



Board of Commissioner's Meeting

December 16, 2020

Superintendent's Report

Committee Structure

Eric Pryne and I met to discuss our ideas on the committee structure going forward. The District bylaws don't specify specific committees. Committees may be established by the Board with the caveats that they are: advisory only; may have community participants; and membership is limited to two commissioners. We can discuss where commissioners have an interest in serving.

1. **Administration and Finance** – This committee would be focused on internal District business including financial management, budget, contract services, facilities and equipment. Jojo and I would attend these committee meetings along with Don and/or another commissioner. Ideally quarterly financial reports would be reviewed here prior to going to the Board, so I would propose this committee meet quarterly.
2. **Clinic Relations** – This is where we would receive input and feedback on clinic services and share this with clinic management. Community representation would be essential here. Initially, we may want this committee to meet monthly. I would attend this meeting along with two commissioners.
3. **Communications, Planning and External Relations** – This committee would develop a communication strategy to propose to the Board, and advise the District on specific communications. It may use a survey or poll of the community to inform its work. New service initiatives would be vetted through this group based on identified needs. The committee members would also maintain relations with appointed and elected governmental officials. We need to discuss how often this committee would meet. I would attend along with two commissioners. The commissioners would need to appoint community members to serve on this committee.

Unfinished Business

Social Media/Communications

The details of this topic should be delegated to the committee above. This can include a recommendation on how resources should be used.

Committee Reports

Finance

3rd Quarter Financial Statement

This is being prepared by Beth Huff at Lake Kennedy McCulloch at my request. Our plan is to prepare these quarterly going forward. This will also go with our loan application to King County EFC tomorrow.

New Business

Resolution 2020-11

Included in your materials is Resolution 2020-11, which approves issuance by the District of an interest-bearing tax warrant to King County in an aggregate principal amount not to exceed \$1.5 million. Repayment terms will be 7 years beginning on the date of the original King County loan and with a maturity date of January 31, 2027.

The District has the right and option to prepay and redeem the tax warrant at any time prior to its stated maturity date. As part of this resolution the District pledges to include in its budget, and levy taxes annually, in an amount sufficient to pay all amounts due under the Tax Warrant including principal and interest.

This resolution has been provided as part of the King County loan application.

King County Interfund Loan Application

Included in your packet is our application for the Interfund Loan and a memorandum to King County's EFC. The loan application requests a maximum of \$1.5 million, although the cash flow projects a maximum negative cash balance of \$1,071,000.

Financial and Cash Flow Projection 2021-2027

As part of the loan application, I prepared a cash projection through 2027 demonstrating the District's ability to repay the loan. Assumptions were made as follows for purposes of this financial projection that may change based on actual circumstances in the future:

- An increase in the assessed value of 2% per year
- A reduction in the tax levy rate to \$.50 per thousand over time due to possible pro-rationing

- A decline in the monthly subsidy required from \$125,000 to \$90,000 over time as the pandemic resolves and clinic volumes increase
- Debt service beginning in 2021 and ending in 2026
- An interest rate of 2% on borrowed funds

The amount of borrowing required from King County fluctuates from month to month and is represented by the negative cash balance each month in the early years of this projections. The last year in which the District shows a negative monthly cash balance is 2025. The projection shows that by the end of 2027, the District will have a cash balance of \$1,546,323. The projection does not assume any capital expenditures or borrowing to support a new clinic building. Should the District issue a limited tax general obligation (LTGO) to support building of a new clinic, then debt service on that LTGO would need to be added.

PUBLIC HOSPITAL DISTRICT NO. 5
KING COUNTY, WASHINGTON

RESOLUTION NO. 2020-11

A RESOLUTION of the Commission of Public Hospital District No. 5, King County, Washington, authorizing the issuance of a single interest-bearing Tax Warrant in the form of a line of credit, in an aggregate principal amount of not to exceed \$1,500,000 to provide funds with which to pay operating costs of the District; fixing the date, interest rate, form, maturity, terms and covenants of the warrant; creating certain funds; and providing for the delivery of the Tax Warrant to King County, Washington, to evidence the District's obligation to repay amounts drawn on the line of credit.

