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## **Questions & Answers: Measure N Discussed in Webinar**

*Voters will determine fate of sales tax measure this November*

By Matt Johnson, Assistant Editor | September 17, 2020 | Reprinted with Permission



John C. Fremont Hospital officials recently discussed their reasoning for voters to pass a sales tax measure to help construct a new building. Submitted photo

Mariposa County citizens are going to be hearing about Measure N a lot over the next several weeks as the John C. Fremont Healthcare District ramps up its campaign related to the measure.

Measure N is the 1 percent sales tax increase proposed for Mariposa County, which, if implemented, would benefit John C. Fremont Hospital.

Xav Dubois, an executive board member for the Mariposa Chamber of Commerce, hosted a Facebook webinar last Wednesday, as the Chamber decided to host the webinar to inform the community more about Measure N.

Joining Dubois on the Zoom call were JCF Chief Executive Officer Matthew Matthiessen, along with three committee members from Mariposans for a Healthier Future — which is a formal campaign committee that has formed by volunteers to promote Measure N — including Roger Biery and Jon Wurl.

“There is a state law, a regulation that requires that all hospitals in the state of California meet current seismic regulations by Jan. 1 of 2030,” said Matthiessen. “That regulation is SB1953.”

Matthiessen said those hospitals not meeting that regulation by the beginning of 2030 will be closed and their licenses will be revoked.

“It’s a necessary thing, regardless of if we are in a serious earthquake zone or not. It’s a broad regulation that applies to all hospitals,” Matthiessen said. “Building a hospital is a lengthy process, so it will take a few years, so we need to get started on it sooner rather than later.”

Matthiessen said hospital officials considered another option, and that was a property tax, or a parcel tax increase. “The fact of the matter is a property tax would apply to residents only, so 100 percent of the cost of a new hospital would be borne by residents. By doing a sales tax, a quarter to a third of the cost of a hospital would be borne by tourism.

“It seemed to be the best option, the most attractive option for the people who live here who will be in most need of the services of that hospital,” he said.

Matthiessen then gave some context of what a 1 percent sales tax increase could mean to the average county citizen.

“A large portion, if not most of this 1 percent, will be raised through restaurants, so meals and eating out. Not through a grocery store, because there is no sales tax there. So it’ll be a restaurant, and gas. With gasoline at about \$3 a gallon right now locally, the cost increase there would be three cents,” Matthiessen said. “So if you filled up and had a 15 gallon fill-up, you’d be looking at 45 cents. If you fill up every week of the year, you’re talking about an additional \$25 a year.”

Throughout the Zoom call, questions were fielded from those who tuned in.

One question was where people would go in the case of emergencies, if there was no hospital in Mariposa.

“The issue there is the next nearest emergency room, which is down in Merced,” Matthiessen said, noting that could take some people an hour to get there, depending on where in Mariposa County they live in.

Matthiessen was asked by a wilderness first responder how many wilderness emergencies come through JCF.

“I don’t know the number, but it depends on the severity whether they come to us or not. The truly critical, our helicopter will fly them to whatever critical emergency room is closest, whether that be Modesto, or sometimes Fresno or even sometimes we fly to San Francisco,” he said. “The

most critical will not come here. The others — the less critical — will come to us. Sometimes that means we stabilize the patient and then transfer them out, but stabilizing is part of that live-saving care.”

One Facebook user typed into the chat box, “No more taxes, period.” Dubois asked how the others on the call how they would address that sentiment.

“Every single dime makes a difference for people right now,” Dubois said. “If you’re feeling taxed out of control as a citizen, how would you respond?”

Biery said he is in favor of the sales tax increase because a “large capital expenditure like a brand new hospital is just something that could not come out of ordinary” operating revenues.

“It’s just impossible. A lot of hospitals get built by mega-donors or philanthropic organizations that can raise hundreds of millions of dollars to build hospitals,” Biery added. “A sales tax is a way to get tourists to help us pay for this hospital, because they consume a lot of meals and buy a lot of souvenirs here.”

Biery also said the “other thing we looked at” was how burdensome an 8.75 percent sales tax would be, which is what the total will be if the sales tax increase goes into effect.

“Some two-thirds of Californians are already paying that or more, in fact, 25 percent of Californians are paying over 10 percent in sales tax,” Biery said. “While it’s higher than what we’re paying now, and it’s higher than some neighboring communities, we are a relatively small community and we have a relatively small hospital. To rebuild that is going to take a relatively large amount of money, compared to our size. So an additional 1 percent sales tax, to me, seems quite reasonable and is very much in line with what other Californians are paying for various causes.”

One user asked where they can view a rendering of the new hospital.

“People should at least see what they’re voting for,” the user said.

Biery said the first step is getting the bond measure passed, and once it is passed, a public process will take place in which people can provide input throughout.

He said “design is part of the construction process.”

