

KITTITAS COUNTY PUBLIC HOSPITAL DISTRICT No. 1
BOARD OF COMMISSIONERS' SPECIAL MEETING
Meeting in KVH Conference Room A/B/C with a call in option - 5:00 p.m.

Call in by phone: 888 475 4499 Meeting ID: 837 1260 9605 Passcode: 968500

March 23rd, 2023

- 1. Call Regular Meeting to Order**

- 2. Approval of Agenda ****
(Items to be pulled from the Consent Agenda) **(1)**

- 3. Consent Agenda ****
 - a. Minutes of Board Meetings: February 23rd, 2023 **(3-5)**
 - b. Approval of Checks **(6)**
 - c. Report: Foundation **(7)**
 - d. Minutes: Finance Committee **(8,9)**

- 4. Public Comment and Announcements**

- 5. Presentations:**
 - a. Matt Altman/Terry Clark – SAFE Catch awards
 - b. LeAnn Bolding – Process Improvement Education
 - c. Ron Urlacher - Construction update

- 6. Reports and Dashboards**
 - a. Quality – Mandee Olsen, Chief Quality Officer **(10-19)**
 - b. Chief Executive Officer – Julie Petersen **(20)**
 - i. Manda Scott – Chief Human Resources Officer **(21,22)**
 - c. Operations
 - i. Vicky Machorro, Chief Nursing Officer **(23-25)**
 - ii. Rhonda Holden, Chief Ancillary Officer **(26-68)**
 - iii. Stacy Olea, Chief of Clinic Operations **(69-72)**
 - d. Medical Staff
 - i. Chief of Staff, Roberta Hoppe, MD **(73)**
 1. Medical Executive Committee Recommendations for Appointment and Re-Appointment ******
 - ii. Chief Medical Officer, Kevin Martin MD **(74,75)**
 - e. Finance – Chief Financial Officer - Scott Olander **(76-91)**
 - i. Operations Report
 - ii. Resolution 23-1 Surplus Property**

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7. Education and Board Reports

- a. American Hospital Association Annual Meeting – April 23-25, 2023 (Early-bird registration by March 22, 2023)
- b. 2023 American Hospital Association Leadership Summit – July 16-18, 2023 - Seattle

8. Old Business

9. New Business

10. Executive Session

- a. Recess into Executive Session, Real Estate & Personnel - RCW 42.30.110(b)(g)
- b. Convene to Open Session

11. Adjournment

Future Meetings

April 27, 2023, Regular Meeting
May 25, 2023, Regular Meeting

Future Agenda Items



KITTITAS COUNTY PUBLIC HOSPITAL DISTRICT No. 1
BOARD OF COMMISSIONERS' MEETING MINUTES

February 23rd, 2023

BOARD MEMBERS PRESENT: Matt Altman, Terry Clark, Jon Ward, Bob Davis, Erica Libenow.

KVH STAFF PRESENT: Julie Petersen, Mandee Olsen, Scott Olander, Dr. Roberta Hoppe, Jeff Yamada, Vicky Machorro, Stacy Olea, Rhonda Holden, Manda Scott, Michele Wurl, Tricia Sinek, Jason Adler, Dede Utley, Linda Navarre.

1. The meeting was called to order at 5:02 PM.

2. Approval of Agenda:

ACTION: On motion of Erica Libenow and second of Terry Clark, the Board members unanimously approved the agenda as amended (to include additional information on education opportunities and the one day board retreat).

3. Consent Agenda:

ACTION: On motion of Jon Ward and second of Bob Davis the Board members unanimously approved the consent agenda as submitted.

4. Public Comments/Announcements:

None.

5. Presentations:

Commissioner Clark attended the WSHA Governing Board Committee meeting and provided a recap. Specifically focused on Health Equity and State/Federal requirements associated with it.

Linda Navarre, outgoing Compliance Officer, shared 2022 compliance results. Navarre then introduced Cindy Kelly as new Compliance Officer and Suzette Johnson as Compliance Specialist.

6. Reports and Dashboards:

Mandee Olsen, CQO, informed the Board on quality data, she stated that a specific traveler caused the "Blood Product Documentation" numbers to fluctuate and they have subsequently coached and controlled that issue. Next, Olsen relayed that the Emergency Department and Critical Care Unit were both under the 75% top box score. This was likely due to difficulty in patient transferability as well as high volumes of patients and low response rates.

The Board members reviewed the CEO report with Julie Petersen. Petersen shared that the Cancer Support Group was being revitalized, as well as a new anesthesia contract being finalized. Community health and wellness was the main focus of Petersen's report, sharing requests from the community to have KVH participate in a new field house. Petersen commented on the MRI situation in the Expansion Project, telling the board that by March 6th we should have the old MRI out and the mobile MRI in.

Manda Scott, CHRO, shared her report with the Board, starting with "Pet Partners" and sharing photos of our new therapy dog Barrett. Scott also made a point to talk about the success her department has had in filling open positions in the Emergency Department, as well as a new Pharmacy Technician apprenticeship program that already had more than 20+ applicants.

Vicky Machorro, CNO, informed the Board of an interim ED Director starting on March 14th, while the search for a permanent ED Director continues. Machorro stated that staffing in all areas has improved. Additionally she was asked about remote dietician services at KVH and explained how we partner with other rural hospitals to provide these services to other underserved communities. Lastly, Machorro shared that CS was starting a late shift to keep up with higher OR volumes.

Rhonda Holden, CAO, informed the Board that a big thanks was owed to Engineering and others who helped with the PYXIS conversion process. She stated that they will start looking at barcode scanning rates in the hospital and working with nurse practice committee about this patient safety initiative with each director sharing goals/improvement plan with staff.

Stacy Olea, CCO, shared with the Board that there is a rapid access clinic opening April 3rd, 2023, with volunteers being gathered to staff the clinic as well as recruiting to fill the remaining positions.

Chief of Staff Dr. Hoppe, presented the MECs recommendations for initial appointment and re-appointments to the board.

ACTION: On motion of Erica Libenow and second of Terry Clark, the Board members unanimously approved the initial Appointments; Dr. Mandhai, DO, Dr. Pfaff, MD, Dr. Rogers, MD, Dr. Sanjuan-Chavez, DO, Dr. Showalter, DO, Clinton Kalan, PA-C, Blake Harding, PA-C, and the re-appointments; Dr. Wright, MD, Dr. Beard, MD, Dr. Sandquist, MD, Dr. Yapundich, MD and Robert Monsees, PA-C, as recommended by the Medical Executive Committee.

Scott Olander, CFO, shared his report with the Board, covering January's financials, He commented on the job well done by directors and other SLT members making sure we had travelers when needed and finding creative ways to cover staffing as travelers dwindled.

Michele Wurl, CPRO, shared her report with the Board. She started with the upcoming 4th anniversary of Deputy Thompson’s death. KVH will fly the “35 flag” to honor him while communicating to the staff, and community at large, the significance of the event. Next Wurl shared the results of the Rater8 program. 91% of the reviews being received are 5 stars and anything less than that being communicated to the Dept responsible so that changes or adjustments can be made.

7. Education and Board reports:

Commissioner Bob Davis, shared details of the AHA rural conference he attended in San Antonio, TX. He noted that hospital administrators from Uvalde were there and how they talked about their experience from the tragedy. This prompted a conversation about emergency preparedness that shed light on how KVH would handle a similar emergency. Davis shared that 50% of hospitals in the United States are reporting financial losses, how venture capitalists were moving into healthcare, chewing up and spitting out practices across the country and that workplace violence in healthcare is becoming a larger focus nationwide.

8. Old Business:

None.

9. New Business:

Justin Becker, Executive assistant, shared details on a one day board retreat to take place in June.

10. Executive Session:

At 6:55 p.m. President Altman announced that there would be a 10-minute recess followed by a 10-minute executive session to discuss personnel/property per RCW 42.30.110(b).

At 7:15 p.m. the Board came back from executive session.

11. Adjournment:

With no further business and no action taken, the meeting was adjourned at 7:15 p.m.

Respectfully submitted,

Justin Becker / Jon Ward
Executive Assistant / Secretary - Board of Commissioners

Conclusions:

1. Motion passed to approve the agenda as amended.
2. Motion passed to approve the consent agenda as submitted.
3. Motion passed to approve the Medical Executive Committee Recommendations for Appointment and Re-Appointment.

DATE OF BOARD MEETING: March 23, 2023

ACCOUNTS PAYABLE CHECKS/EFTS TO BE APPROVED:

#1	AP CHECK NUMBERS	<u>291388-292213</u>	NET AMOUNT:	<u>\$7,437,420.80</u>
		SUB-TOTAL:		<u>\$7,437,420.80</u>

PAYROLL CHECKS/EFTS TO BE APPROVED:

#1	PAYROLL CHECK NUMBERS	<u>82081-82084</u>	NET AMOUNT:	<u>\$8,237.98</u>
#2	PAYROLL CHECK NUMBERS	<u>82085-82087</u>	NET AMOUNT:	<u>\$8,976.96</u>
#3	PAYROLL DIRECT DEPOSIT	<u>EFT</u>	NET AMOUNT:	<u>\$2,049,571.55</u>
#4	PAYROLL DIRECT DEPOSIT	<u>EFT</u>	NET AMOUNT:	<u>\$1,617,264.57</u>
		SUB-TOTAL:		<u>\$3,684,051.06</u>

TOTAL CHECKS & EFTs: \$11,121,471.86

Prepared by



 Sharoll Cummins
 Staff Accountant



March

Community Outreach Projects

The Foundation is working to create slides to be placed in rotation on the digital screens at KVH clinics. Emphasis on planned giving and legacy gifts with links to our text to donate campaign and website for online giving.

Roslyn Theater

Board members are working with the independently owned Roslyn Theater to promote The Foundation to patrons at each show through slides and social media outreach. Our first campaign launched March 1st and will be updated quarterly.

Annual Appeal

The Foundation's Annual Appeal for 2022-23 was mailed to the community October 8th. We extended our mailing to reach over 8,600 KVH patients, community members and staff and have received over \$42,000.00 in donations as of February.

Tough Enough to Wear Pink

The Foundation at KVH and the Ellensburg Rodeo Association have started making plans for the 100th Anniversary of the Ellensburg Rodeo. New merchandise commemorating the celebration is being ordered with an eye on increased volumes in anticipation of a record crowd.

Fund-A-Need 2023

Planning has started for a return in 2023 to the annual Fund-A-Need campaign event. The Foundation is looking to host a smaller, transitional event before we launch back into the traditional gala in 2024. Details coming soon.

Foundation Board Retreat

The Foundation's completed their annual board retreat at the January board meeting. Discussions centered on new fundraising efforts, smaller events, new committee assignments and planning a return to hosting the gala. Additional emphasis was placed on recruiting new board members and developing a stronger social media platform for online fundraising. We have begun recruiting new members and hope to have someone new in place by summer.

Respectfully submitted,
Laura Bobovski, Assistant
The Foundation at KVH

**KITTITAS COUNTY PUBLIC HOSPITAL DISTRICT #1
AUDIT & FINANCE COMMITTEE MEETING**

March 21, 2023
Tuesday

7:30 A.M.
Join Zoom Meeting

AGENDA

- **Call to Order**
- **Approval of Agenda**
- **Approval of Minutes: February 21, 2023**
- **February Financial Highlights**
- **Capital Expenditures**
 - **deSoutter Orthopedic Equipment**
 - **Mindray Point of Care Ultrasound System**
 - **Beckman Coulter Chemistry Immunoassay System**
- **Surplus**
- **Adjourn**

Next Meeting Scheduled: April 25, 2023 (Tuesday)

Kittitas Valley Healthcare
Audit & Finance Committee Meeting Minutes
February 21, 2023

Members Present: Jon Ward, Bob Davis, Jerry Grebb, Julie Petersen and Scott Olander

Members Excused: None

Staff Present: Kelli Goodian Delys and Jason Adler

The meeting was called to order at 7:29 a.m.