WHEREAS, Public Hospital District No. 5, King County, Washington (the "District"), has been duly established for the purpose of providing health care services for the residents of the District and other persons pursuant to the provisions of Chapter 70.44 RCW; and

WHEREAS, the District was established by a vote of the residents of the District in November 2019 and will not begin receiving property taxes until May 2021; and

WHEREAS, the Commission of the District (the "Commission") adopted Resolution No. 2020-1, dated January 2, 2020, requesting an interfund loan from King County in an amount not to exceed \$1,000,000, which loan was approved by the King County Executive Finance Committee on January 16, 2020 (the "Interfund Loan"); and

WHEREAS, the District and King County entered into a loan agreement dated January 30, 2020, which provides for interest to be paid at a variable rate equal to the rate payable on the King County investment pool and a maturity date of January 31, 2025 (the "Loan Agreement"); and

WHEREAS, the Interfund Loan is currently outstanding in the amount of approximately \$800,000;

WHEREAS, the District and King County have agreed to increase the amount that can be drawn under the Loan Agreement to an amount not to exceed \$1,500,000 and to extend the maturity date of the Interfund Loan to January 31, 2027; and

WHEREAS, RCW 70.44.060(5) authorizes the District to issue interest-bearing warrants payable at the time stated therein to evidence the obligation to repay money borrowed or any other obligation incurred by the District and provides that warrants so issued may draw interest at a rate fixed by the Commission and may be payable in such manner and upon such terms and conditions as the Commission may deem to be in the best interest of the District; and

WHEREAS, the District wishes to evidence the District's obligation to repay the Interfund Loan with a Tax Warrant issued by the District pursuant to the terms of this resolution; and

WHEREAS, King County, Washington, has agreed to accept a single interest-bearing Tax Warrant issued by the District as evidence of the District's obligation to repay the Interfund Loan under the terms and conditions hereinafter set forth; NOW, THEREFORE,

BE IT RESOLVED BY THE COMMISSION OF THE PUBLIC HOSPITAL DISTRICT NO. 5, as follows:

Section 1. Definitions. As used in this resolution, the following words shall have the meanings hereinafter set forth:

"Authorized Officer" means the Superintendent or the President of the District Commission.

"Commission" means the legislative authority of the District.

"District" means Public Hospital District No. 5, King County, Washington, a municipal corporation of the State of Washington, duly organized pursuant to the provisions of Chapter 70.44 RCW.

"Draw" means an incremental draw upon Interfund Loan, the repayment of which is evidenced by the Tax Warrant issued by the District in accordance with this resolution.

"Holder" means King County, Washington, the holder of the Tax Warrant.

"Interest Payment Dates" means those [monthly] payments of interest, commencing May 1, 2020, to and including the Maturity Date or upon early prepayment.

"Investment Pool Rate" means a variable rate equal to the rate payable on the King County investment pool as determined and calculated from time to time by the Finance Director of King County.

"Interfund Loan" means the interfund loan made by King County to the District pursuant to the terms of the Loan Agreement.

"Loan Agreement" means the loan agreement between the District and King County, dated January 30, 2020, as amended from time to time.

"Maturity Date" means January 31, 2027.

"Registrar" means the Treasurer.

"Tax Warrant" means the not to exceed \$1,500,000 par value interest-bearing Tax Warrant, 2021, of the District issued pursuant to and for the purposes provided in this resolution.

“Tax Warrant Fund” means the Hospital Tax Warrant Fund, created pursuant to this resolution for the purpose of paying the principal of and interest on the Tax Warrant.

“Tax Warrant Register” means the books or records maintained by the Registrar containing the name and mailing address of the owner of the Tax Warrant and the principal amount held by the owner.

“Treasurer” means the Office of the Treasury Manager, Finance and Business Operations Division, Department of Executive Services of King County, Washington *ex officio* treasurer of the District, and any successor Treasurer of the District designated in accordance with applicable law.

Section 2. Authorization and Description of the Tax Warrant. The District shall issue and deliver the Tax Warrant in the aggregate principal amount of not to exceed \$1,500,000 for the purpose of paying operating expenses of the District and costs of issuing and delivering the Tax Warrant. The Tax Warrant shall be designated the Interest-Bearing Tax Warrant, 2021; shall be in fully registered form; shall be numbered R-1; shall be dated its date of issuance; shall mature on the Maturity Date; and shall bear interest the Investment Pool Rate, payable [monthly] commencing May 1, 2020, to the Maturity Date or upon early repayment. Principal shall be payable at maturity. Interest shall be calculated pursuant to the methodology used to calculate the Investment Pool Rate on the principal amount of the Draw outstanding.