“In order to secure a bond, the amount of the bond and duration of it — those factors — will determine what is possible to afford in a hospital. So there are numerous variables to take into account, and that process, as you can imagine, is also very expensive. But it’s a chance to control the cost throughout the entire project. The approach the John C. Fremont Healthcare District wants to take, is once the funds can be secured, hopefully with the passage of Measure N, then the process will begin to engage the architect, who will work hand in hand with the builder, who will work hand in hand interviewing folks at the hospital and in the community about what our needs are. They’ll start to put together preliminary plans of what the new hospital will entail, and those plans will also include repurposing existing facilities. The existing hospital could be repurposed into many different facilities, for example expansion of the clinic or Ewing Wing. It will all be part of one large project.”

Matthiessen said construction would be based ultimately on what would provide the most “effective delivery of care, at the lowest cost.”

Matthiessen was asked exactly what the Measure N sales tax revenue would go toward.

“We are projecting that to be about \$2.6 million a year. One-hundred percent of that amount will go toward the construction of the hospital,” he said.

Matthiessen was asked whether a new hospital would have increased services or new opportunities for different types of services, or whether it would remain basically the same it is now.

“There is the possibility of expanding the services in a very limited basis. To build a grand structure that incorporates all services would cost far more than a 1 percent sales tax. We have to keep that in mind. Ultimately, we’re limited in the dollars we have to put into this process. The goal is to take the services we provide right now and make sure we are able to continue those, with some slight growth in anticipation of population growth, and additional need for the care we can provide,” Matthiessen said.

One example of that, Matthiessen said, was the current emergency room only has four beds.

“There needs to be some expansion to deliver the appropriate care that this community needs in the 2020s, rather than the way it was delivered in the 1950s and 60s. I will say that all of our inpatient rooms are shared rooms. There are two beds in every room. The care of inpatient services is delivered more in a private room situation. There would be more of an attention to that, of giving a patient more privacy when they are admitted as an inpatient to the hospital,” Matthiessen said.

Matthiessen also stressed that “we don’t have to build everything new; we just have to build those things the state of California has defined as a hospital.” He said the current structure could be repurposed and given a “face lift,” and it could continue to be used, while hopefully building a new building adjacent to it, with a corridor connecting the two, so it feels as though it’s one continuous structure.

Matthiessen was asked if citizens would be taxed more in the next few years, if the cost of the hospital is more than originally budgeted.

“That’s not the plan at this point, because what we’re going to try to do is design and build a hospital that fits the budget we have,” Matthiessen said. “One percent will give us about a \$40 million construction budget. A hospital that delivers the services in the way I just described will probably be a little more expensive than that. The goal will be, how do we cover that gap, and the plan would be to do that through donations, through grants and some operations, although we’re limited to what we can contribute to that operationally.”

Biery was asked if there is a cap, or “sunset” on the measure.

“There is no sunset clause currently in Measure N. There is the provision for voters to terminate the 1 percent sales tax at some point in the future, when the bond is paid off,” Biery said. “We

don't know what the term of the bond will be. ... The longer the term, the greater the amount of funding to build the hospital. That is why there was no sunset put in it, to give the district the flexibility to choose a term on the bond that would meet its needs. At some point in the future, the board of supervisors, once the bond is paid off, there will be the opportunity to terminate this additional 1 percent sales tax, by a vote of the populous."

Matthiessen was asked if there were state or federal matching funds available.

"No. It's an unfunded mandate by the state of California, so we have to do this on our own, there is no assistance for it," Matthiessen said.

Biery called it "unfair to rural communities" like Mariposa.

"These standards are designed to meet the needs of metropolitan areas like San Francisco or Los Angeles that are major seismic zones," he said. "It's a one-size-fits-all mandate."

Biery said the district has tried to get "relief" from this and to possibly be granted an exemption.

"There is an attempt right now to maybe extend the deadline we have to meet," Biery said. "That is a double-edged sword because the longer you wait to build, the more the costs are, and it would be inevitable that we'd need to build a hospital."

Another user asked what the economic implications of not having a hospital in Mariposa would be.

"I think it would be devastating for the community," Biery said.

Biery said he believed a lot of citizens would move away from a community in which they can't receive the proper care they need.

"If people start to move, it would have an adverse impact on local businesses and on property values," he said.

Matthiessen said that normally, the district pays out roughly \$1 million a month in salaries and wages.

"A lot of that money stays in the local community and is spent locally on goods and services," he said.

He said another \$1.5 million a year is spent in "directly purchased goods and services" from local businesses.

"All of that money would go away," Matthiessen said.

The next question was whether Mariposa could operate with only an emergency room, rather than constructing a new hospital.

“The state of California law right now does not allow for a free-standing emergency room. It must be attached to a hospital. So just building an emergency room is not an option for us. We have to build an emergency room with an attached hospital to it,” Matthiessen said.

A recording of the webinar can be watched on the Mariposa County Chamber of Commerce Facebook page. Dubois said another, similar webinar would be held in October.

For more information on Measure N or to ask additional questions, visit [YesOnMeasureN.org](http://YesOnMeasureN.org).

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