County shall be entitled to deduct its reasonable costs incurred in collecting the special tax before the balance of the tax is remitted to the City.

As an alternative to the collection of the special tax through the property tax roll, the Council may direct that the special tax be separately and individually billed to each property owner whose property is subject to payment of the special tax. If billed in this manner, the special tax shall be due and payable within 45 days of the date of the mailing of the bill. Failure to pay the special tax within the 45 days shall result in the automatic imposition of a ten percent (10%) late penalty and thereafter, the balance unpaid, including the penalty and interest, shall accrue interest at the rate of one percent (1%) per month until paid in full.

If the special tax is billed in this alternative manner, the special tax shall constitute a lien against the real property as of January 1st of each year, and any unpaid taxes may be collected on the County property tax bill in the following year.

Section 20. Validation Pursuant to CCP Section 860 et. seq.

Pursuant to the provisions of Government Code Section 50077.5, any judicial action or proceeding to attack, review, set aside, void or annul this resolution and/or the approval of the subject special tax and/or increase in the spending limitation pertaining to the special tax shall be commenced, if at all, within 60 days of the date of the adoption hereof.

I HEREBY CERTIFY that the foregoing **RESOLUTION** was duly introduced, passed and adopted by the following roll call vote, at a regular meeting of the City Council of the City of Biggs, held on the 17th of July, 2006, by the following vote:

AYES: COUNCILMEMBER Waters, Thebach, Busch & Frith

NOES: COUNCILMEMBER David

ABSENT: COUNCILMEMBER _____

ABSTAIN: COUNCILMEMBER _____

ATTEST:

APPROVED:

Deanna Carbajal
City Clerk

John Busch
Mayor