

Board of Commissioner's Meeting

November 18, 2020

Superintendent's Report

Sea Mar Meeting on Marketing and an Operations Update

Tom, Wendy and I had a call this week with Jesus and Mike from Sea Mar to discuss our desire to set aside budget dollars to help fund some of the clinic's marketing efforts. It was agreed that Sea Mar will develop bios on all four of their providers with photos and we will buy advertising in the Beachcomber for those bios. The same provider information will be used on our website and for social media.

Sea Mar updated on their Vashon providers. Dr. Tom Erdman has been hired by Sea Mar to be their 3rd physician. He will start by early December and will be full-time. Drs. Hans Petersen and Wesch are considered .9 FTE providers. Berdette Rooney, ARNP, will be at the clinic at about a .6 FTE position. Regarding staff, Karina Deustch has been retained in a position that includes x-ray tech. They have a temporary lab tech there from one of their other clinics, but have a MLT interested in the permanent position from one of their other clinics who plans to move to Vashon.

Legislative Capital Dollars

I received a call from Dustin at Sea Mar and he reported that they had received a call from the State Dept of Commerce asking about the \$3 million capital dollars and asking if that would be going away. Sea Mar reinforced that we still wanted it. I will call the Dept. of Commerce this week to make sure they understand what we want done with those dollars. I indicated to Dustin we were interested in transferring the dollars to the District.

Vashon Health Care District – 2021 Projected Budget, Cash and Debt

As a follow-up to the discussion at the Budget and Levy Hearing on Nov. 4, I have included a comparison of the 2021 District Budget presented at that meeting to three alternatives. The three alternative budget scenarios all assume we begin debt repayment in 2021 based on a newly structured loan with two interest payments and one principle payment per year. In one scenario there is a 5-year repayment and in the other two a 7-year repayment.

There are adjustments in expenses in each of these budgets to do the following: 1) add in salary and payroll taxes for the Admin Director position to continue; 2) adjustment of the website hosting expense; 3) addition of marketing dollars for advertising and social media; and 4) a reduction in phone and internet expense. The net impact is an increase of \$15,043 in annual expenses.

All three of the scenarios adds in the additional borrowing that we expect to need which shows up as loan revenue. Tax revenue in two of the budget scenarios is the same and based on a levy rate of \$.548 and assessed value of \$3.308 billion. The other scenario assumes a levy rate of \$.588, or an additional 4 cents per thousand assessed valuation. This would generate approximately \$132,000 in additional tax revenue in 2021. In all of these scenarios, the timing of tax receipts is spread out from February through June of 2021 based on previous assumptions. The two loan repayment scenarios with no additional tax revenue, result in a lower cash balance at the end of 2021 and may not be sufficient to cover the 1st Quarter 2022 negative cash flow. The Scenario 1, which uses a levy rate of \$.588, yields a year-end cash balance of \$422,934 and should allow the District to establish a small reserve fund beginning in 2022.

Committee Reports

Finance

Voucher Approval – We are including a document for approval of VHCD vouchers. This one includes the last 3 months.

Payroll Approval - We also have a report off of Gusto that we will provide to approve payroll expenses. This report is retroactive to June.

Admin Director Position – After discussion with several commissioners and Jojo, I have included this position in the budget at 24 hours per month for handling payroll, board meetings, board minutes, etc.

New Business

Committee Structure

This agenda item is to introduce the topic of revising our committee structure. I would like to suggest that we consider two committees – Finance and Operations & Administration.