Two motions were made, one to approve the agenda and one to approve the January 24, 2023 minutes. Both motions passed.

Olander presented the highlights of the January 2023 financial results. January volume exceeded budget for patient days, surgery – outpatient, imaging, rehab and clinics. This is reflected in revenue exceeding budget. Expenses exceeded budget for temporary labor, professional fees and supplies. The result is an operating loss of \$393,588. With interest income and unrealized gain on investments, the net loss is \$71,341. Days cash on hand is 203.3. The details are in the Chief Financial Officer Report.

With no further business, the meeting was adjourned at 7:56 a.m.

QUALITY IMPROVEMENT REPORT – Mandee Olsen, BSN RN CPHQ

March, 2023

CMS CAH Conditions of Participation – Updated Guidance for Surveyors related to QAPI

On March 9th, Centers for Medicare and Medicaid Services (CMS) notified state surveyors of revisions to the State Operations Manual, Appendix A – Interpretive Guidance for the section related to the Quality Assessment and Performance Improvement (QAPI) program. QAPI deficiencies are the third most frequently cited of the Conditions of Participation (CoPs) for Medicare-certified hospitals. KVH has not seen this deficiency historically, and will continue to use this guidance to improve our compliance with the CoPs. This particular CoP (42 CFR 482.21) specifically calls on the governing body to ensure that the QAPI program has adequate scope of data collection, resources, and improvement activities and projects. The KVH Board of Commissioners demonstrate our dedication to a robust QAPI program in multiple ways:

- Annual review of our programs and services, as well as performance to the QAPI plan
- Annual approval of prioritized QAPI plans, measurement, and monitoring processes in collaboration with leadership
- Oversight of QAPI activities (improvement projects, root cause analysis) through reports to QI Council and the Board meetings
- Awareness and promotion of the QAPI program to all staff through announcements, letters, employee forums, and annual education
- Recognition of note-worthy safety and improvement work through SAFE Catch awards and nominations

Thank you for your continued commitment and support of quality and patient safety initiatives. We look forward to sharing this with surveyors at our next survey this year, sometime before June.

Quality Improvement Dashboard Data Summary – through January 2023

Speaking of QAPI, we have our new dashboard this month! There are quite a few changes this year:

- It is now three pages long.
- Clinics are at the beginning, then Home/Health Hospice, then Hospital-based measures, followed by organization-wide or typical quality measures.

Please see the attached “data glossary” for additional data definitions.

Summary of Areas Meeting Goal or Showing Improvement

- The percentage of home health patients discharged in January 2023 who improved with their ability to self-manage their oral medications was the highest it has been in the past year. The remaining patients maintained their ability to manage their oral medications; no patients declined.



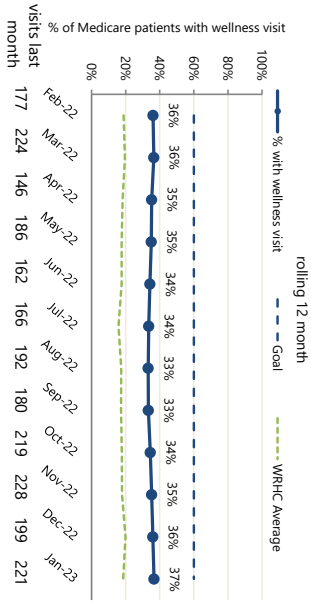
- There were seven patients with chest pain who presented to the Emergency Department and were later admitted or transferred. The median time to ECG for those seven patients was eight minutes. This is below the goal of 10 minutes.
- The pain reassessments after administration of pain medication were generally higher than in previous months.

Summary of Improvement Opportunities

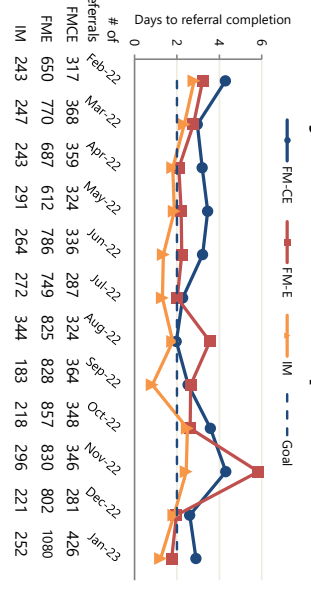
- There were seven patients with sepsis in January 2023. Five of those patients met all of the components of the bundle. In both instances where there was a gap, there was a delay in the time to the first lactate lab order.
- There were several instances of restraint orders not being renewed within the appropriate time frame (slightly late).
- There was one CAUTI in January. In this case, the catheter was medically necessary and in place for the least amount of time possible.
- There were four needlesticks in January. Two of the needlesticks occurred in traveling nurses.
- There were seven falls in January, including two falls by the same patient during a longer hospitalization. One of the falls was in a patient's home during a home health visit. Of the two falls with injury, one was in a clinic lobby and the second was on the Medical/Surgical Unit.

QI Council

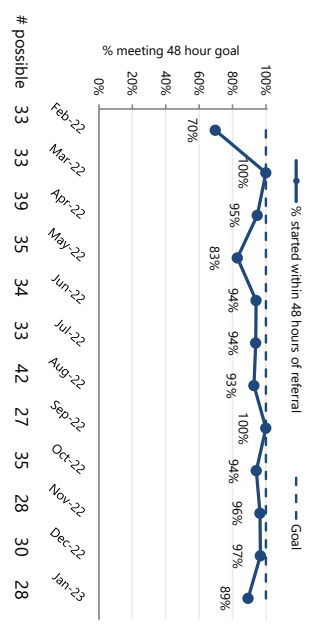
Medicare Wellness Visits



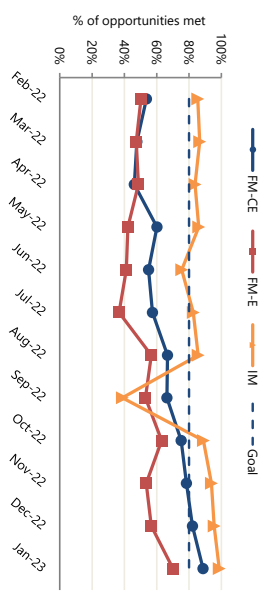
Days to Referral Completion



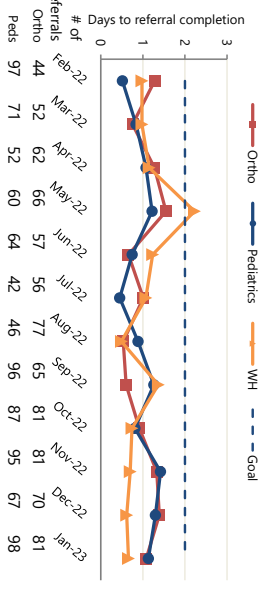
Timely Start for Home Health



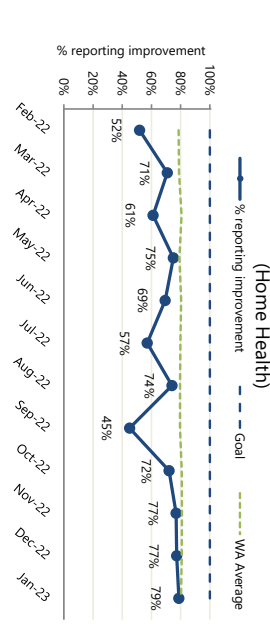
Fall Risk Screening



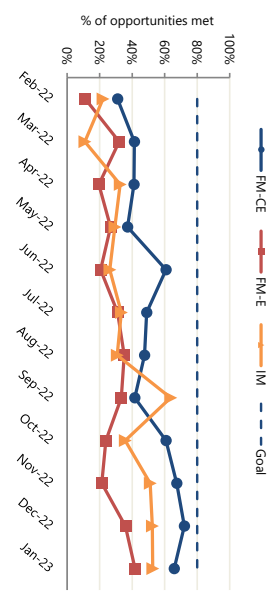
Days to Referral Completion



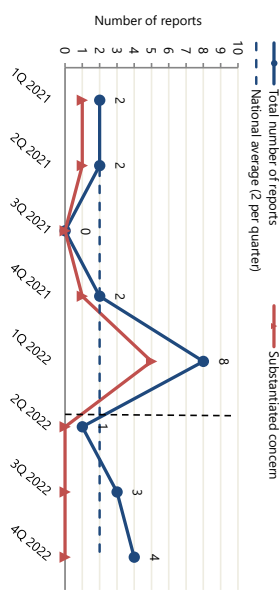
Improvement in Management of Oral Meds (Home Health)