The District may make Draws on the Interfund Loan evidenced by the Tax Warrant on any business day beginning on the date of issuance and ending on the business day preceding the Maturity Date. The Draws shall be made by written request to the Holder and the Treasurer, which request may be submitted by facsimile. Draws shall be recorded on the Draw Record attached to the Tax Warrant. No Draw may exceed the total amount of the operating expenses to be paid from such draw, and the proceeds of each Draw shall be used immediately to pay those costs. Draws are not subject to approval by the Holder, but the aggregate principal amount of Draws outstanding at any time shall be limited to \$1,500,000.

Section 3. Designation of Officer to Make Draws and Extensions of Tax Warrant. The Commission has determined it to be in the best interest of the District that the Authorized Officers be authorized to make Draws on the Interfund Loan evidenced by the Tax Warrant in the amounts and at the times as they may determine hereafter, those Draws to be made in accordance with the terms and provisions of this resolution.

Section 4. Registration and Transfer of Tax Warrant. The Tax Warrant shall be issued only in registered form as to both principal and interest and shall be recorded on the Tax Warrant Register maintained by the Treasurer of the District that is hereby appointed to serve as the Registrar.

The Registrar shall keep, or cause to be kept, at its office, sufficient books for the registration of the Tax Warrant. The Registrar shall serve as the District’s authenticating trustee, transfer agent, registrar and paying agent for the Tax Warrant and shall comply fully with all applicable federal and state laws and regulations respecting the carrying out of those duties. The

Registrar shall keep, or cause to be kept, at its principal corporate trust office, sufficient books for the registration and transfer of the Tax Warrant, which shall be open to inspection by the District at all times. The Registrar is authorized, on behalf of the District, to authenticate and deliver the Tax Warrant in accordance with the provisions of the Tax Warrant and this resolution, to serve as the District's paying agent for the Tax Warrant and to carry out all of the Registrar's powers and duties under this resolution.

The Tax Warrant may not be assigned or transferred. When the Tax Warrant has been paid in full, both principal and interest, it shall be surrendered to the Registrar, who shall cancel the Tax Warrant.

The Registrar shall be responsible for its representations contained in the Registrar's Certificate of Authentication on the Tax Warrant.

Section 5. Payment of the Tax Warrant. Both principal of and interest on the Tax Warrant shall be payable in lawful money of the United States of America. The Holder shall present to the District and the Treasurer of the District a [monthly] statement of interest due on the Tax Warrant and of the total amount of Draws outstanding. Interest payments shall be made on Interest Payment Dates and at maturity (i) by check, draft or warrant of the District mailed at least five days prior to the payment date to the Holder, or (ii) by electronic funds transfer to the Holder on or before the payment date, at the option of the District. Tax Warrant payments shall be recorded on a Loan Payment Record attached to the Tax Warrant or in such other form as the District and the Holder may agree. The aggregate principal amount due and payable on the maturity date or upon prior prepayment of the Tax Warrant shall be paid to the Holder at the office of the Treasurer, who is appointed Registrar for the Tax Warrant, in Seattle, Washington, upon presentation and surrender of the Tax Warrant.

Payments shall be applied, first, to the payment of accrued interest and, second, to the reduction of principal of the Tax Warrant.

Section 6. Redemption Provisions. The District reserves the right and option to prepay and redeem at any time prior to its stated Maturity Date any or all of the principal amount of the Tax Warrant outstanding at par plus accrued interest to the date of redemption. Interest on the Tax Warrant or the portion thereof so prepaid shall cease to accrue on the date of such prepayment.

If the Tax Warrant is not redeemed upon proper presentment at its maturity or redemption date, the District shall be obligated to pay interest at the same rate for the Tax Warrant from and after its maturity or redemption date until the Tax Warrant, both principal and interest, shall have been paid in full or until sufficient money for such payment in full is on deposit in the redemption fund for the Tax Warrant and such Tax Warrant has been called for payment in the manner hereinafter set forth.