**Vashon Health Care District
2021 Alternative Budget Scenarios**

Budget Category	Budget Nov. 11 \$548/1000 No Debt Service	Debt Repayment Scenario 1 = \$588/1000 7 Years	Scenario 1 Variance from Nov 11 Budget	Debt Repayment Scenario 2 = \$548/1000 7 Years	Scenario 2 Variance from Nov 11 Budget	Debt Repayment Scenario 3 = \$548/1000 5 Years	Scenario 3 Variance from Nov 11 Budget	Assumptions
Revenue								
Property Tax Revenue	\$ 1,812,845.92	\$ 1,945,170.44	\$132,324.52	\$ 1,812,845.92	\$0.00	\$ 1,812,845.92	\$0.00	Tax Revenue based on \$3.308 Billion AV
Medicaid Transformation Project	\$ 1,000.00	\$ 1,000.00	\$0.00	\$ 1,000.00	\$0.00	\$ 1,000.00	\$0.00	Money available by virtue of AWP/PHD membership
Loan		\$275,000.00	\$275,000.00	\$275,000.00	\$275,000.00	\$275,000.00	\$275,000.00	Borrowing in 2021
Lease Revenue	\$ 88,092.00	\$ 88,092.00	\$0.00	\$ 88,092.00	\$0.00	\$ 88,092.00	\$0.00	Payments by Sea Mar as sublessor
Donations	\$ 25,000.00	\$ 25,000.00	\$0.00	\$ 25,000.00	\$0.00	\$ 25,000.00	\$0.00	
Total Revenue	\$ 1,926,937.92	\$ 2,334,262.44	\$ 407,324.52	\$ 2,201,937.92	\$275,000.00	\$ 2,201,937.92	\$275,000.00	
Expenses								
Salaries and Benefits								
Superintendent Salary	\$76,000.00	\$76,000.00	\$0.00	\$76,000.00	\$0.00	\$76,000.00	\$0.00	Base salary
Admin Director	\$0.00	\$7,920.00	\$7,920.00	\$7,920.00	\$7,920.00	\$7,920.00	\$7,920.00	
Commissioner Compensation	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	Commissioner compensation is set by the State Legislature at \$128 per day, up to \$12,288 per year per commissioner, unless the commissioner declines compensation.
Medical Benefit Allowance	\$7,800.00	\$7,800.00	\$0.00	\$7,800.00	\$0.00	\$7,800.00	\$0.00	Allowance for medical insurance
Employer FICA/Medicare	\$5,814.00	\$6,419.88	\$605.88	\$6,419.88	\$605.88	\$6,419.88	\$605.88	Social Security and Medicare Tax
FUTA/W L&I/W ES	\$900.00	\$1,216.84	\$316.84	\$1,216.84	\$316.84	\$1,216.84	\$316.84	Other payroll taxes
Services								
Accounting/Bookkeeping	\$3,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	
Legal	\$12,000.00	\$12,000.00	\$0.00	\$12,000.00	\$0.00	\$12,000.00	\$0.00	
Website	\$2,400.00	\$200.00	(\$2,200.00)	\$200.00	-\$2,200.00	\$200.00	(\$2,200.00)	
Advertising and Social Media	\$0.00	\$9,600.00	\$9,600.00	\$9,600.00	\$9,600.00	\$9,600.00	\$9,600.00	
General Liability/D&O	\$3,300.00	\$3,300.00	\$0.00	\$3,300.00	\$0.00	\$3,300.00	\$0.00	District Insurance through Enduris
AWPHD	\$1,000.00	\$1,000.00	\$0.00	\$1,000.00	\$0.00	\$1,000.00	\$0.00	Association Membership
Travel	\$1,200.00	\$1,200.00	\$0.00	\$1,200.00	\$0.00	\$1,200.00	\$0.00	Mostly mileage and ferry fares
Office								
Rent	\$88,092.00	\$88,092.00	\$0.00	\$88,092.00	\$0.00	\$88,092.00	\$0.00	Payments to Sunrise Ridge for clinic building lease
Tech support	\$3,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	
Phone/internet	\$1,200.00	\$0.00	(\$1,200.00)	\$0.00	-\$1,200.00	\$0.00	(\$1,200.00)	
Office Supplies	\$1,000.00	\$1,000.00	\$0.00	\$1,000.00	\$0.00	\$1,000.00	\$0.00	
Admin Expense - Total	\$206,706.00	\$221,748.72	\$15,042.72	\$221,748.72	\$15,042.72	\$221,748.72	\$15,042.72	
Clinic services								
Clinic Services Subsidy	\$1,500,000.00	\$1,500,000.00	\$0.00	\$1,500,000.00	\$0.00	\$1,500,000.00	\$0.00	Assumed to be paid out at \$125,000 per month. Subsidy may decline beginning November 2021.
Financing								
Interest Expense	\$20,773.44	\$20,816.69	\$43.25	\$20,816.69	\$43.25	\$20,816.69	\$43.25	
Total Expenses	\$1,727,479.44	\$1,742,565.41	\$15,085.97	\$1,742,565.41	\$15,085.97	\$1,742,565.41	\$15,085.97	
Net Income	\$199,458.48	\$591,697.03	\$392,238.55	\$459,372.51	\$259,914.03	\$459,372.51	\$259,914.03	
Debt Service	\$0.00	\$174,370.09	\$174,370.09	\$174,370.09	\$174,370.09	\$235,798.66	\$235,798.66	Includes one principle payment a year
Year End Cash Balance	\$360,583.11	\$422,934.41	\$62,351.30	\$304,729.89	(\$55,853.22)	\$228,258.59	(\$132,324.52)	Year end cash balance must fund \$-272,281.71 negative cash flow in 1st Qtr 2022
Low Monthly Cash Balance	-\$114.85	\$45,108.32	\$45,223.17	-\$13,525.77	(\$13,410.92)	-\$24,657.12	(\$24,542.27)	Low cash balance after April 2021 tax receipts
Year End Loan Balance	\$1,083,736.45	\$916,754.77	(\$166,981.68)	\$916,754.77	(\$166,981.68)	\$855,326.20	(\$228,410.25)	

