

**TULARE LOCAL HEALTH CARE DISTRICT**

**RESOLUTION NO. 848**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE TULARE  
LOCAL HEALTH CARE DISTRICT CALLING FOR AN ELECTION  
TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION  
BONDS AND CERTAIN RELATED MATTERS**

WHEREAS, in accordance with the provisions of Section 32300 of the California Health and Safety Code (the "Health and Safety Code"), in the judgment of the Board of Directors (the "Board") of the Tulare Local Health Care District (the "District"), the financing and refinancing of the acquisition, construction, alteration and renovation of certain property and structures necessary for the purposes of the District reasonably requires an expenditure in excess of existing funds and in excess of an amount which can be reasonably raised by the regular annual assessment of the District and, in the opinion of the Board, a special assessment would be inadvisable;

WHEREAS, the Board is specifically authorized to call an election to submit to the electors of the District the question whether bonds of the District shall be issued and sold for the purpose of raising money for the purposes hereinafter specified pursuant to Section 32302 of the Health and Safety Code;

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 TULARE LOCAL HEALTH CARE DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

*Section 1. Recitals.* The Board hereby finds that the above recitals are true and correct.

*Section 2. Call for Election.* Pursuant to Health and Safety Code Sections 32301, 32302 and following and Section 1 of Article XIII A of the California Constitution, a special election shall be held within the boundaries of the District on August 30, 2016, for the purpose of submitting to the registered voters of the District the bond proposition (the "Bond Measure"), the full text of which is contained in Exhibit B attached hereto and incorporated herein.

*Section 3. Approval by the Electorate; Terms of the Bonds.* Pursuant to Section 1 of Article XIII A of the California Constitution and Section 32302 of the Health and Safety Code,

the Bond Measure shall become effective upon the affirmative vote of at least two-thirds of those voters voting on the Bond Measure. If the Bond Measure is approved by the affirmative vote of at least two-thirds of those voters voting on the Bond Measure, bonds authorized hereby, in an aggregate principal amount not exceeding \$55,000,000, shall be issued upon the order of the Board in one or more series and at one or more times as may be necessary and most advantageous to raise money for the purposes set forth herein. The bonds shall bear interest at a rate not exceeding the legal limit (at the current time 12% per annum). The bonds, or any series thereof, shall have a maturity date no later than forty (40) years following the date of issuance of such series (pursuant to the provisions of California Government Code Section 53508 or any law applicable at the time of issuance of such series). Principal of and interest on said bonds shall be paid in accordance with Section 32312 of the Health and Safety Code.

*Section 4. Legal Bonding Limit.* The District hereby directs 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 roll of the County of Tulare ("Tulare County"), as of the time of issuance of any of the bonds authorized hereby, in accordance with Section 32308 of the Health and Safety Code.

*Section 5. Accountability Provisions.*

(a) *No Money For Administrators' Salaries.* The Board shall apply the proceeds from the sale of the bonds authorized by this Bond Measure only for the specific purposes stated in the Bond Measure and costs 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.* In accordance with Section 53410 and Section 53411 of the California Government Code, the Board hereby directs that a separate account shall be established for deposit of proceeds of the sale of bonds authorized by this Bond Measure if this Bond Measure is approved by District voters. For so long as any proceeds of bonds authorized by this Bond Measure 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 Bond 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 Bond 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.

*Section 6. Conduct of All-Mail Ballot Election.*

(a) *Request to County Officers.* The Tulare County Registrar of Voters (the

"Registrar of Voters") is hereby requested to take all steps necessary to call and hold an all-mail ballot election which is hereby specifically authorized by the Board in accordance with Section 4000 of the California Elections Code (the "Elections Code"), such all-mail ballot election to be held on August 30, 2016 in accordance with the Elections Code, including Section 4108 of the Elections Code, and the specifications set forth herein, including the specifications set forth in Section 8 hereof relating to the Tax Rate Statement.

(b) Abbreviation of Ballot Measure. Pursuant to Section 13247 of the Elections Code, the Board hereby directs the Registrar of Voters to use the abbreviation of the Ballot Measure contained in Exhibit A attached hereto and incorporated herein on the ballot.