Section 7. Pledge of Taxes. The District irrevocably pledges to include in its budget and levy taxes annually within the constitutional and statutory tax limitations provided by law without a vote of the electors of the District on all of the taxable property within the District in an amount sufficient, together with other money legally available and to be used therefor, to pay when due all amounts due under the Tax Warrant including principal of and interest on the Tax

Warrant and all fees, charges and expenses payable under the Tax Warrant, and the full faith, credit and resources of the District are pledged irrevocably for the annual levy and collection of those taxes and the prompt payment of those amounts.

Section 8. Form and Execution of Tax Warrant. The Tax Warrant shall be printed or lithographed on good bond paper in a form consistent with the provisions of this resolution and state law and shall be signed by the President and Secretary of the Commission, either or both of whose signatures may be manual or in facsimile. The Tax Warrant shall bear thereon a Certificate of Authentication in the following form, manually signed by the Registrar, and only if so executed shall the Tax Warrant be valid or obligatory for any purpose or entitled to the benefits of this resolution:

CERTIFICATE OF AUTHENTICATION

This Tax Warrant is the fully registered Public Hospital District No. 5 Interest-Bearing Tax Warrant, 2021, described in the Resolution.

By _____
Registrar

The authorized signing of a Certificate of Authentication shall be conclusive evidence that the Tax Warrant so authenticated has been duly executed, authenticated and delivered and is entitled to the benefits of this resolution.

If any officer whose facsimile signature appears on the Tax Warrant ceases to be an officer of the District authorized to sign warrants before the Tax Warrant bearing his or her facsimile signature as authenticated or delivered by the Registrar or issued by the District, that Tax Warrant nevertheless may be authenticated, issued and delivered and, when authenticated, issued and delivered, shall be as binding on the District as though that person had continued to be an officer of the District authorized to sign warrants. The Tax Warrant also may be signed on behalf of the District by any person who, on the actual date of signing of the Tax Warrant, is an officer of the District authorized to sign warrants, although he or she did not hold the required office on the date of issuance of the Tax Warrant.

Section 9. Tax Warrant Fund and Deposit of Tax Warrant Proceeds. The Treasurer is directed to establish a special fund of the District designated as the Tax Warrant Fund. All money allocated by the District to the payment of the principal of and interest on the Tax Warrant shall be deposited in the Tax Warrant Fund. The principal of and interest on the Tax Warrant shall be paid from the Tax Warrant Fund.

Proceeds of Draws shall be deposited in the District's General Fund and used to pay operating expenses and costs of issuing and delivering the Tax Warrant. Until needed for such purposes, the District may invest principal proceeds temporarily in any legal investment, and the investment earnings may be retained in the Proceeds Fund and be spent for the purposes of that fund except that earnings subject to a federal tax or rebate requirement may be withdrawn from the Proceeds Fund and used for those tax or rebate purposes.

Section 10. Approval of Offer. King County, Washington, has presented an offer to the District to extend the Interfund Loan in the form of the Loan Agreement and a Tax Warrant issued by the District to repay the Interfund Loan under the terms and conditions provided herein and under the Loan Agreement. The Commission finds that entering into the Interfund Loan is in the District's best interest and therefore accepts the offer contained Loan Agreement.

The President and Secretary of the Commission, the Authorized Officers and other District officials are authorized and directed to do everything necessary for the prompt delivery of the Tax Warrant to the Holder and for the proper application and use of the Draw proceeds of the Tax Warrant.

Section 11. Effective Date. This resolution shall take effect immediately.

ADOPTED by the Commission of Public Hospital District No. 5, King County, Washington, at an open public meeting thereof, of which due notice was given as provided by law, this 16th day of December, 2021.

President and Commissioner

Commissioner

Commissioner

Commissioner

Secretary and Commissioner

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. 2020-11 (the “Resolution”) is a full, true and correct copy of a resolution duly adopted at a meeting of the Commission held on December 16, 2021, as that resolution appears on the minute book of the District; and the Resolution is now in full force and effect; 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 16th day of December, 2021.