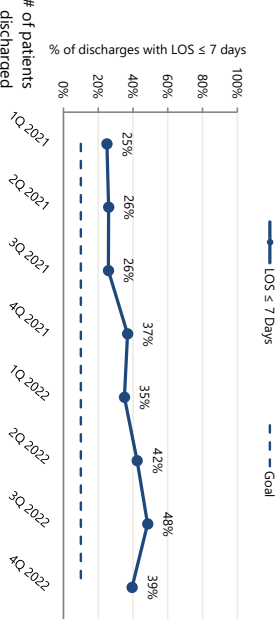
Diabetic Foot Checks

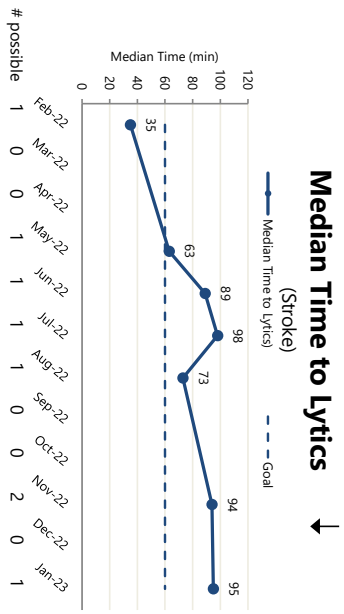
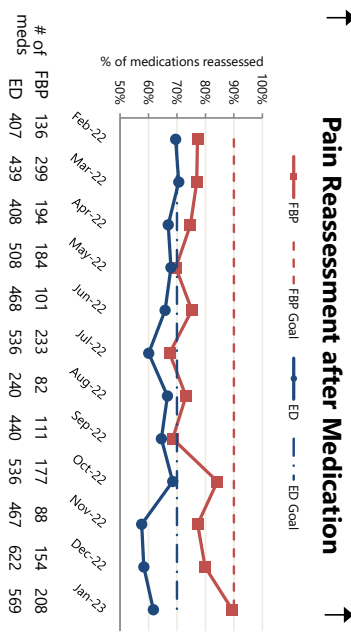
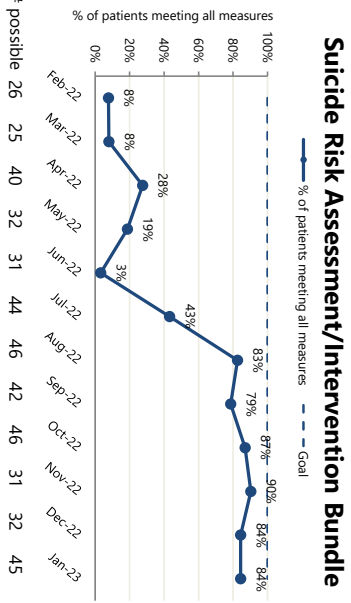
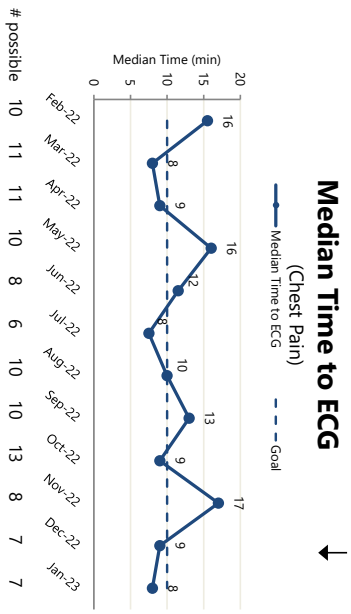
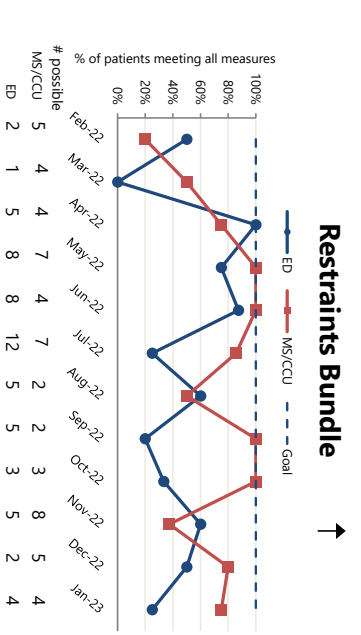
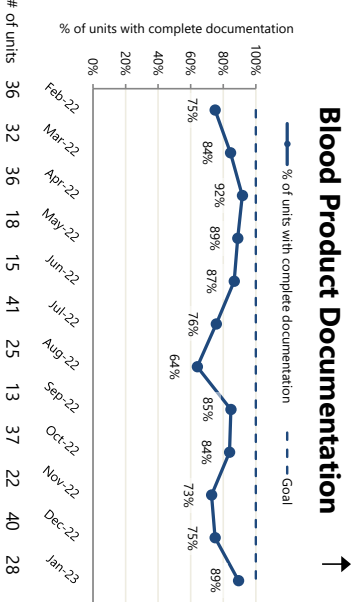
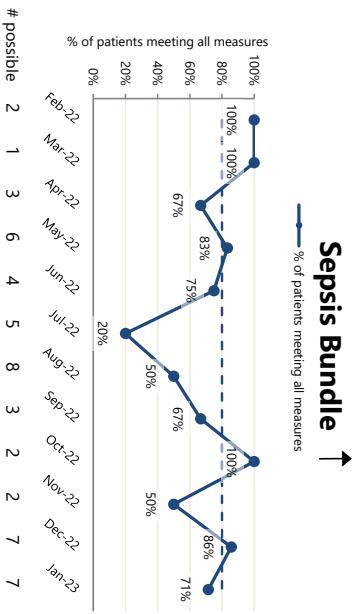


Compliance Concerns Reported



Hospice Length of Stay ≤ 7 Days





of possible

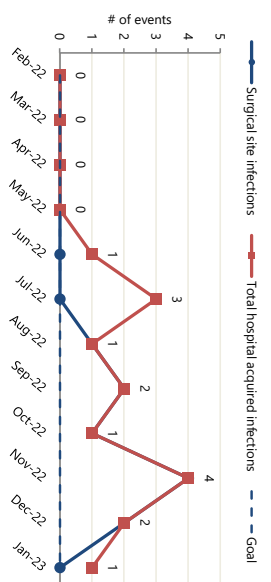
Month	# of possible
Feb-22	1
Mar-22	0
Apr-22	1
May-22	1
Jun-22	1
Jul-22	1
Aug-22	1
Sep-22	0
Oct-22	2
Nov-22	0
Dec-22	2
Jan-23	1

of medds

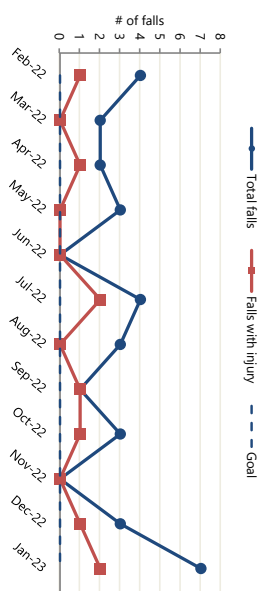
Month	CCU	MS
Feb-22	159	628
Mar-22	118	733
Apr-22	191	688
May-22	154	517
Jun-22	148	522
Jul-22	277	564
Aug-22	93	243
Sep-22	244	532
Oct-22	141	460
Nov-22	146	344
Dec-22	157	643
Jan-23	228	504

*Aug and Sep 2022 are incomplete data; report error, cannot be regenerated or recovered

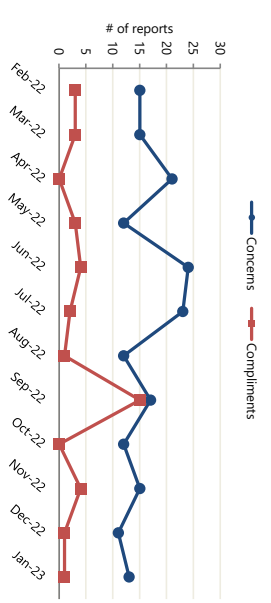
Hospital Acquired Infections



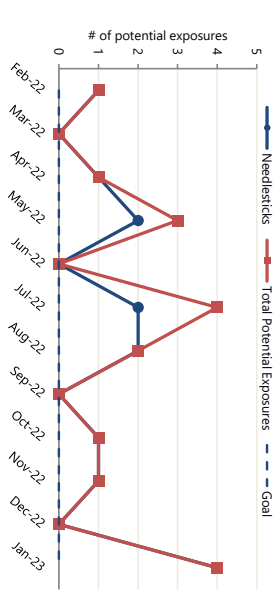
Falls



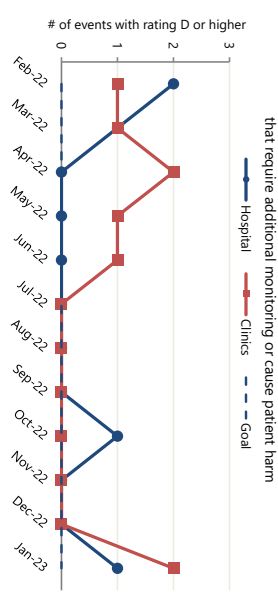
Care and Service Reports



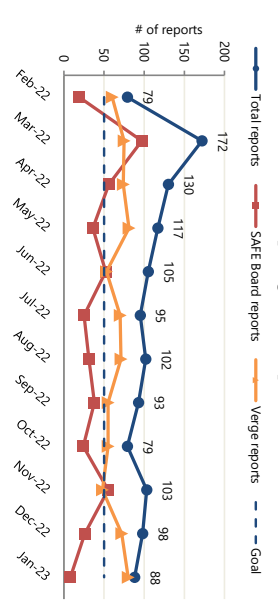
Potential Bloodborne Pathogen Exposures



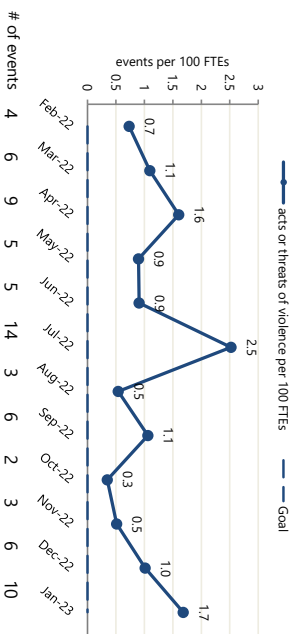
Adverse Medication Events



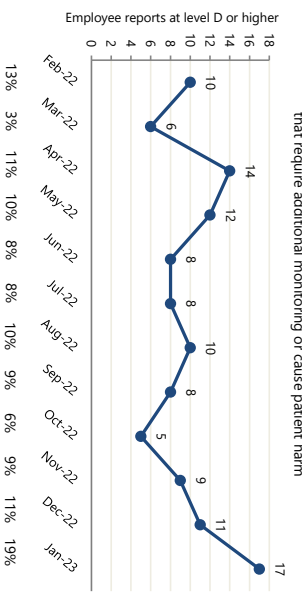
Employee Reports



Workplace Violence Events



Reports of Occurrences



KVH Quality Improvement Council Dashboard Glossary

KVH Measure Name	Components of the Measure	Simplified explanation or additional information	Other things to know
Medicare Wellness Visits	<p>Numerator: The number of traditional Medicare patients who have received a Medicare Wellness Visit within the previous 12 months</p> <p>Denominator: The total number of unique traditional Medicare patients who have been seen at KVH Family Medicine - Cle Elum, KVH Family Medicine - Ellensburg, or KVH Internal Medicine in the previous 12 months</p>	<p>Medicare Wellness Visits are an opportunity for patients with Medicare to develop or update a personalized prevention plan with their care team. This might include:</p> <ul style="list-style-type: none"> ▶ A review of medical and family history ▶ Developing or updating a list of current medications ▶ Height, weight, blood pressure, and other routine measurements ▶ Cognitive impairment screening ▶ Personalized health advice ▶ A screening schedule (checklist) for appropriate preventive services like cancer screenings <p>Patients age 65 or older are recommended to have a fall risk screening at least every 12 months</p>	<p>Visits can only cover preventive care. They cannot address current medical concerns. All traditional Medicare patients seen in these three clinics are included, even if they receive their primary care elsewhere.</p>
Fall Risk Screening	<p>The percentage of eligible patients who were due for and received a fall risk screening during their clinic visit</p>	<p>Patients age 65 or older are recommended to have a fall risk screening at least every 12 months</p>	
Diabetic Foot Checks	<p>The percentage of eligible patients who were due for and received a foot check during their clinic visit</p>	<p>Patients with diabetes are recommended to have a foot check at least every 12 months</p>	
Days to Referral Completion	<p>The number of calendar days to referral completion for KVH clinic patients</p>	<p>Based on month of referral order date. Only referrals that have been processed/sent are included in data.</p>	<p>ENT, General Surgery and Workplace Health are excluded due to small number of referrals</p>
Compliance Concerns Reported	<p>Blue line (circles): The total number of compliance concerns reported</p> <p>Red line (squares): The subset of total compliance concerns reported that were substantiated concerns</p>		
Timely Start for Home Health	<p>Percentage of new home health patients who are seen within 48 hours of referral</p>	<p>Patients who have referrals for care should be assessed and have care started promptly</p>	
Improvement in Management of Oral Medications (Home Health)	<p>The percentage of patients who are discharged from home health services during the month who experienced an improvement in their management of oral medications.</p>	<p>Patients answer questions at the beginning and end of a home health care episode using a screening questionnaire known as OASIS (Outcome and Assessment Information Set)</p>	<p>Tracked by the month of patient discharge from service</p>