(c) Voter Pamphlet. The Board hereby directs the Registrar of Voters to reprint the full text of the Ballot Measure as set forth in Exhibit B attached hereto and incorporated herein in the voter information pamphlet to be distributed to voters pursuant to Section 13307 of the Elections Code. In the event the full text of the Ballot Measure is not reprinted in its entirety, the Registrar of Voters is hereby requested to print, immediately below the impartial analysis of the Ballot Measure, in no less than 10-point boldface type, a legend substantially as follows:

"The above statement is an impartial analysis of Measure \_\_\_. If you desire a copy of the Bond Measure, please call the Tulare County Registrar of Voters at (phone number) and a copy will be mailed to you at no cost."

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

Section 7. Delivery of Election Order. The Secretary of the Board is hereby directed to file (or cause to be filed) a certified copy of this Resolution no later than the close of business on May 2, 2016, with the Registrar of Voters and with the Clerk of the Tulare County Board of Supervisors.

Section 8. Tax Rate Statement. The Chief Executive Officer of the District (the "Chief Executive Officer") is authorized to prepare or cause to be prepared a tax rate statement (the "Tax Rate Statement") in substantially the form attached hereto as Exhibit C. The Tax Rate Statement shall be transmitted to the Registrar of Voters in accordance with Elections Code Sections 9400 through 9404 no later than the date specified above for delivery of the certified copy of this Resolution to the Registrar of Voters. The Registrar of Voters is hereby requested to include the Tax Rate Statement in all official publications pertaining to the Ballot Measure pursuant to the terms of Section 9402 of the Elections Code and the District shall cause the information required by Elections Code Sections 9400 through 9404 to be printed in all official materials relating to the bond election, including any ballot pamphlet prepared, sponsored or distributed by the District or financed in whole or in part by the District.

Section 9. Impartial Analysis. The Tulare County Counsel is hereby requested to prepare the impartial analysis of the Ballot Measure in accordance with Section 9160 of the Elections Code and transmit it to the Registrar of Voters.

Section 10. Ballot Argument. Any and all members of the Board, the Chief Executive Officer and the Chief Financial Officer 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.

Section 11. Further Authorization.

(a) 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 Health and Safety Code, the California Elections Code or the Registrar of Voters.

(b) The members of this Board, the Chief Executive Officer, Chief Financial Officer and the other officers of the District are hereby authorized and directed, individually and collectively, to do any and all things that they deem necessary or advisable in order to effectuate the purposes of this Resolution.

Section 12. Effective Date. This Resolution shall take effect immediately on and after its adoption.

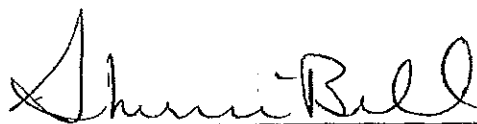
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PASSED AND ADOPTED this 2nd day of May, 2016, by the following vote:

AYES: 5

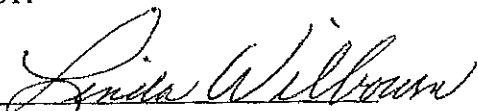
NAYS: 0

ABSENT: 0



\_\_\_\_\_  
Sherrie Bell  
President, Board of Directors  
Tulare Local Health Care District

ATTEST:



\_\_\_\_\_  
Secretary, Board of Directors  
Tulare Local Health Care District

CERTIFICATION

I, Linda Wilbourn, Secretary of the Board of Directors of Tulare Local Health Care District, Tulare County, California, do hereby certify that the foregoing is a full, true and correct copy of Resolution No. 848 passed and adopted by said Board of Directors at a meeting held on the 2nd day of May, 2016, and that the minutes of said Board of Directors show that FIVE (5) members of said Board voted for, and ZERO (0) members of said Board voted against, the adoption of said Resolution (with ZERO (0) member absent), and the said Resolution is now inserted into the minutes of said Board.

Linda Wilbourn  
Secretary of the Board of Directors Tulare Local Health Care District

**EXHIBIT A**

**BALLOT MEASURE**

To pay for the District's capital improvement projects that includes completion of Tower One, including earthquake compliant expanded Emergency Department space, labor and delivery suites, and refinancing outstanding debt related to construction, shall the Tulare Local Healthcare District issue \$55,000,000 in bonds, with 100% of the bond proceeds being used for construction-related costs and with no bond proceeds being used for hospital administrative costs or to refinance any debt supporting hospital operational costs?