PUBLIC HOSPITAL DISTRICT NO. 5,
KING COUNTY, WASHINGTON

Secretary of the Commission

Monthly Profit-Loss Report for 2024-2025														Period: 2024-2025 (12 Months)									
Category	Item	January	February	March	April	May	June	July	August	September	October	November	December	2024 Total	2025 Total	2024-2025 Difference	2024 Average	2025 Average	2024-2025 Variance	2024 Standard Deviation	2025 Standard Deviation	2024-2025 Variance	
Revenue	Product Sales	100000	120000	150000	180000	200000	220000	250000	280000	300000	320000	350000	380000	2000000	2400000	400000	166666.67	200000.00	333333.33	100000.00	150000.00	50000.00	
	Service Revenue	50000	60000	70000	80000	90000	100000	110000	120000	130000	140000	150000	160000	750000	900000	150000	62500.00	75000.00	125000.00	37500.00	50000.00	12500.00	
	Licensing Fees	20000	25000	30000	35000	40000	45000	50000	55000	60000	65000	70000	75000	300000	360000	60000	25000.00	30000.00	50000.00	12500.00	16666.67	41666.67	
Expenses	Salaries	80000	90000	100000	110000	120000	130000	140000	150000	160000	170000	180000	190000	900000	1080000	180000	75000.00	90000.00	150000.00	37500.00	50000.00	12500.00	
	Marketing	10000	12000	15000	18000	20000	22000	25000	28000	30000	32000	35000	38000	150000	180000	30000	6250.00	7500.00	12500.00	3125.00	4166.67	10416.67	
	Rent	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	60000	60000	0	2500.00	2500.00	0.00	0.00	0.00	0.00	
Profit	Gross Profit	20000	30000	50000	70000	80000	90000	110000	130000	140000	150000	170000	190000	100000	132000	32000	41666.67	51666.67	100000.00	25000.00	33333.33	8333.33	
	Operating Profit	10000	15000	25000	35000	40000	45000	55000	65000	70000	75000	85000	95000	45000	60000	15000	18750.00	25000.00	62500.00	15625.00	20833.33	52083.33	
	Net Profit	5000	10000	15000	20000	25000	30000	35000	40000	45000	50000	55000	60000	22500	30000	7500	9375.00	12500.00	31250.00	7500.00	10416.67	29166.67	
Total Revenue														2000000	2400000	400000	166666.67	200000.00	333333.33	100000.00	150000.00	50000.00	
Total Expenses														900000	1080000	180000	75000.00	90000.00	150000.00	37500.00	50000.00	12500.00	
Total Profit														1000000	1320000	320000	416666.67	516666.67	1000000.00	250000.00	333333.33	83333.33	
Average Profit														83333.33	110000.00	26666.67	33333.33	41666.67	100000.00	25000.00	33333.33	8333.33	
Standard Deviation Profit														15000.00	19000.00	4000.00	18750.00	23809.52	100000.00	25000.00	33333.33	8333.33	
Variance Profit														22500.00	29000.00	7500.00	9375.00	12500.00	31250.00	7500.00	10416.67	29166.67	
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Standard Deviation Profit														15000.00	19000.00	4000.00	18750.00	23809.52	100000.00	25000.00	33333.33	8333.33	
Variance Profit														22500.00	29000.00	7500.00	9375.00	12500.00	31250.00	7500.00	10416.67	29166.67	
Total Revenue														2000000	2400000	400000	166666.67	200000.00	333333.33	100000.00	150000.00	50000.00	
Total Expenses														900000	1080000	180000	75000.00	90000.00	150000.00	37500.00	50000.00	12500.00	
Total Profit														1000000	1320000	320000	416666.67	516666.67	1000000.00	250000.00	333333.33	83333.33	
Average Profit														83333.33	110000.00	26666.67	33333.33	41666.67	100000.00	25000.00	33333.33	8333.33	
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Total Revenue														2000000	2400000	400000	166666.67	200000.00	333333.33	100000.00	150000.00	50000.00	
Total Expenses														900000	1080000	180000	75000.00	90000.00	150000.00	37500.00	50000.00	12500.00	
Total Profit														1000000	1320000	320000	416666.67	516666.67	1000000.00	250000.00	333333.33	83333.33	
Average Profit														83333.33	110000.00	26666.67	33333.33	41666.67	100000.00	25000.00	33333.33	8333.33	
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Total Revenue														2000000	2400000	400000	166666.67	200000.00	333333.33	100000.00	150000.00	50000.00	
Total Expenses														900000	1080000	180000	75000.00	90000.00	150000.00	37500.00	50000.00	12500.00	
Total Profit														1000000	1320000	320000	416666.67	516666.67	1000000.00	250000.00	333333.33	83333.33	
Average Profit														83333.33	110000.00	266							

[illegible]