**PUBLIC HOSPITAL DISTRICT NO. 5
KING COUNTY, WASHINGTON
RESOLUTION NO. 2020-09**

A resolution of the Board of Commissioners (the “Board”) of Public Hospital District No. 5, King County, Washington (the “District”), approving and adopting the District’s budget and tax levy for calendar year 2021.

WHEREAS, RCW 70.44.060 requires the Superintendent of the District to prepare a proposed budget of the contemplated financial transactions of the District for the ensuing year and to file the budget in the records of the Board on or before the first day in November; and

WHEREAS, RCW 70.44.060 further requires the District to hold a public hearing on the proposed budget on or before fifteen day of November and to publish public notice of the proposed budget and the date and place of a hearing on the budget for two consecutive weeks in a newspaper printed and of general circulation in King County; and

WHEREAS, in compliance with the requirements of RCW 70.44.060, the Superintendent has prepared, filed and provided notice of the District’s proposed 2021 budget, which proposed budget is attached hereto as Exhibit A (the “2021 Legal Budget”); and

WHEREAS, the Board held a public hearing on the 2021 Legal Budget on November 11, 2020, in compliance with the requirements of RCW 70.44.060 and RCW 84.55.120; and

WHEREAS, RCW 84.55.010 and RCW 84.55.092 provide that the levy for a taxing district in any year must be set so that the regular property taxes payable in the following year do not exceed the “limit factor” multiplied by the amount of regular property taxes lawfully levied for such district in the highest of the three most recent years in which such taxes were levied for such district, or the highest amount that could have been levied in any year since 1985, plus an additional dollar amount calculated by multiplying the regular property tax levy rate of that district for the preceding year by the increase in assessed value in that district resulting from: (i) new construction; (ii) increases in assessed value due to construction of wind turbine, solar, biomass, and geothermal facilities, if such facilities generate electricity and the property is not included elsewhere; (iii) improvements to property; and (iv) any increase in the assessed value of state-assessed property; and