## EXHIBIT B

### FULL TEXT BALLOT MEASURE

The following is the full ballot text of the measure to be presented to the voters by Tulare Local Health Care District in the ballot pamphlet:

To pay for the District's capital improvement projects that includes completion of Tower One, including earthquake compliant expanded Emergency Department space, labor and delivery suites, and refinancing outstanding debt related to construction, shall the Tulare Local Healthcare District issue \$55,000,000 in bonds, with 100% of the bond proceeds being used for construction-related costs and with no bond proceeds being used for hospital administrative costs or to refinance any debt supporting hospital operational costs?

**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 the purposes stated above and the cost of the issuance of the bonds, and not for any other purpose, including staff and administrator salaries and other operating expenses.

**All funds stay local for the benefit of Tulare Local Health Care District Facilities.** All bond proceeds shall be used by the Tulare Local Health Care District 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.

## EXHIBIT C

### TAX RATE STATEMENT REGARDING PROPOSED \$55,000,000 TULARE LOCAL HEALTH CARE DISTRICT GENERAL OBLIGATION BONDS

An election will be held in the Tulare Local Health Care District (the "District") on August 30, 2016, to authorize the sale of not to exceed \$55,000,000 in bonds of the District to finance hospital facilities as described in the ballot measure. If the bonds are approved, the District expects to sell the bonds in three series (but may issue the bonds in more than or fewer than three 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 the bonds during the first fiscal year after the first sale of the bonds based on estimated assessed valuations available at the time of filing of this statement, is \$27.38 per \$100,000 of assessed valuation in Fiscal Year 2017-2018.
- (2) The best estimate of the tax rate that would be required to be levied to fund the bonds during the first fiscal year after the last sale of the bonds, based on estimated assessed valuations available at the time of filing of this statement, is \$27.38 per \$100,000 of assessed valuation in Fiscal Year 2017-2018.
- (3) The best estimate of the highest tax rate that would be required to be levied to fund the bonds, based on estimated assessed valuations available at the time of filing of this statement, is \$51.97 per \$100,000 of assessed valuation in Fiscal Year 2018-2019.
- (4) The best estimate of the average tax rate which would be required to be levied to fund the bonds during the life of the bonds, based on estimated assessed valuations available at the time of filing of this statement, is \$29.88 per \$100,000 of assessed valuation.
- (5) The best estimate of the total debt service, including the principal and interest, that would be required to be repaid if all the bonds are issued and sold is \$114,638,500. This estimates is based on assumptions regarding future interest rates and the term, timing, structure and amount of each series of bonds.

Voters should note that such estimated tax rates are specific to the repayment of bonds issued under this authorization and are and will be in addition to tax rates levied in connection with other bond authorizations approved or to be approved by the District or any other overlapping public agency.

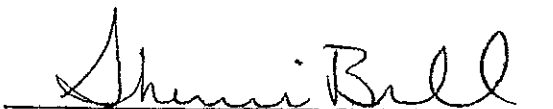
Voters should also note that estimated tax rate is based on the ASSESSED VALUE of taxable property on Tulare County's official tax rolls, not on the property's market value. Property owners should consult their own property tax bills to determine their property's assessed value and any applicable tax exemptions.



Attention of all voters is directed to the fact that the foregoing information is based upon 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 bond sales, the amount of bonds sold and market interest rates at the time of each sale, and actual assessed valuations over the term of repayment of the bonds. The dates of sale and the amount of bonds sold at any given time will be determined by the District based on need for construction funds and other factors. The actual interest rates at which the bonds will be sold will depend on the bond market at the time of each sale. Actual future assessed valuation will depend upon the amount and value of taxable property within the District as determined by the Tulare County Assessor in the annual assessment and the equalization process.

This Tax Rate Statement has been prepared by and is submitted pursuant to direction of the Board of Directors of the District.

Dated: May 2, 2016

A handwritten signature in cursive script that reads "Sherrie Bell". The signature is written in black ink and is positioned above a horizontal line.

Sherrie Bell  
President, Board of Directors  
Tulare Local Health Care District