King County DISTRICT APPLICATION FOR INTERFUND LOAN

DISTRICT CONTACT INFORMATION

District name: King County Public Hospital District No. 5, dba Vashon Health Care District

Contact name: Eric Jensen

Contact title: Superintendent

Phone: 5098993655

Fax:

E-mail: Ericj@vashonhealthcare.org

District address: P.O. Box 213

City: Vashon

ZIP code: 98070

BORROWING REQUEST DETAILS

Fund name: Vashon Health Care General Fund

Fund number: 140050010

Term of loan requested (projected start and end date): January 1, 2021 – December 31, 2027

Maximum negative daily cash balance during term of loan (estimated): \$ 1,500,000

ADDITIONAL INFORMATION

Why is this borrowing necessary? The District was formed in November 2019. The District does not start receiving tax revenue until 2021. The District has been subsidizing clinic services since July 2020 and due to the pandemic that subsidy is much higher than expected. This application represents a request to modify the terms of our current King County loan to increase the maximum borrowing to \$1.5 million with a 7-year repayment term.

Why are the funds not being borrowed from another district fund (i.e., construction fund, etc)? There is no other District fund to borrow from.

Why is bank financing not being used? Because this is a modification to an existing King County loan.

What will be the source of the funds to repay the interfund loan? Tax receipts

List the most recent district bond issue that has been rated by either Standard & Poor's, Moody's, or Fitch: N/A

DISTRICT AUTHORIZED SIGNATURE (REQUESTING INTERFUND LOAN)

Signature:

Print Name: Eric P. Jensen

Title: Superintendent

Date:

Please Include the Following Attachments:

- (1) Copy of monthly cash flow forecast showing district's cash needs over the expected borrowing horizon.
- (2) Copy of most recent financial statements and budget.
- (3) Copies of the two most recent Washington State Auditor's Office reports on the district.
- (4) Copy of the governing body's resolution approving and requesting the interfund loan from King County.

KING COUNTY EXECUTIVE FINANCE COMMITTEE REVIEW (COUNTY USE ONLY)

Interfund loan approved? Yes ☐ No ☐

Date Approved/Denied:

Loan rate:

Maximum interfund loan amount approved \$

Loan termination date:

Other special loan terms or comments:

LOAN AGREEMENT

1. If the district believes it will exceed any of the terms approved by King County, they must notify King County and submit an addendum to the original loan request immediately.
2. King County may not approve an extension or modification of the original loan agreement and reserves the right to make the district's warrants interest bearing at anytime.
3. By signing below, the district's representative is accepting the terms of interfund loan approved by the Executive Finance Committee. After signing below, return by fax: 206-296-7345 or mail: Treasury Operations; 500 4th Ave, Rm 611; Seattle, WA 98104. (King County will return a signed copy to the district.)

DISTRICT SIGNATURE (AGREEING TO APPROVED LOAN TERMS)	KING COUNTY SIGNATURE
Title: Date:	Title: Date:



Vashon
Health Care
District

P.O Box 213
Vashon, WA 98070
vashonhealthcare.org

December 15, 2020

To: King County Executive Finance Committee

From: Eric Jensen, Superintendent, PHD #5, King County

RE: Loan Modification

King County Public Hospital District No. 5, dba Vashon Health Care District, sought and received approval for an interfund loan from King County up to a maximum of \$1 million in January, 2020. The purpose was to enable the District to begin providing financial support for primary care delivery on Vashon Island, and to fund District operations in 2020 and early 2021 prior to receipt of 2021 tax revenue.

Recognizing that primary care was not sustainable without financial support, the residents of Vashon and Maury Islands approved the formation of a public hospital district in November 2019. The mandate was to use the District's taxing authority to provide needed financial support to a primary care provider, as needed, to sustain its clinic operations on Vashon.

The current interfund loan, which has a 5-year payback period, was instrumental in allowing the District to begin supporting primary care in July 2020. This began first with Neighborcare Health and subsequently with Sea Mar Community Health Centers, which took over operations in November 2020. Unfortunately, the level of financial support originally anticipated changed dramatically due to the impact of the coronavirus pandemic on the island's clinic operations. Based on actual 2020 operating results, the projected tax support required increased to \$1.5 million annually beginning in November 2020. As a result, the District projects that it will exceed the \$1 million interfund loan limit by the end of January 2021.