KVH Quality Improvement Council Dashboard Glossary

KVH Measure Name	Components of the Measure	Simplified explanation or additional information	Other things to know
Hospice Length of Stay ≤7 Days	The percentage of hospice patients who were on service for seven days or less prior to discharge due to death or service discontinuation	A greater length of service can provide better pain and symptom management for patients and emotional support for the patient and caregivers	Tracked by the month of patient discharge from service
Sepsis Bundle	Percentage of inpatients with sepsis, severe sepsis, or septic shock who received all applicable components of the sepsis bundle	<ol style="list-style-type: none"> 1. Received within three hours: initial lactate level measurement, broad spectrum or other antibiotics, blood cultures drawn prior to antibiotics; 2. Received within six hours: repeat lactate level measurement if initial lactate level was elevated; 3. Received within three hours: crystalloid fluid bolus if indicated; 4. Received within six hours: vasopressors if indicated 	
Median Time to ECG (Chest Pain)	Median time from arrival to ECG for patients with chest pain who are admitted to KVH Hospital or transferred	Arrival means the first documented activity in the Emergency Department. At KVH, this is usually a registration/quick registration entry. Time measured from when patient arrived to time ECG is charted as "signed" or "completed."	
Median Time to Lytics (Stroke)	Median time from arrival to receipt of lytic medication for patients with stroke	Arrival means the first documented activity in the Emergency Department. At KVH, this is usually a registration/quick registration entry. Time measured from when patient arrived to time of medication administration	

KVH Quality Improvement Council Dashboard Glossary

KVH Measure Name	Components of the Measure	Simplified explanation or additional information	Other things to know
Blood Product Documentation	Percentage of blood product units that have complete documentation in the patient's electronic health record	Items that must be documented to be considered complete include: start time, stop time, if the patient had a reaction to the transfusion, pre-transfusion vital signs, vital signs 15 minutes after transfusion started, post-transfusion vital signs, and documentation of a consent. Vital signs include temperature, blood pressure, respiration rate and pulse. Numerator is number of blood product units considered complete. Denominator is total number of blood product units given.	
Suicide Risk Assessment/ Intervention Bundle	Percentage of patients with mental health issues who have all appropriate components of a suicide risk assessment/intervention bundle included	Measures for suicide risk assessment/intervention bundle include: <ul style="list-style-type: none"> ▶ Columbia Suicide Severity Rating (CSSR) assessment completed ▶ CSSR charted ▶ Order created for suicide precautions (if moderate or high risk) ▶ If precautions order placed: Environment made safe/SI precautions in place AND frequency of documentation achieved per policy AND sitter documentation completed (if appropriate) 	
Restraints Bundle	Numerator: Number of patients who met all possible measures for restraints Denominator: Total number of patients in restraints	Measures for restraint use include: <ul style="list-style-type: none"> ▶ Initial restraint order written ▶ Restraint problem added to care plan (MS/CCU only) ▶ Restraint orders continued/signed within appropriate timeframe ▶ Restraint charting/assessment done as frequently as appropriate for the reason for restraint 	IV Tylenol is currently excluded from this measure, scheduled pain medications for FBP patients are excluded
Pain Reassessment after Medication	Percentage of patients in certain hospital units who had a documented follow up assessment of their pain level after receiving pain medications	Patients should be followed up with to assess whether administered medications are reducing their pain. Follow-up should occur within 60 minutes of medication administration, except oral medications in the Emergency Department should be followed up within 90 minutes.	

KVH Quality Improvement Council Dashboard Glossary

KVH Measure Name	Components of the Measure	Simplified explanation or additional information	Other things to know
Hospital Acquired Infections	Red line (squares): Total number of infections contracted by an inpatient as a result of care or treatment provided during their hospital stay. Includes CAUTIs, CLABSIs, VAEs, and SSIs. Blue line (circles): The subset of the total infections that were SSIs	Inpatient infections from urinary catheters, certain types of intravascular devices, ventilators or surgeries. Based on criteria from the National Health and Safety Network (a division of the Centers for Disease Control and Prevention). Includes superficial surgical site infections, which are not included in Washington State Hospital Association comparison reports.	CAUTI: Catheter-associated urinary tract infection CLABSI: Central line-associated bloodstream infection VAE: Ventilator-associated event SSI: Surgical site infection
Potential Bloodborne Pathogen Exposures	Red line (squares): Number of potential staff exposures to bloodborne pathogens by any route Blue line (circles): The subset of the total exposures that were needles/ticks/sharps injuries	Total potential exposures: All reported potential exposures, including needles/ticks, splashes, Needlesticks: Total number of staff who experience a sharps injury during the month	Dependent on reporting by staff
Workplace Violence Events	Number of harm events related to workplace violence per 100 FTEs	As defined by the Occupational Safety and Health Administration, workplace violence includes any act or threat of physical violence, harassment, intimidation or other threatening disruptive behavior that occurs at the work site.	Threats and verbal abuse are included as events.
Falls	Blue line (circles): The total number of patient falls anywhere in the organization Red line (squares): The number of patient falls that result in any injury	Injuries are defined as anything that requires the application of a dressing or bandage, ice, cleaning of a wound, limb elevation, or topical medication	Non-patient falls are not included (employee falls, visitor falls, parking lot falls); near misses are not included
Adverse Medication Events	The number of medication events that are Category D or greater, separated by setting of clinics or hospital	A Category D error is an error that reaches the patient and requires monitoring to confirm that it did not result in harm to the patient and/or required intervention to preclude harm	Unanticipated medication allergies can be included in Category D or greater medication events
Reports of Occurrences	Percentage of employee reports of a Category D or higher	A Category D error is an error that reaches the patient and requires monitoring to confirm that it did not result in harm to the patient and/or required intervention to preclude harm	

KVH Quality Improvement Council Dashboard Glossary

KVH Measure Name	Components of the Measure	Simplified explanation or additional information	Other things to know
Care and Service Reports	The number of care and service patient reports submitted to the Quality Department, separated by concerns and compliments	CMS' conditions of participation in the Medicare program include certain policies and procedures regarding the receipt of and response to grievances	
Employee Reports	The number of employee reports submitted through Verge or on department SAFE Boards	Verge is the electronic occurrence reporting system used at KVH. SAFE Boards are also used for reporting, but typically contain items of lower severity.	

Chief Executive Report March 2023

Legislative Updates

The nurse staffing bill that we were watching closely is anticipated to pass. WSHA was able to negotiate an exemption on CAHs. The new bill will provide additional guidance for staffing committees and allow for fines for excessive violations of staffing plans.

Obstetrics & Pediatrics

We have reason to be hopeful and to actually celebrate on the OB front. I will share more information at the Board meeting but we appear to be making progress in physician staffing. Anna Parr, PA-C has begun her transition from FME to Women's Health to support ambulatory

Dr. DeBusschere has tendered his resignation with an effective date of June 15. We suspended recruitment for the 4th pediatrician and Dr. DeBusschere's replacement pending a reassessment of our ambulatory pediatric needs.

Dr. Hibbs is working with our two family medicine clinics as well as our outside partners to ensure that we have acute newborn coverage going forward. Our FMCE and FME leaders are working with their provider staffs to craft permanent and sustainable support for our obstetrics program. More to follow at the Board meeting.

Celebrating our Clinics

From phones to finances our clinics are doing extraordinary work to meet the needs of our communities. Stacy and her team have successfully filled most of their open MA and PSR positions. They are piloting a remote nurse triage system, opening KVH Rapid Access, scanning medications and much more. Their hard work is reflected in outstanding patient satisfaction score.

Expansion Project



It is official, the 2023 KVH Expansion Project is underway. I will ask Ron to provide the Board with a monthly update.



In a demonstration of true team work, we in Administration are all taking credit for this piece of perfection. Meet Rosalee Jean Scott (7lbs, 15oz DOB 03/13/2023). Manda asked that I share her appreciation and admiration for the wonderful L&D team that helped bring Rosalee into the world. Mom, baby, big sis and dad are all doing well.

Human Resources & Staff Development- March 2023

February 2023 Metrics

<i>Employee Population</i>				
	<i>23 - Feb</i>	<i>23-Jan</i>	<i>22-Dec</i>	<i>22-Nov</i>
Full-time	505	502	495	487
Part-time	121	117	115	120
Total Employees	764	754	746	744

<i>Turnover</i>			
	<i>YTD</i>	<i>23-Feb</i>	<i>2022 Year End</i>
Turnover (People)	42	16	149
Turnover (Percentage)	5.41%	1.96%	20%
Voluntary	41	15	140
Involuntary	1	1	9

<i>General Recruitment</i>				
	<i>23-Feb</i>	<i>23-Jan</i>	<i>22-Dec</i>	<i>22-Nov</i>
Open Postings	18	11	18	23
Unique Applications Received	144	203	103	158
Employees Hired	13	25	14	27
Time to Fill (Median)	27	67.5	43.5	28.5
Time to Fill (Average)	83.4	96.38	96.38	90

<i>Annual Evaluations</i>	
	YTD
Percent complete	81.8%
Total evaluations over due	118
# of employee evals over due	86
# of provider evals over due	32

Recruitment: Successfully filled the Nursing Director – Clinics position, with a nurse who had been a traveler with us in Cle Elum. We have been able to convert at least 5 travelers to employees; mostly in the clinic setting. We launched the Pharmacy Technician-In-Training program; it's very similar to the MA Apprenticeship program where someone with no medical background can complete on-the-job training, and after a year they are able to sit for their Washington State Pharmacy Technician license.

Student and Volunteer Services: Currently we have 65 learners on-site from the following groups: 1 Pharmacy student, 7 Imaging Tech students, 22 Paramedic students, 15 EMT students, 4 Medical Laboratory Technician students, 3 Job Shadow students, 2 Dietetic Interns, 2 Physician Assistant students, 6 Nurse Practitioner students, 1 Medical student, and 2 Family Medicine Residents. We are coordinating the Preceptor Education Event on April 1st. The event has presenters from all three state medical schools and it is focused on helping healthcare providers who precept. Currently there are 21 attendees registered for the event.

Volunteer numbers continue to grow with 16 active volunteers. We are planning volunteer appreciation activities for National Volunteer week April 16-22. The volunteers report that they appreciate being included in the employee wellness activities at KVH such as the art classes at Gallery One

Staff Development: We continue to work on bringing back TeamSTEPPS with an anticipated rollout of April/May.

Leadership Development: We brought in a speaker for Civil Treatment for Leaders over two days at the end of the month. We will be holding our first Leadership Cohort in April for recently hired or promoted employees in leadership positions. We plan on meeting with these Cohorts every quarter.

Total Rewards: Total compensation reports went out to all staff. The report outlined their standard compensation along with the cost of all benefits provided to staff. So far we haven't heard much but the little we did hear was good feedback.

Benefits: 1095 Verification of Insurance coverage forms went out. Discussed the benefits of the Total Reward reports and future ideas. Next Benefits Advisory meeting scheduled for May to review accounts with USI and hear about potential changes with SECURE Act.

Wellness: Barret has quickly become a favorite with his co-workers. Gallery One classes and Garage Studio Fitness classes are continuing to be well utilized by staff. Garage Studio Fitness will begin offering midday wellness sessions two times a week at Radio Hill. Committee is still exploring new ideas such as increased Yoga opportunities. Volleyball signups for starting in April.

Labor Relations: Continuing to review WSNA salary adjustments per the CBA are in progress with a due date of 3/31.

Patient Care Services Board of Commissioners Report

March, 2023

Emergency / Urgent Care

Staffing & Volume: Staffing is looking better than it has in many months. We do have two open Patient Care Technicians positions open and are actively screening/interviewing applicants. Urgent Care has a very part time RN position and a per diem Tech position open with applicants. We are also working on replacing our Trauma Registrar and have internal applicants. Volume remains higher in the ED than budgeted most days. Transfers have been going smoothly in the past week.

ED Director: We welcomed Jason Tavel, RN on 3/13/23 who will be with us for six months as an interim director. He has hit the ground running and is getting to know staff and the KVH way. He brings a wealth of knowledge with him from previous assignments and many years of emergency nursing experience. Dede Utley, RN is helping to get Jason settled and beginning to transition into the CNO role officially.