WHEREAS, RCW 84.55.035 provides that the limitations imposed by RCW 84.55.010 and RCW 84.55.092 do not apply to the first levy by or for a newly-formed taxing district; and

WHEREAS, the District was formed by vote of the residents of the District held on November 5, 2019, and therefore is a newly-formed taxing district; and

WHEREAS, under RCW 70.44.060(6), the District is authorized to raise revenue by the levy of an annual tax on all taxable property within the District not to exceed fifty cents per thousand dollars of assessed value and an additional annual tax on all taxable property within

such public hospital district not to exceed twenty-five cents per thousand dollars of assessed value; and

WHEREAS, the Board, in the course of considering the budget for calendar year 2021, reviewed all sources of revenues and examined all anticipated expenses and obligations; and

WHEREAS, the Board has met and considered all relevant evidence and testimony presented with respect to its budget for the calendar year 2021; NOW, THEREFORE,

BE IT RESOLVED by the Board of Commissioners of Public Hospital District No. 5, King County, Washington, that:

Section 1. The Commission hereby approves and adopts the 2021 Legal Budget as the budget for the District for calendar year 2021, which budget provides for the collection in calendar year 2021 of a regular property tax levy in the amount of \$_____.

Section 2. The Superintendent is directed to certify to the King County legislative authority, no later than November 30, 2020, a copy of this Resolution showing its adoption.

ADOPTED AND APPROVED by the Board of Commissioners of Public Hospital District No. 5, King County, Washington, at an open public meeting thereof this 18th day of November, 2020, and the following Commissioners being present and voting in favor of the adoption of the resolution.

President and Commissioner

Commissioner

Commissioner

Commissioner

Secretary and Commissioner

EXHIBIT A

Public Hospital District No. 5
King County, Washington

Final Legal Budget
FY 2021

CERTIFICATION

I, the undersigned, Secretary of the Commission of Public Hospital District No. 5, King County, Washington (the "District"), hereby certify as follows:

1. The attached copy of Resolution No.2020-09 (the "Resolution") is a full, true and correct copy of a resolution duly adopted at an open public meeting of the Commission of the District held on November 18, 2020, as that resolution appears on the minute book of the District; and

2. A quorum of the members of the Commission was present throughout the meeting and a majority of those members present voted in the proper manner for the adoption of the Resolution.

IN WITNESS WHEREOF, I have hereunto set my hand this 18th day of November, 2020.

PUBLIC HOSPITAL DISTRICT NO. 5
KING COUNTY, WASHINGTON

Secretary of the Commission



Special District Voucher Approval Document

KC v2.0

Scheduled Payment Date: 11/18/2020
Total Amount: \$6,664.93
Control Total: 2
Payment Method: WARRANT

District Name: Vashon Health Care District
File Name: AP_VHEALTHD_APSUPINV_20201115164310.csv
Fund #: 140050010

CONTACT INFORMATION

Preparer's Name: DONALD WOLFF

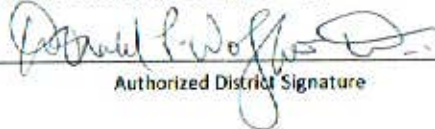
Email Address: don@vashonhealthcare.org

PAYMENT CERTIFICATION

RCW (42.24.080)

I, the undersigned, do hereby certify under penalty of perjury, that the materials have been furnished, the services rendered, the labor performed as described, or that any advance payment is due and payable pursuant to a contract or is available as an option for full or partial fulfillment of a contractual obligation, and that the claim(s) is(are) just, due and unpaid obligation against the above-named governmental unit, that I am authorized to authenticate and certify to said claim(s).