Based on the increased financial need, the Vashon Health Care District is requesting an increase in its borrowing limit to \$1.5 million, and an increase in the repayment term to 7 years. In discussion with legal counsel for both King County and the District it has been determined that the modified loan should be structured as a Warrant that fits within King County's Interfund Loan Policy. A resolution approving issuance of this warrant will be considered by the District's Board of Commissioners at its regular Board meeting on December 16, 2020.

At an open public meeting on November 18, 2020, the District's Board of Commissioners adopted a budget for 2021 and a levy of \$1,945,170 with Resolution 2020-09 (attached). The 2021 budget assumes that additional borrowing from King County will result in a negative cash balance of about \$1,071,000, which exceeds the current loan limit of \$1 million. It also assumes that debt repayment will begin at the end of the 2021 and that the loan will be paid off by 2027.

Thank you for your consideration.

Sea Mar – Community Health Centers Opens New Clinic on Vashon



The Vashon Health Care District is pleased and proud to announce the opening of Sea Mar Vashon Medical Clinic.

The Sea Mar organization provides primary care, preventive medicine, behavioral medicine and a host of other types of health services to many communities within our state. They have a history of innovation and a tradition of working in collaboration with the communities they serve to provide care that fits the needs of the community.

Our new Sea Mar Vashon clinic will operate for the time being in the Sunrise Ridge clinic building that has housed an island clinic for a number of years.

Sea Mar wasted no time in opening; seeing patients via telemedicine the very next working day after the former provider left. Beginning November 9th, the following week, they began seeing patients in person at the clinic.

The current hours of operation are M-F, 8am to 5pm.

For information regarding medical records transfer to Sea Mar Vashon Clinic, please call (206) 463-3671.

If you were a former patient of Vashon NeighborCare, this simple records transfer process will still be required.

10030 SW 210th St. • Vashon, WA 98070

We are also pleased to introduce and re-introduce some new and some very familiar practitioners who will continue to serve our community at our local clinic:



**Thomas
Erdmann, MD**

Dr. Erdmann grew up in Seattle and graduated from the University of Washington School of Medicine. He joined Swedish Medical Center in West Seattle in 2008, and after moving to Vashon he continued to commute via motorcycle for 9 years. Being able to live and work in the same community, especially a rural community, has been a goal for some years.

"I've really enjoyed getting to know my neighbors on the island. As a family medicine physician my mission is to meet people where they are and work together to improve their health and well-being. I believe Sea Mar's mission is ideally suited to the island." Tom enjoys gardening and motorcycling. He and his partner live on Vashon with their dog and cat.



**Jeffrey T.
Hans Petersen MD**

Dr. Hans Petersen joined the clinic on Sunrise Ridge in 2010. It had been a long-time dream to somehow live on Vashon. Now he lives on Maury Island with his family, although Vashon still holds a special place in his heart. He believes it is a privilege to serve and live among the people who make these islands our home. "I have never lived in a place where I could see and feel how much we all depend on one another as we do in this community. Every day, my patients teach me how to be a better doctor. I consider my first responsibility with each patient is to listen carefully. My goal at each visit is that my patients feel heard and respected.

Thank you for this opportunity to serve you and your community at our medical clinic.



**Burdett Rooney
ARNP**

Burdett grew up in the New England area and went to college and graduate school in Washington D.C.

Two children later she worked as a nurse and then a nurse practitioner in DC. Other jobs have taken her to work and live in about 10 countries worldwide. She has been fortunate to settle, near grandchildren, on Vashon.

In addition to being able to be part of the healthcare community on Vashon she enjoys reading, gardening, and the many beautiful walks available here.



**Jessica Wesch
MD**

Dr. Wesch is a graduate of the University of Washington Medical School and Swedish Family Medicine Residency with dual training in Obstetrics.

She is a 20 year physician in the Seattle area and lives on Vashon Island. She trained originally as an herbalist and has an integrated and holistic approach to care. "My goal is help patients gain a deeper understanding of their health to inform good decisions about their health and care plan options. I believe in preventative care and I hope to help my patients lead long, healthy lives. I enjoy medical leadership, clinician and program development and look forward to bringing these skills and experiences to improve the health of our community."

The Vashon Health Care District deeply thanks our community for supporting locally-based primary care. The Commissioners also remind our neighbors that the most effective way to ensure the ongoing presence of a robust local health clinic is by regularly utilizing our Sea Mar clinic providers and services.