

ADDENDUM B

PUBLIC NOTICE

The Board of Directors of Palomar Pomerado Health will establish its Appropriations Limit for the 2006/2007 fiscal year at its regularly scheduled meeting to be held at 6:30 P.M. on August 14, 2006, in the Graybill Auditorium of Palomar Medical Center, 555 East Valley Parkway, Escondido, California 92025. This Appropriations Limit is for the unrestricted appropriations and is in no way related to the appropriations for the 2005 General Obligation Bonds. The documentation used in the determination of the Appropriations Limit is available to the public at the office of the President and Chief Executive Officer, 15255 Innovation Drive, San Diego, California 92128.

DATED: _____

7/18/06

PALOMAR POMERADO HEALTH
A California Health Care District

BY: _____

Michael H. Covert
Michael H. Covert
Chief Executive Officer

NARRATIVE ON THE RECENT HISTORY OF TAXATION

Palomar Pomerado Health has two types of property taxes available as follows:

SPECIAL ASSESSMENT FOR GENERAL OBLIGATION BONDS

The taxes necessary to pay the interest and principal for the 1966 Series A and 1966 Series B Palomar Memorial Hospital General Obligation Bonds that were approved by a two thirds majority of the voters prior to 1978. These tax revenues were exempt from the provisions of Proposition No. 13 and they were restricted for this specific purpose. The final payment on these bonds was made on May 1, 1998.

The taxes necessary to pay the interest and principal for Election of 2004, Series 2005A Palomar Pomerado Health General Obligation Bonds that were approved by a two thirds majority of the voters in November, 2004. These tax revenues are restricted for the specific purpose of the election campaign of 2004.

OTHER PROPERTY TAXES

A tax equal to 1% of the full cash value of property is levied each fiscal year by the county and distributed to governmental agencies within the county according to a formula mandated by the state legislature. (California Constitution Article XIII(A); Revenue and Taxation Code Section 97). The state legislature and the county place no restrictions on the tax monies granted to local government agencies, such as Palomar Pomerado Health. (Part 0.5, Division 1 of the Revenue and Taxation Code.) Since these tax revenues are unrestricted, it is not necessary to inform the public regarding the intended use of the funds.

The following is a schedule reflecting our total tax revenues by fiscal year for the past twenty-nine years.

Fiscal Year	Total Received Cash Basis	Restricted for Bond Interest & Principal	Unrestricted	From Prior Year (Unrestricted) Increase (Decrease)	
				\$	%
1977/78	\$2,460,384	\$445,211	\$2,015,173	-----	-----
1978/79	1,513,554	518,736	994,818	(1,020,355)	-50.63%
1979/80	1,621,350	428,585	1,192,765	\$197,947	19.90%
1980/81	1,914,882	458,941	1,455,941	263,176	22.06%
1981/82	2,157,298	425,948	1,731,350	275,409	18.92%
1982/83	2,245,799	431,669	1,814,130	82,780	4.78%
1983/84	2,453,236	454,544	1,998,692	184,562	10.17%
1984/85	2,618,899	429,139	2,189,760	191,068	9.56%
1985/86	2,922,025	400,336	2,521,689	331,929	15.16%
1986/87	3,325,080	476,027	2,849,053	327,364	12.98%
1987/88	3,590,335	415,348	3,174,987	325,934	11.44%
1988/89	4,009,992	389,724	3,620,268	445,281	14.02%
1989/90	4,644,106	451,969	4,192,137	571,869	15.80%
1990/91	4,898,609	404,912	4,493,697	301,560	7.19%
1991/92	5,305,810	435,226	4,870,584	376,887	8.39%
1992/93	5,230,679	455,415	4,775,264	(95,320)	-1.96%
1993/94	5,405,901	429,917	4,975,984	200,720	4.20%
1994/95	5,589,446	422,427	5,167,019	191,035	3.84%
1995/96	5,604,306	452,813	5,151,493	(15,526)	-0.30%
1996/97	5,641,183	473,160	5,168,023	16,530	0.32%
1997/98	5,862,721	358,706	5,504,015	335,992	6.50%
1998/99	5,915,399	0	5,915,399	411,384	7.47%
1999/00	6,432,482	0	6,432,482	517,083	8.74%
2000/01	7,061,136	0	7,061,136	628,654	9.77%
2001/02	7,693,200	0	7,693,200	632,064	8.95%
2002/03	8,391,961	0	8,391,961	698,761	9.08%
2003/04	9,077,863	0	9,077,863	685,902	8.17%
2004/05	10,180,831	0	10,180,831	1,102,968	12.15%
2005/06	20,853,221	9,303,843	11,549,378	1,368,547	13.44%

RESOLUTION OF THE BOARD OF DIRECTORS OF
PALOMAR POMERADO HEALTH
ESTABLISHING APPROPRIATIONS LIMIT OF THE DISTRICT
FOR THE FISCAL YEAR JULY 1, 2006 - JUNE 30, 2007
PURSUANT TO ARTICLE XIII(B) OF THE CALIFORNIA CONSTITUTION

WHEREAS, Government Code Section 7910 requires that each year the Board of Directors of this District shall, by resolution, establish the District's appropriations limit for the following fiscal year pursuant to Article XIII (B) of the California Constitution; and

WHEREAS, for not less than fifteen days prior to this meeting the documentation attached hereto as Exhibit "A" used in the determination of the appropriations limit has been available to the public in accordance with Government Code 7910.

NOW THEREFORE, IT IS HEREBY RESOLVED by the Board of Directors as follows:

Section 1. The appropriations limit of Palomar Pomerado Health for fiscal July 1, 2006 - June 30, 2007, pursuant to Article XIII(B) of the California Constitution is hereby established at \$43,610,897.

Section 2. This resolution is effective immediately upon its adoption by the Board of Directors.

PASSED AND ADOPTED at the meeting of the Board of Directors of Palomar Pomerado Health, held August 14, 2006, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAINING:

ATTEST:

Chairperson

Secretary

EXHIBIT "A"

PALOMAR POMERADO HEALTH
APPROPRIATIONS LIMIT
2006/2007

2005/2006 APPROPRIATIONS LIMIT			<u>\$41,313,462</u>
PRICE FACTOR		3.96%	
-- OR --			
CHANGE IN LOCAL ASSESSMENT ROLL DUE TO NON-RESIDENTIAL CONSTRUCTION		3.01%	<u>1.0396</u>
-- AND --			
POPULATION FACTOR		1.54%	<u>1.0154</u>
CALCULATION OF FACTOR FOR FY 2006/07		1.0396 x 1.0154	= 1.0556
		\$41,313,462 x 1.0556	= <u>\$43,610,897</u>
2006/2007 APPROPRIATIONS LIMIT			<u><u>\$43,610,897</u></u>