Construction and HVAC work: The ED is working to help support these construction projects as they will impact some of the flow and patient/staff areas. The ED team is brainstorming how we can change our flow to minimize disruptions, which is a strength of ED personalities...we work with whatever is brought our way!

Helipad: Along with all of this construction coming up our helipad will temporarily be out of service on the roof at the end of the month. We will use an alternate landing zone behind KVFR Station #29 on Mountain View. This has been coordinated with all the agencies involved.

Commissioner Gemba: Thank you to the three Commissioners who visited our ED on the evening of 3/10/23. It is nice to show off the great work our staff provides 24/7 to our community. They were able to see our department in action in the space we have. Also, it was great to have an opportunity for staff to engage with members of our board. The ED welcomes you anytime!

Surgical Services

Our expansion project is really under way! I have been communicating with my team as much as possible, having some JIT huddles to update them on upcoming construction phases and how it will impact their workflow. I want to recognize Ron for being patient and supportive through this process, I appreciate his amazing work and ability to juggle all of the ongoing projects.

We are welcoming Dr. Roger's our new ENT provider and looking forward to working with her.

We continue to see high volumes of cases and staff are doing an amazing job of providing excellent care while moving patients through effectively. As our volumes increase we are exploring ways to increase our efficiency.

Family Birthing Place

Programs

- 4th Trimester/Lactation
 - Patients and providers have responded positively to our expanded hours
 - We are looking forward to moving back to in person education
 - The Park Ramble continued throughout the winter despite the weather and only had a few instances of no attendees. We are looking forward to increased attendance and opportunities to connect

Collaboration

- Education
 - Caring for Pregnant and Postpartum People with Substance Use Disorder
 - Arranged by FBP and led by Dr Asriel
 - Well attended by KVH employees and community partners
 - Hub and Spoke
 - Connect Program
 - Yakima and Ellensburg
 - Recovery Navigator Program
 - Yakima and Ellensburg
 - CHCW
 - This has opened the door for connections and we will continue to meet and develop processes to improve our knowledge and patient access to appropriate referrals
 - STAT CSection
 - FBP and OR teaming together to PDSA our processes
 - We include cross departmental personnel in our practice

Clinical Education Report

Baxter IV Infusion Pumps:

Hands on demonstration of the IV pump for RNs and CRNAs in the OR.

New Employee Clinical Orientation (NECO):

Reoccurring.

Clinical Education Days 3/29 and 3/30:

Preparations underway for Housewide/Home Health and Hospice RNs and PCTs. Topics include Diabetes Education, High Flow Oxygen Delivery, Finding KVH Policies and Procedures, Sharps Safety, and Vascular Access.

CCU New Graduate RN Residency:

Educational Modules for proposed CCU New Graduate RN Residency in review.

Medtronic Temporary Pacer training:

Phase 3 Completed with ED RN Staff trained on 3/13/23.

Macy Catheter Demonstration:

Product demonstration via ZOOM for MedSurg RNs in cooperation with Home Health and Hospice.

Nursing Students Final Preceptorship:

Babbi provides Orientation and coordinates precepted orientations.

Yakima Valley Community College 2nd Quarter Nursing Students:

Coordinate Fall, Winter and Spring Quarter Clinical Rotations.

Collaboration:

Annual education requirements for Infection Control for 2023.

Sincerely submitted,

Vicky Machorro, CNO

Ancillary Services report to Board of Commissioners
March 2023

Ancillary Service Operation Report:

Imaging

Our mobile MRI is operational and our modular MRI building has been demolished.

47 Degrees North & The City of Cle Elum

The League of Women Voters hosted a panel discussion regarding the impact of growth in Upper County on healthcare. Panel presenters were John Sinclair, Jerry Pettit, Geoff Scherer and Cole Gravel from Medic One and myself. They are planning another presentation in the fall, with a tentative topic of developing a Regional Fire Plan.

Lab

Lab has finalized their selection for a new chemistry analyzer and we are bringing it to the Board tonight. At the time of the remodel, companies that manufacture chemistry analyzers did not yet have their new models approved by the FDA so we removed the cost of the chemistry analyzer from the project and into the Capital budget. We also knew that no matter which chemistry analyzer we selected in the future, we would have to make some modifications to our newly designed lab. The Beckman chemistry analyzer we selected is a totally redundant system, essentially 2 chemistry analyzers in one. Our current chemistry analyzer is 8 years old, at end of life and frequently goes down, leaving us with a limited testing menu for ED and inpatients.

Home Health & Hospice

Our remaining RN traveler is contracted through April 29 and we have posted this position and hope our current traveler will join KVH. We are very fortunate that our former HH Physical Therapist, Amy Burt, is moving back to Ellensburg from Bend, OR and will resume her former role at KVH at the end of May.

Ground Ambulance Patient Billing Committees

Our first public meetings scheduled for March 21-22 were cancelled due to not having CMS leadership approval in time to place a 15 day notice to the public. They are now looking at dates in May to reschedule. The Washington State OIC had a second meeting on February 27. They are drafting a survey of ambulance providers and insurance carriers regarding billing practices.

Respectfully submitted by Rhonda Holden, MSN, CENP

47° N Fiscal Assessment

Support for SEIS Addendum

February 23, 2023

Prepared for: 47° N

ECONorthwest

ECONOMICS • FINANCE • PLANNING

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1. Overview

ECONorthwest is supporting EA Engineering on a Supplemental Environmental Impact Statement (SEIS) Addendum for the 47° North Project in Cle Elum. Draft and Final SEISs were issued in 2020 and 2021, respectively. ECONorthwest previously prepared the Fiscal and Economic analysis for the DSEIS and FSEIS. This report provides an updated analysis of the fiscal impacts to address agency impacts resulting from a Revised Proposal from Sun Communities. Sun Communities has purchased the 47° N site from Suncadia and has provided updated information about the scale, mix, value, and timing of their real estate development plans. This analysis also addresses the additional 50 affordable housing units and commercial center that are now incorporated into the project (these were not part of the project under SEIS Alternative 6), as well as proposed changes to development timing.

2. Updated Land Development Program

The fiscal impact analysis considers the marginal fiscal effects of 47° N by comparing the additional revenue generated by the development with the additional operational costs needed to serve the development. Comparing revenues and costs from development is a complicated task. For example, city revenues derived from development (e.g., property tax, sales tax, real estate excise tax, and other taxes or fees) all flow to different funds, some of which are available for use citywide in an annual budgeting process, and some of which are restricted in use in different ways.

Revenues also accrue over a period and may not be available at the time that an investment (a cost) is incurred. In this analysis, the approach is to estimate the present value of the total costs of providing service increases, and the present value of total revenue sources that are available to the city and other service providers. This analysis relies on a set of assumptions about revenues and costs which are plugged into a cash flow revenue model. The model is also based on development assumptions, including phasing and timing of development, to estimate changes in affected taxes. Assumptions about the type and expected delivery of development is outlined in the development program submitted by Sun Communities in the exhibit below.

Exhibit 1: Revised Project Land Development Program by Type, Scale, and Timing

Source: Sun Communities, 2022.

Phase	Start	Finish	Residential (units)				Commercial (square footage)			
			Single Family	Multi-family	Affordable	RV and Glamping	Grocery	Retail	Restaurant	Office
1	2023	2025	250	96	24	327	50,000	14,000	6,000	0
2	2025	2027	150	84	26	300	0	14,000	6,000	10,000
3	2027	2028	127	0	0	0	0	14,000	6,000	0
4	2029	2031	0	0	0	0	0	14,000	6,000	10,000
Total			527	180	50	627	50,000	56,000	24,000	20,000

The development of these projects will also fuel the growth of tax bases attributable to 47° N. The exhibit below summarizes the major valuation assumptions used to derive new construction, assessed value, and taxable retail sales tax basis. Construction and market values were provided by Sun Communities and are inclusive of land preparation and infrastructure investment.

Exhibit 2: Revised Project Valuation Assumptions for Major Tax Bases

Source: Sun Communities and ECONorthwest calculations, 2022.¹

Residential	Construction Value (unit)	Market Value (unit)	Taxable Retail Sales (unit)	Commercial	Construction Value (sf)	Market Value (sf)	Taxable Retail Sales (sf)
Single Family	\$143,700	\$368,700	\$3,000	Grocery Store	\$230	\$300	\$230
Multifamily	\$202,100	\$242,500	\$2,500	Retail	\$230	\$300	\$300
Affordable	\$147,400	\$176,800	\$2,000	Restaurant	\$230	\$300	\$330
RV Sites	\$116,400	\$169,600	\$0	Office	\$230	\$300	\$0

Note: The anticipated sale price for single family homes will be \$225,000 but this value is exclusive of improvements to the underlying land which will be owned by Sun Communities.

¹ The market value of single-family homes refers to the estimated sale price of the home. Sun Communities will maintain ownership of the underlying land.

3. Comparison to SEIS Alternative 6

This updated fiscal impact analysis builds on the previous DSEIS and FSEIS analyses and compares the fiscal impacts of the Revised Proposal to SEIS Alternative 6. As appropriate, references are made to SEIS Alternative 5 as well. No methods in the analysis have changed from the previous analysis; however, several assumptions have been updated in this updated analysis. These changes are described below.

Time Frame

The base year of the updated analysis incorporates information collected in 2022. The time horizon of the analysis shows impacts through 2037. The buildout year for the Revised Proposal is 2031 but 2037 is retained as an endpoint for the analysis so it can be compared to buildout of SEIS Alternative 6.

Development Program and Timing

The updated development program provided by Sun Communities differs from SEIS Alternative 6 in the following ways:

- **Timing.** Development in the revised program reaches full buildout sooner in the analysis period (2031).
- **Valuation.** Sun Communities has provided detailed information related to the following elements of their program:
 - Market valuation of for the commercial and residential properties.
 - Construction costs of the commercial and residential properties.
 - Economic productivity estimates of the commercial properties.
 - Land preparation and infrastructure construction estimates of the commercial and residential properties.

Within respect to timing, the amount of buildout varies between the alternatives:

- Alternative 5 assumed development occurring in phases starting in 2021 and reaching full buildout in 2051
- Alternative 6 assumed development occurring in phases starting in 2021 and reaching full buildout in 2036

The implication of these timing disparities between Alternative 5, Alternative 6, and the revised program presents challenges that makes simple yearly comparisons between alternatives very difficult. These include:

- Annual revenues are influenced by the degree of one-time construction related taxes versus the on-going operational taxes that flow once buildings are occupied. An extended buildout will have a larger share of one-time revenues as part of its total revenue mix.

- Annual expenditures are driven by the development program. A program that delivers buildout earlier will reach the full extent of the public service impacts sooner.

As a result, comparing the impacts of the Revised Proposal several years post-buildout to Alternative 6 at buildout is not an apples-to-apples comparison. The decrease in one-time revenues that is observed post-buildout would, in fact, occur for any of the alternatives after construction is complete.

Tax Policy

Tax policy was updated for all the affected jurisdictions. This update included the following meaningful information:

- City of Cle Elum
 - The property tax rate and levy calculations were updated with 2022 valuations for 2023 taxes.
 - The revenue sharing with Kittitas County for the public safety sales tax was added.
 - Business license fees were added.
 - The second 0.25% of the real estate excise taxes was adopted by the city.
- Kittitas Hospital District #2
 - The property tax rate and levy calculations were updated with 2022 valuations for 2023 taxes.
- Cle Elum-Roslyn School District
 - The property tax rate and levy calculations were updated to focus on the calculation methods for the enrichment levy because of the state McCleary decision.

