

**PUBLIC HOSPITAL DISTRICT NO. 5
KING COUNTY, WASHINGTON
RESOLUTION NO. 2020-10**

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 repeals Resolution 2020-09.

Section 2. 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 \$1,879,008.

Section 3. 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 special meeting thereof this 25th 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

Budget Category	Budget Amount	Assumptions
Revenue		
Property Tax Revenue	\$ 1,879,008.18	Tax Revenue based on \$3.308 Billion AV.
Medicaid Transformation Project	\$ 1,000.00	Money available by virtue of AWPHD membership
Loan	\$275,000.00	Borrowing in 2021
Lease Revenue	\$ 88,092.00	Payments by Sea Mar as sublessor
Donations	\$ 25,000.00	
Total Revenue	\$ 2,268,100.18	
Expenses		
Salaries and Benefits		
Superintendent Salary	\$76,000.00	Base salary
Admin Director	\$7,920.00	Hourly employee to support Board, payroll, etc.
Commisisoner Compensation	\$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	Allowance for medical insurance
Employer FICA/Medicare	\$6,419.88	Social Security and Medicare Tax
FUTA/W L&I/W ES	\$1,216.84	Other payroll taxes
Services		
Accounting/Bookkeeping	\$3,000.00	Contract accounting firm
Legal	\$12,000.00	Contracts, loans, compliance
Website	\$200.00	Annual website hosting
Advertising and Social Media	\$9,600.00	Advertising, direct mail, contract social media
General Liability/D&O	\$3,300.00	District Insurance through Enduris
AWPHD	\$1,000.00	Association Membership
Travel	\$1,200.00	Mostly mileage and ferry fares
Office		
Rent	\$88,092.00	Payments to Sunrise Ridge for clinic building lease. Pass-through to Sea Mar
Tech support	\$3,000.00	
Phone/internet	\$0.00	
Office Supplies	\$1,000.00	
Total Admin Expense	\$221,748.72	Net of lease pass-through expense, this leaves \$133,656 to operate the District.
Clinic services		
Clinic Services Subsidy	\$1,500,000.00	Assumed to be paid out at \$125,000 per month. Subsidy may decline beginning November 2021.
Financing		
Interest Expense	\$20,816.69	
Total Expenses	\$1,742,565.41	Net of lease pass-through expense, clinic subsidy and interest, this leaves \$133,656 (7.7% of total) to operate the District.
Net Income	\$525,534.77	

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.2020-10 (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 25, 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 25th day of November, 2020.

PUBLIC HOSPITAL DISTRICT NO. 5
KING COUNTY, WASHINGTON

Secretary of the Commission