Authorized District Signature(s) for Payment of Claims (Auditing Officer(s) or Board Member(s)):

	<u>11/15/20</u>	_____	_____
Authorized District Signature	Date	Authorized District Signature	Date
_____	_____	_____	_____
Authorized District Signature	Date	Authorized District Signature	Date
_____	_____	_____	_____
Authorized District Signature	Date	Authorized District Signature	Date

SUBMIT SIGNED DOCUMENT TO:

King County Accounts Payable
Attn: Special Districts
401 5th Avenue, Room 323
Seattle, WA 98104

Email: SpecialDist.AP@kingcounty.gov
Fax: (206) 263-3767

KING COUNTY FINANCE USE ONLY:

Batch Processed By: _____

Date Processed: _____



King County

Special District Voucher Approval Document

KC v2.0

District Name: Vashon Health Care District

File Name: AP_VHEALTHD_APSUPINV_20201115164310.csv

Payee (Vendor Name)	Vendor No.	Vendor Site	Invoice No.	Invoice Date	Inv. Amount	Description
LAKE, KENNEDY, MCCULLOCH, CPA			2020-23	11/18/2020	\$202.00	INVOICE 15922
SUNRISE RIDGE HEALTH SERVICES			2020-24	11/18/2020	\$6,462.93	NOVEMBER 9-30 RENT



Special District Voucher Approval Document

Scheduled Payment Date: 10/28/2020
 Total Amount: \$235,000.00
 Control Total: 2
 Payment Method: WARRANT

District Name: Vashon Health Care District
 File Name: AP_VHEALTHD_APSUPINV_20201026130649.csv
 Fund #: 140050010

CONTACT INFORMATION	
Preparer's Name: <u>Donaldo Wolczko</u>	Email Address: <u>don@vashonhealthcare.org</u>

PAYMENT CERTIFICATION		RCW (42.24.080)
<p>I, the undersigned, do hereby certify under penalty of perjury, that the materials have been furnished, the services rendered, the labor performed as described, or that any advance payment is due and payable pursuant to a contract or is available as an option for full or partial fulfillment of a contractual obligation, and that the claim(s) is(are) just, due and unpaid obligation against the above-named governmental unit, that I am authorized to authenticate and certify to said claim(s).</p>		
<p>Authorized District Signature(s) for Payment of Claims (Auditing Officer(s) or Board Member(s)):</p>		
<u>Donaldo Wolczko</u>	<u>10/26/20</u>	
Authorized District Signature	Date	Authorized District Signature
_____	_____	_____
Authorized District Signature	Date	Authorized District Signature
_____	_____	_____
Authorized District Signature	Date	Authorized District Signature
_____	_____	_____

SUBMIT SIGNED DOCUMENT TO:
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 401 5th Avenue, Room 323
 Seattle, WA 98104

Email: SpecialDist.AP@kingcounty.gov
 Fax: (206) 263-3767

KING COUNTY FINANCE USE ONLY:	
Batch Processed By:	_____
Date Processed:	_____



Special District Voucher Approval Document

District Name: Vashon Health Care District

File Name: AP_VHEALTHD_APSUPINV_20201026130649.csv

Payee (Vendor Name)	Vendor No.	Vendor Site	Invoice No.	Invoice Date	Inv. Amount	Description
NEIGHBORCARE HEALTH			2020-021	10/28/2020	\$110,000.00	INVOICE' VS-MIT 2020-10 (4TH OF 4)
SEA MAR COMMUNITY HEALTH CLINICS			2020-022	10/28/2020	\$125,000.00	OCTOBER SUBSIDY PAYMENT



Special District Voucher Approval Document

KC v2.0

Scheduled Payment Date: 10/14/2020
Total Amount: \$326.00
Control Total: 1
Payment Method: WARRANT

District Name: Vashon Health Care District
File Name: AP_VHEALTHD_APSUPINV_20201013071621.csv
Fund #: 140050010

CONTACT INFORMATION

Preparer's Name: DONALD WOLLEKO

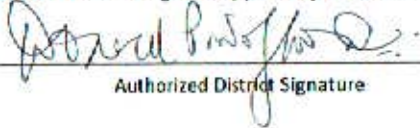
Email Address: don@vashonhealthcare.org

PAYMENT CERTIFICATION

RCW (42.24.080)

I, the undersigned, do hereby certify under penalty of perjury, that the materials have been furnished, the services rendered, the labor performed as described, or that any advance payment is due and payable pursuant to a contract or is available as an option for full or partial fulfillment of a contractual obligation, and that the claim(s) is(are) just, due and unpaid obligation against the above-named governmental unit, that I am authorized to authenticate and certify to said claim(s).