Public Service Costs

Outside of the changes to the estimated staffing impacts identified in the Public Services section of the SEIS Addendum, the fiscal analysis has also updated employee compensation estimates. As analyzed with the SEIS Addendum, staff are incurred on a prorated basis depending on the amount of population (households and RV effective population) in any given year depending on buildout. The updated proposal by Sun Communities also assumes that all roads and parks will be privately constructed and maintained, which results in no public works or parks service responsibilities by the city of Cle Elum and, therefore, no cost impacts in these areas.

4. City of Cle Elum

The city of Cle Elum is the local service provider for police, fire, public works, community development, parks, and other local services. To support these services, the city collects a range of general and restricted taxes, these include the following.

Tax Revenues

The following description of tax revenues is included for reference. Tax revenues were calculated based on the changes in the components of the city's tax base resulting from development at the site. Elements of growth that influence revenues include the timing, scale, and quality of the project's development as well as the population and employment impacts of the development once complete.

The updated proposal by Sun Communities also assumes that all roads, parks and utilities will be privately constructed and maintained, which results in no public works or parks service responsibilities by the city of Cle Elum and, therefore, no cost impacts in these areas. Therefore, the analysis seeks to isolate general tax revenues and public safety restricted revenues that can be used to fund police and fire related costs (e.g., the city collects some funds like the criminal justice sales tax that can only be used on public safety purposes). These revenues are separate from other revenues the city will see that can be dedicated to areas where there is anticipated to be no service impacts.

Tax revenues are estimated in three categories:

- **One-time Revenues.** These general-purpose revenues (or for public safety) are tied to the construction of housing and commercial products. Specifically, they include the retail sales tax on construction (material and labor).
- **Recurring Revenues.** These general-purpose revenues (or for public safety) are derived from the occupation of residential and commercial structures by residents, businesses, and employees. Specific revenues include the property tax, retail sales tax (resulting from new sales tax sourcing rules), and utility taxes.
- **Restricted Revenues.** These revenues are statutorily restricted to fund certain capital expenses and are generally not available to fund public safety service costs. Specific revenues include the real estate excise tax and the hotel-motel tax.

Property Taxes

The analysis models the city's property tax so that it conforms to the levy limit factor and adjusts for changes to new construction and assessed value growth. Specifically:

- A limit factor of 1% plus an add-on value of new construction is assumed in calculating the city's maximum allowable levy.

- New construction is added in the year that a project is developed per the development program and affects the levy calculation in the following year.
- Property tax revenues are lagged a year from which the assessed value is recorded to account for the assessment cycle and subsequent tax payments.
- New construction at the city level is capped at 1.7% of the city's overall assessed value base (the city historical average); however, this cap can be exceeded by growth within 47° N.
- Assessed value growth once placed on the city's assessment base is assumed to be revalued at 2.5% a year.

The effect of these assumptions results in property tax revenue growth over the study period as new construction grows the city's levy pass the 1% limit factor. Much of this effect is explained by the structural/ legislative parameters explained above but is best represented by the steady lowering of the city's levy rate, which is estimated to fall over the study period. The analysis does not impose any policy choices by elected officials or voters such as "banking" levy capacity or voter-approved levy lid lifts.

Sales & Use Taxes

Of the 8.1% sales tax currently collected in the city on taxable retail sales purchases, a 1% "local" share of the tax accrues to local jurisdiction. The city receives 85% of the 1% local tax and Kittitas County gets 15%. This tax is levied on retail sales area and on construction activity (considered a taxable retail sales). Due to sales tax sourcing laws, taxable retail sales also apply to certain online purchases and the delivery of personal and commercial goods.

Cle Elum also receives a population pro-rata share of the city allocation of Kittitas County's 0.1% criminal justice sales tax that goes to the incorporated cities in the county. Increase in the criminal justice tax is modeled on net increases in population due to development.

Kittitas County also levies a 0.3% public safety sales tax that must be used on public safety costs. The county shares revenue with the towns of Cle Elum, Roslyn, Ellensburg, Kittitas, and South Cle Elum. Increase in the public safety sale tax revenue sharing going to Cle Elum is modeled on net increases in population due to development.

Utility Taxes

The city imposes utility taxes on gross purchases of electricity, water, wastewater, solid waste, telephones, cable, and natural gas. Current tax rates are used for this analysis. A generalized utility expenditure productivity factor (on a per square foot basis of development) was used to generate estimates of utility purchases. The city's current utility tax rates:

- Water: 6.0%
- Wastewater: 6.0%
- Electric: 6.0%
- Natural Gas: 6.0%
- Telephone/Mobile: 6.0%

State Shared Motor Vehicle Fuel Tax & Liquor Board/Taxes

Local governments receive a gas tax distribution that is restricted for street purposes from the state of Washington. Cities also receive pro rata payments from Liquor Excise Tax, Liquor Board Profits, and Marijuana Excise Tax. The distribution is determined using a formula that is heavily weighted towards population. The analysis uses population growth as proxy of this formula to derive these revenues to the city.

Business License Fees

The city levies a fee for the privilege of doing business in the city. Since there are no identified number of businesses at 47° N at this time, the analysis assumes that the average business consists of 10 employees and would be levied at the \$100 per business per year fee.

Real Estate Excise Tax (REET)

Real estate transactions are subject to a 0.5% tax on the value of the transaction within the city as of 2022. REET revenues are placed in the capital restricted funds to finance capital projects. REET revenues are uncertain given volatility in the real estate market. Since REET is based on the total value of real estate transactions each year, the amount of REET revenues the city receives can vary substantially from year to year based on the normal fluctuations in the real estate market. During years when the real estate market is active, revenues are higher, and during softer real estate markets, revenues are lower.

For the purposes of this analysis, it is assumed that all new single-family homes would be sold initially and then 14.3% of all market value would turn over (re-sold) in any given year (this assumption is based on the market value of sales in Cle Elum in 2021 subject to the REET as percentage of the city's assessed value base). It is assumed that all the commercial components of the development program are sold a single time once the project reaches buildout in 2031. Sun Communities has indicated it expects that approximately 50% of the single-family units would be rentals, with an assumed 10% of the rented units being purchased each year. At full buildout, it is anticipated that an average of 10% of the single-family homes would be rented (consistent with other communities). This does not impact the REET assumptions since tenure (rental and ownership) are still a part of the real estate transaction base.

Special Hotel/Motel Tax

A two percent hotel tax is imposed by the city of Cle Elum. The Special Hotel/Motel and Convention and Trade Center taxes are in addition to state and local sales tax for businesses that provide lodging. These revenues must be used for tourism promotion, acquisition of tourism-related facilities, or operation of tourism-related facilities. Revenues are estimated using the information provided by Sun Communities for the RV facilities.

Service Impacts

City of Cle Elum police and fire service provision will be impacted by proposed development. The Revised Proposal by Sun Communities assumes that all road and parks will be privately

constructed and maintained, which will result in no public works or parks service responsibilities by the city and, therefore, no cost impacts. The analysis uses the Public Service impact analysis in the SEIS Addendum to inform employee cost estimates on a per FTE (full-time equivalent) basis.

Police Services

The Public Services analysis in the SEIS Addendum estimates that 8.0 officers will be needed at development buildout of the Revised Proposal. Officers are added to meet proportionate demand based on the officer to population growth ratios used in the Public Services section. Refer to the Public Services section of the Addendum and the SEIS for additional information about the different methods for estimating demand. Note that the population method includes the population from the proposed residential units, as well as a proxy population calculated for the RV sites to conservatively analyze impacts on police service. As noted in the Public Services discussion, the RV proxy population used in the analysis is likely overly conservative and overestimates probable impacts associated with the RV element of the proposal. The following assumptions are used to approximate the cost of a police officer:

- The salary schedule for a police officer with 12 months of experience per the salary schedule in the city of Cle Elum. This level equates to an annual salary of \$59,496 in 2022.
- A benefit multiplier of 38.1% is used based on the *Employer Costs for Employee Compensation for state and local government workers by occupational and industry group* as estimated by the U.S. Bureau of Labor Statistic's National Compensation Survey (May 2021 release).
- An annual non-labor cost of \$10,000 per full-time equivalent (FTE) to account for training, radio, equipment, vehicle, and other overhead costs.
- All costs are inflated to the year of incurrence at a rate of 3.0% to account for inflation and other salary step increases.

The city's police department submitted staffing and cost information for the project's impacts on police service using a methodology recommended by the International City Managers Association (ICMA) The Public Services section (using a population-based to service-based formula) and the police department's ICMA method both estimate a need for 8 police officers. The Public Services section reaches the full allotment upon buildout in 2031 (e.g., officers are added to meet proportionate demand based on the officer to population growth ratios used in the Public Services section). The police department's ICMA method assumes 4 officers are brought on in 2023 and the remaining 4 are added in 2027. However, the methods and assumptions used by the department were not documented in a manner such that the analysis could be explained or reproduced. Therefore, that aspect of the analysis is not included in this updated fiscal impact analysis.

Fire Services

The Public Services analysis for the SEIS Addendum estimates an impact of 1.6 firefighters will be needed at development buildout under the Revised Proposal. Firefighters are added to meet

demand proportionate to population growth at 47° N (see the note above and in the Public Services section regarding the RV proxy population). The following assumptions are used to approximate the cost of a firefighter:

- An annual salary of \$56,740 in 2022 is assumed based on the U.S. Bureau of Labor Statistics May 2021 State Occupational Employment and Wage Estimate for Washington State using the Eastern Washington Nonmetropolitan Area that includes Kittitas County (the average annual wage is used).
- A benefit multiplier of 38.1% is used based on the *Employer Costs for Employee Compensation for state and local government workers by occupational and industry group* as estimated by the U.S. Bureau of Labor Statistic’s National Compensation Survey (May 2021 release).
- An annual non-labor cost of \$5,000 per full-time equivalent to account for training, equipment, and other overhead costs.
- All costs are inflated to the year of incurrence at a rate of 3.0%.

Fiscal Impacts

Exhibit 3 and Exhibit 4 summarize the cost and revenue impact of the 47° N development under the Revised Proposal to the City of Cle Elem. On the revenue side, the summary includes restricted revenues of REET (both 0.25% parts), the hotel-motel tax, and the motor vehicle fuel tax (as part of state shared revenues) that cannot be used to fund police or fire service costs. By 2037, annual city costs are estimated to be \$1.4 million a year. By 2037, annual city revenues are estimated to be \$2.1 million a year. Buildout of the Revised Proposal would occur in 2031; results to 2037 are provided to facilitate comparisons to SEIS Alternative 6. As noted above, comparing the Revised Proposal after buildout to Alternative 6 at buildout may not be an apples-to-apples comparison.

Exhibit 3: Revised Proposal – Summary of Cost Impacts for Cle Elum

Source: ECONorthwest calculations, 2022.

	2023	2024	2025	2026	2027	2028	2029	2030
Police	\$0	\$197,000	\$405,000	\$581,000	\$766,000	\$835,000	\$908,000	\$935,000
Fire	\$0	\$37,000	\$75,000	\$108,000	\$143,000	\$155,000	\$169,000	\$174,000
Total	\$0	\$233,000	\$481,000	\$689,000	\$908,000	\$991,000	\$1,077,000	\$1,109,000

	2031	2032	2033	2034	2035	2036	2037
Police	\$963,000	\$992,000	\$1,022,000	\$1,053,000	\$1,084,000	\$1,117,000	\$1,150,000
Fire	\$179,000	\$185,000	\$190,000	\$196,000	\$202,000	\$208,000	\$214,000
Total	\$1,142,000	\$1,177,000	\$1,212,000	\$1,248,000	\$1,286,000	\$1,324,000	\$1,364,000

Exhibit 4: Revised Proposal – Summary of Revenue Impacts for Cle Elum

Source: ECONorthwest calculations, 2022.

	2023	2024	2025	2026	2027	2028	2029	2030
Property Tax	\$0	\$199,000	\$404,000	\$549,000	\$698,000	\$759,000	\$822,000	\$840,000
Sales Tax on Construction	\$587,000	\$605,000	\$415,000	\$427,000	\$112,000	\$115,000	\$35,000	\$36,000
Sales Tax Ongoing	\$0	\$83,000	\$171,000	\$209,000	\$250,000	\$290,000	\$333,000	\$376,000
Utility Taxes	\$36,000	\$73,000	\$102,000	\$133,000	\$144,000	\$155,000	\$160,000	\$165,000
Criminal Justice & Public Safety	\$0	\$43,000	\$89,000	\$123,000	\$159,000	\$180,000	\$203,000	\$209,000
State Shared Taxes	\$0	\$16,000	\$34,000	\$47,000	\$60,000	\$68,000	\$77,000	\$79,000
Business License Fees	\$0	\$0	\$1,000	\$1,000	\$1,000	\$1,000	\$2,000	\$2,000
REET	\$0	\$236,000	\$269,000	\$208,000	\$230,000	\$230,000	\$249,000	\$149,000
Hotel-Motel Tax	\$0	\$101,000	\$209,000	\$314,000	\$424,000	\$437,000	\$450,000	\$464,000
Total	\$623,000	\$1,256,000	\$1,484,000	\$1,698,000	\$1,654,000	\$1,800,000	\$1,881,000	\$1,857,000

	2031	2032	2033	2034	2035	2036	2037
Property Tax	\$858,000	\$866,000	\$875,000	\$884,000	\$893,000	\$902,000	\$912,000
Sales Tax on Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales Tax Ongoing	\$422,000	\$434,000	\$448,000	\$461,000	\$475,000	\$489,000	\$504,000
Utility Taxes	\$170,000	\$174,000	\$178,000	\$183,000	\$187,000	\$192,000	\$197,000
Criminal Justice & Public Safety	\$215,000	\$222,000	\$228,000	\$235,000	\$242,000	\$249,000	\$257,000
State Shared Taxes	\$82,000	\$84,000	\$87,000	\$89,000	\$92,000	\$95,000	\$97,000
Business License Fees	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
REET	\$618,000	\$157,000	\$161,000	\$165,000	\$169,000	\$173,000	\$177,000
Hotel-Motel Tax	\$478,000	\$492,000	\$507,000	\$522,000	\$538,000	\$554,000	\$570,000
Total	\$2,366,000	\$1,939,000	\$1,978,000	\$2,019,000	\$2,060,000	\$2,102,000	\$2,145,000

Exhibit 5 summarizes the net annual surplus or deficit of the estimate costs and revenues. For revenues, restricted revenues of the REET, hotel-motel tax, and motor vehicle fuel taxes are excluded from the balance since they cannot be used to fund these public services.

Development at 47° N is estimated to create fiscal surpluses that accumulate over time; \$8.7 million in restricted revenues are excluded from the general revenue fund and would be additive to this operating surplus.

By year 2037, which is 6 years after buildout of the Revised Proposal, the city is estimated to have a cumulative revenue surplus of \$2.9 million of general revenues to support police and fire expenses with the Revised Proposal. Initial annual surplus revenues coming from one-time sales taxes on construction will fall once development is complete and will combine with rising services costs to produce a situation where annual surpluses give way to a small deficit in only 2037. However, on top of the \$2.9 million in cumulative general revenues to support police and fire, the city will also have an additional \$9.7 million in other restricted revenues for which it has no corresponding public service cost to account for (this is additive to the \$2.9 million cumulative surplus in 2037 covering public safety costs).

Exhibit 5: Revised Proposal – Surplus/Deficit of Costs and Revenues for Cle Elum

Source: ECONorthwest calculation, 2022.

	2023	2024	2025	2026	2027	2028	2029	2030
Total Costs	\$0	\$233,000	\$481,000	\$689,000	\$908,000	\$991,000	\$1,077,000	\$1,109,000
Total Non-Restricted Revenues	\$623,000	\$911,000	\$990,000	\$1,154,000	\$972,000	\$1,101,000	\$1,146,000	\$1,207,000
Annual Surplus/Deficit	\$623,000	\$678,000	\$509,000	\$465,000	\$64,000	\$110,000	\$69,000	\$98,000
Cumulative Impact	\$623,000	\$1,301,000	\$1,810,000	\$2,275,000	\$2,339,000	\$2,449,000	\$2,518,000	\$2,616,000
Other Cumulative Restricted Revenues	\$0	\$345,000	\$839,000	\$1,383,000	\$2,065,000	\$2,764,000	\$3,499,000	\$4,149,000

	2031	2032	2033	2034	2035	2036	2037
Total Costs	\$1,142,000	\$1,177,000	\$1,212,000	\$1,248,000	\$1,286,000	\$1,324,000	\$1,364,000
Total Non-Restricted Revenues	\$1,231,000	\$1,250,000	\$1,269,000	\$1,290,000	\$1,309,000	\$1,330,000	\$1,352,000
Annual Surplus/Deficit	\$89,000	\$73,000	\$57,000	\$42,000	\$23,000	\$6,000	\$12,000
Cumulative Impact	\$2,705,000	\$2,778,000	\$2,835,000	\$2,877,000	\$2,900,000	\$2,906,000	\$2,894,000
Other Cumulative Restricted Revenues	\$5,284,000	\$5,973,000	\$6,682,000	\$7,411,000	\$8,162,000	\$8,934,000	\$9,727,000

Comparison of Revised Proposal to SEIS Alternative 5 and SEIS Alternative 6

The SEIS estimated that Alternative 5 and Alternative 6 would result in cumulative fiscal surpluses to the City in 2037 (\$6.3 million and \$2. million, respectively). The fiscal surplus of the Revised Proposal would similarly result in a positive surplus.

5. Kittitas Hospital District #2

Kittitas Hospital District No. 2 operates Medic One ambulance services and responds to calls from a point about halfway to Ellensburg all the way to Snoqualmie Pass. The District also owns KVH Family Medicine Clinic in Cle Elum where medical services are provided. The District leases the clinic building to Kittitas Valley Healthcare (Hospital District #1) for their operation of the KVH Family Medicine (Cle Elum Rural Health Clinic). In 2020, Kittitas Valley Healthcare paid the District \$278,868 to lease the clinic building and in 2021 paid \$284,626 to lease the clinic building. Kittitas Valley Healthcare operates an Urgent Care Clinic in Cle Elum seven days per week from 10 am to 10 pm. The District provides a subsidy to help offset the cost of operating the clinic. The subsidy was \$187,466 in 2020 and \$191,215 in 2021.²

Tax Revenues

The hospital district collects two distinct property tax levies to fund two different services.

Property Tax - EMS Levy

The district voters passed a permanent EMS levy not to exceed \$0.25 per \$1,000 of assessed value in 2016 (before that, the levy had to be approved periodically by voters). This is a regular levy (meaning it is subject to constitutional limits) in Washington and is modelled like the provisions of the city of Cle Elum's property tax, also a regular levy.

Property Tax - Regular Levy

The district uses the regular levy of up \$0.25 per \$1,000 of assessed value. This is a regular levy (meaning it is subject to constitutional limits) in Washington and is modelled like the provisions of the city of Cle Elum's property tax, also a regular levy.

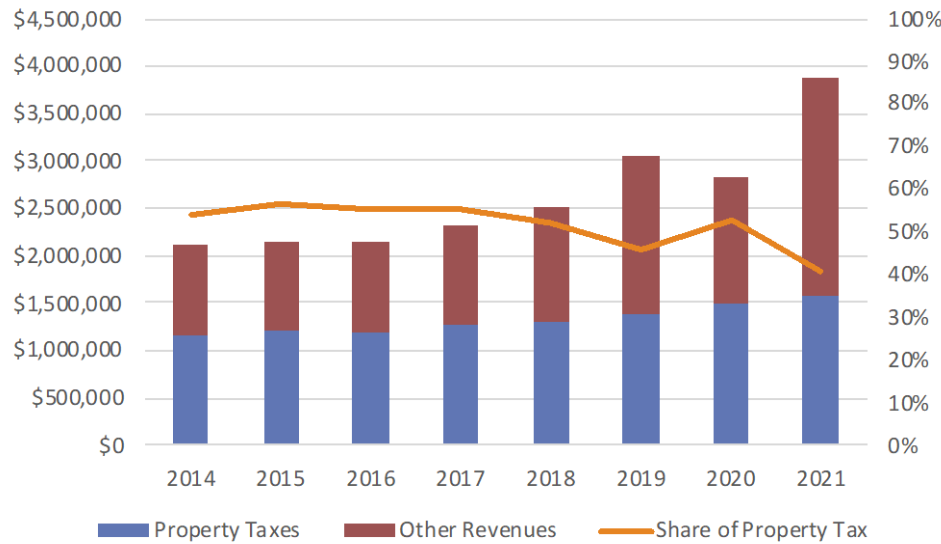
Other Revenues

Reoccurring revenues received by Hospital District #2 include patient/service fees and property taxes. The exhibit below presents a summary of the District's cumulative revenues received through their operating property tax levies (EMS and Hospital) and other revenue source. In 2021, patient service fees and other revenues accounted for about 59% of the District's total revenues. The analysis assumes that service fees would scale to meet additional costs beyond revenues provided by property tax revenues alone, as they have in the past. For example, if new hires are required to accommodate increased service needs, then revenues from services fees would theoretically increase too.

² Office of the Washington State Auditor. Audit Report on Financial Statements (November 2021).

Exhibit 6: Summary of Kittitas Hospital District #2 Revenues

Source: Washington State Auditor Financial Intelligence Tool, 2022.



Service Impacts

Medic One

The Public Services analysis in the SEIS Addendum estimates that 5.4 EMTs and 6.6 paramedics will be needed at development buildout of the Revised Proposal. These personnel would be needed to meet demand proportionate to estimated population growth at 47° N (including the assumed RV proxy population which is likely overly-conservative). The following assumptions are used to approximate the cost of a of these staff:

- An annual salary of \$36,500 for an EMT and \$54,380 for paramedics in 2022 is assumed based on the U.S. Bureau of Labor Statistics May 2021 State Occupational Employment and Wage Estimate for Washington State using the Eastern Washington Nonmetropolitan Area that includes Kittitas County (the average annual wage is used).
- A benefit multiplier of 38.1% is used based on the *Employer Costs for Employee Compensation for state and local government workers by occupational and industry group* as estimated by the U.S. Bureau of Labor Statistic’s National Compensation Survey (May 2021 release).
- All costs are inflated to the year of incurrence at a rate of 3.0%.

Cle Elum Clinic

The Public Services analysis in the SEIS Addendum estimates an impact of 0.6 physicians, 4.8 APCs, and 3.6 RNs will be needed at development buildout of the Revised Proposal. These personnel are added to meet demand proportionate to population growth at 47° N. As noted previously, the population used to estimate impacts includes a proxy RV population factor which is likely overly-conservative. The following assumptions are used to approximate the cost of a of these staff:

- An annual salary of \$280,360 for a physician and \$124,590 for an APC, \$85,090 for RN in 2022 is assumed based on the U.S. Bureau of Labor Statistics May 2021 State Occupational Employment and Wage Estimate for Washington State using the Eastern Washington Nonmetropolitan Area that includes Kittitas County (the average annual wage is used).
- A benefit multiplier of 38.1% is used based on the *Employer Costs for Employee Compensation for state and local government workers by occupational and industry group* as estimated by the U.S. Bureau of Labor Statistic’s National Compensation Survey (May 2021 release).
- All costs are inflated to the year of incurrence at a rate of 3.0%.