Authorized District Signature(s) for Payment of Claims (Auditing Officer(s) or Board Member(s)):

	<u>10/13/20</u>		
Authorized District Signature	Date	Authorized District Signature	Date
Authorized District Signature	Date	Authorized District Signature	Date
Authorized District Signature	Date	Authorized District Signature	Date

SUBMIT SIGNED DOCUMENT TO:

King County Accounts Payable
Attn: Special Districts
401 5th Avenue, Room 323
Seattle, WA 98104

Email: SpecialDist.AP@kingcounty.gov
Fax: (206) 263-3767

KING COUNTY FINANCE USE ONLY:

Batch Processed By: _____

Date Processed: _____



King County

Special District Voucher Approval Document

KC v2.0

District Name: Vashon Health Care District

File Name: AP_VHEALTHD_APSUPINV_20201013071621.csv

Payee (Vendor Name)	Vendor No.	Vendor Site	Invoice No.	Invoice Date	Inv. Amount	Description
LAKE, KENNEDY, MCCULLOCH, CPA			2020-020	10/13/2020	\$326.00	SEPTEMBER INVOICE

Payroll information

Report created on: 11/18/2020

Payroll type	Pay period end	Gross earnings	Employee taxes	Employer taxes	Net pay	Total employer cost
Regular	06/30/2020	2763.75	417.73	256.21	2346.02	3019.96
Regular	06/30/2020	3459.46	1096.82	310.56	2362.64	3770.02
Regular	07/15/2020	467.5	38.32	43.34	429.18	510.84
Regular	07/15/2020	3167.15	1003.24	284.32	2163.91	3451.47
Regular	07/31/2020	27.5	2.25	2.55	25.25	30.05
Regular	07/31/2020	3167.15	1003.23	284.31	2163.92	3451.46
Regular	08/15/2020	247.5	20.3	22.96	227.2	270.46
Regular	08/15/2020	3167.15	1003.24	284.32	2163.91	3451.47
Regular	08/31/2020	316.25	25.93	29.32	290.32	345.57
Regular	08/31/2020	3167.15	1003.24	284.32	2163.91	3451.47
Regular	09/15/2020	398.75	32.68	36.97	366.07	435.72
Regular	09/15/2020	3167.15	1003.23	284.31	2163.92	3451.46
Regular	09/30/2020	247.5	20.29	22.95	227.21	270.45
Regular	09/30/2020	3167.15	1003.24	284.32	2163.91	3451.47
Tax reconciliation		0.0	0	0.1	0.0	0.1
Tax reconciliation		0.0	0	0.01	0.0	0.01
Tax reconciliation		0.0	0	0.0	0.0	0.0
Tax reconciliation		0.0	0	0.0	0.0	0.0
Tax reconciliation		0.0	0	0.0	0.0	0.0
Tax reconciliation		0.0	0	0.0	0.0	0.0
Regular	10/15/2020	192.5	15.79	17.86	176.71	210.36
Regular	10/15/2020	3167.15	1003.24	284.32	2163.91	3451.47
Regular	10/31/2020	563.75	46.21	52.25	517.54	616.0
Regular	10/31/2020	3167.15	1003.23	284.31	2163.92	3451.46
Regular	11/15/2020	343.75	28.18	31.87	315.57	375.62
Regular	11/15/2020	3167.15	1003.25	284.33	2163.9	3451.48