Fiscal Impact

Medic One

The cost and revenue impacts of the Revised Proposal are summarized in the exhibits below. Medic One supports its services through a combination of property taxes and charges for its services. Results below show only the property tax component relative to increased personnel costs and, therefore, does not present a complete or accurate picture of future fiscal condition. Although costs are higher than property tax revenues in the analysis, Medic One also receives user service charges that make up a large proportion of its revenues.

The analysis assumes that patient service fees could scale to meet additional costs beyond revenues provided by property tax revenues. For example, if new hires are required to accommodate increased service needs, then revenues from services fees would increase as well per charges for service from the district. Again, this is a key assumption, but this analysis has no publicly available data from the District to rule out if there is a structural issue between its cost of service relative to the combination of fees and taxes it receives. However, the District has grown its beginning fund balances over time during a period where both property taxes continue to grow while also representing a smaller share of overall revenues. In 2014, for example, it had a beginning balance of \$3,435,567 which had grown to \$6,366,267 in 2021.³ In summary, the analysis finds that all service impacts and any hypothetical shortfalls could be wholly offset by adjusting patient service fees.

Exhibit 7: Revised Proposal - Summary of Costs for EMS Medic One

Source: ECONorthwest calculation, 2022.

Costs	2023	2024	2025	2026	2027	2028	2029	2030
Personnel	\$0	\$184,000	\$379,000	\$542,000	\$716,000	\$780,000	\$848,000	\$874,000

Costs	2031	2032	2033	2034	2035	2036	2037
Personnel	\$900,000	\$927,000	\$955,000	\$983,000	\$1,013,000	\$1,043,000	\$1,075,000

³ Office of the Washington State Auditor, Financial Intelligence Tool, 2022.

Exhibit 8: Revised Proposal - Summary of Local Tax Revenues for EMS Medic One

Source: ECONorthwest calculation, 2022.

Revenues	2023	2024	2025	2026	2027	2028	2029	2030
EMS Property Taxes	\$0	\$17,000	\$34,000	\$47,000	\$59,000	\$65,000	\$70,000	\$71,000

Revenues	2031	2032	2033	2034	2035	2036	2037
EMS Property Taxes	\$73,000	\$74,000	\$74,000	\$75,000	\$76,000	\$77,000	\$77,000

Note: In 2021, patient service fees and other revenues accounted for about 59% of the District's total revenues.

Cle Elum Clinic

The cost and revenue impacts of the Revised Proposal are summarized in the exhibit below. Results below show only the property tax component of revenues relative to increased personnel costs and, therefore, present an incomplete picture of future fiscal conditions.

The Cle Elum Clinic is run by Kittitas Valley Healthcare (Hospital District #1) but supported in part by Hospital District 2 through their ownership of the facility. Although costs are higher than property tax revenues in the analysis, the clinic also receives user service charges that make up most of its revenue base. The analysis assumes that patient service fees could scale to meet additional costs beyond revenues provided by property tax revenues.

For example, if new hires are required to accommodate increased service needs, then revenues from services fees would increase as well per charges for service from the district. Kittitas Valley Healthcare states that its services are almost exclusively supported by revenue generated from patient services.⁴ District #2 also receives property taxes and as well as payments made by Kittitas Valley Healthcare to District #2 for lease of the medical facility. Again, this is a key assumption and is based on information from Kittitas Valley Healthcare acknowledging that their services are supported by revenue from patient service charges. In summary, the analysis finds that all service impacts and any hypothetical shortfalls could be wholly offset by adjusting patient service fees.

Exhibit 9: Revised Proposal - Summary of Costs for Cle Elum Clinic

Source: ECONorthwest calculation, 2022.

Costs	2023	2024	2025	2026	2027	2028	2029	2030
Personnel	\$0	\$355,000	\$731,000	\$1,046,000	\$1,380,000	\$1,505,000	\$1,636,000	\$1,686,000

Costs	2031	2032	2033	2034	2035	2036	2037
Personnel	\$1,736,000	\$1,788,000	\$1,842,000	\$1,897,000	\$1,954,000	\$2,013,000	\$2,073,000

⁴ <https://www.kvhealthcare.org/about-us/>

Exhibit 10: Revised Proposal - Summary of Local Tax Revenues for Cle Elum Clinic

Source: ECONorthwest calculation, 2022.

Revenues	2023	2024	2025	2026	2027	2028	2029	2030
Regular Property Taxes	\$0	\$18,000	\$37,000	\$50,000	\$64,000	\$69,000	\$75,000	\$76,000

Revenues	2031	2032	2033	2034	2035	2036	2037
Regular Property Taxes	\$78,000	\$79,000	\$80,000	\$80,000	\$81,000	\$82,000	\$83,000

Note: In 2021, patient service fees and other revenues accounted for about 59% of the District's total revenues.

Comparison Revised Proposal to SEIS Alternative 5 and SEIS Alternative 6

The SEIS fiscal analysis estimated that SEIS Alternative 5 and Alternative 6 would generate more in service costs than property tax revenues by 2037. However, District revenues come primarily from user fees rather than property taxes, so property tax revenues alone provide an incomplete picture of fiscal conditions. The SEIS noted that service fees have scaled to meet costs beyond property tax revenue in past years and that condition would likely continue in the future. Buildout of the Revised Proposal would occur in 2031; results to 2037 are provided to facilitate comparisons to SEIS Alternative 6.

6. Kittitas Hospital District #1

Hospital District #1 provides care to Kittitas County and surrounding areas. The public hospital district is governed by a five-member elected Board of Commissioners and is almost exclusively supported by revenue generated from patient services. The 2020/2021 SEIS did not evaluate fiscal impacts to Hospital District #1 because the 47° N property is not within the District's taxing district. Similarly, the 2002 Bullfrog Flats Master Site Plan EIS did not evaluate fiscal impacts to the District.

Revenues

47° N (and the city of Cle Elum) is not located within the district's boundary and taxing area; therefore, there is no property tax revenue that would accrue to the district from the project. However, the site is broadly within the district's service area (it's the closest regional hospital) and 47° N would result in additional demand for services from the district and cost impacts, as described below. Note that District 1 also operates the Cle Elum Clinic, which is discussed above.

District 1 generates almost all revenues from user fees and states that its services are almost exclusively supported by revenue generated from patient services.⁵ Its main recurring revenues received include patient/service fees and other sources of funds including its property tax levy. In 2021, the district collected \$5,061 in property taxes as part of its total revenue of \$118,867,617 (property tax accounts for 0.004% of all revenues).

Service Impacts

The Public Services analysis in the SEIS Addendum estimates an impact of 0.9 physicians, 0.2 APCs, and 5.4 RNs will be needed at development buildout of the Revised Proposal at the Ellensburg Hospital. The Public Services analysis in the SEIS Addendum included a staffing impact analysis based on hypothetical ratios of staff to population assuming a district population of 50,000. These impacts are not evaluated in the Addendum or costed in the fiscal analysis for reasons described in the Public Services section.

Fiscal Impact

The analysis finds that tax revenues overall comprise a minor portion of District 1 total revenues and that all service impacts could be wholly supported by patient service fees.

⁵ <https://www.kvhealthcare.org/about-us/>

7. Kittitas County 911 - KITTCOM

Revenues

KITTCOM is funded primarily by intergovernmental revenue as well as fees paid by emergency service subscribers (which varies by subscriber based on the dispatch service costs) and through monthly excise taxes levied on telephone lines (\$0.70 per line: land, mobile, voice over internet protocol (VOIP)).

Line Charges

The analysis uses the following phone line charge assumptions:

- Telephone tax rate remains at \$0.70 per line
- Lines per household is 2.0 and lines per employee is 0.2

Service Impacts

The Public Services analysis in the SEIS Addendum estimates an impact 0.8 dispatcher will be needed at development buildout of the Revised Proposal. These personnel are added to meet demand proportionate to population growth at 47° N. The following assumptions are used to approximate the cost of a of these staff:

- Total compensation for a dispatcher \$133,280 based on a 2019 budget analysis of KITTCOM relating dispatch personnel compensation costs to the number of dispatcher (the 2019 figure has been adjusted for inflation).
- All costs are inflated to the year of incurrence at a rate of 3.0%.

Fiscal Impact

The exhibit below summarizes the cost impact of the Revised Proposal. Reoccurring revenues received by Kittitas County 9-1-1 predominately include intergovernmental revenues, fees paid by emergency service subscribers, and a monthly tax applied on telephone lines. Residents of 47° N are expected to pay similar levels of line fees per household as existing residents of the City (and the district as a whole). While projected new staffing costs exceed phone line revenues, the analysis is limited to line charge revenues and estimates of intergovernmental revenues and/or subscriber fees which historically have and could be restructured to cover additional funding needs. Line charge revenues alone, therefore, provide an incomplete picture of fiscal conditions.

Exhibit 11: Revised Proposal - Summary of Costs for KITTCOM

Source: ECONorthwest calculation, 2022.

Costs	2023	2024	2025	2026	2027	2028	2029	2030
Dispatch	\$0	\$11,000	\$39,000	\$69,000	\$95,000	\$111,000	\$121,000	\$131,000

Costs	2031	2032	2033	2034	2035	2036	2037
Dispatch	\$135,000	\$139,000	\$143,000	\$148,000	\$152,000	\$157,000	\$161,000

Exhibit 12: Revised Proposal - Summary of Line Fees and Other Revenues for KITTCOM

Source: ECONorthwest calculation, 2022.

Revenues	2023	2024	2025	2026	2027	2028	2029	2030
Line Charge Revenues	\$0	\$3,000	\$6,000	\$9,000	\$11,000	\$12,000	\$13,000	\$13,000

Revenues	2031	2032	2033	2034	2035	2036	2037
Line Charge Revenues	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000

Comparison of Revised Proposal to SEIS Alternative 5 and SEIS Alternative 6

The SEIS fiscal analysis estimated that both Alternative 5) and Alternative 6 would generate more in service costs than line tax revenues by 2037. However, it was noted that subscriber fees could scale to meet costs beyond line fee revenue as has been the case historically for KITTCOM. The Revised Proposal reflects the same conclusion as SEIS Alternative 5 and SEIS Alternative 6 as summarized above.

8. Cle Elum-Roslyn School District

Tax Revenues

Property Tax

In 2019, maintenance and operations levies proposed by local school districts and approved by voters were replaced by enrichment levies as part of the state's McCleary resolution.

Enrichment levies are capped at the lesser of \$1.50 per \$1,000 of assessed value or \$2,500 per full-time equivalent student. For taxes due in 2020 and beyond, the levy cap for voter-approved enrichment levies has increased. Enrichment levies are capped at the lesser of two limits for districts with less than 40,000 full-time students (which would include Cle Elum-Roslyn School District):

- \$2.50 per \$1,000 of assessed value, or
- \$2,500 per full-time equivalent student, adjusted by inflation for taxes due in 2021 and later.

Since the district's enrichment levy is lower than the \$2.50 threshold, the levy is estimated on the \$2,500 per full-time equivalent student basis (adjusted for inflation at 3% a year). For the analysis, households are transformed into students using the district student generation rate and the incremental levy impact is computed by the growth in students coming from 47° N.

Service Impacts

Teachers

The Public Services analysis in the SEIS Addendum estimates an impact of 15.8 teachers will be needed at development buildout of the Revised Proposal. These personnel are added to meet demand proportionate to population growth at 47° N. The following assumptions are used to approximate the cost of a of these staff:

- An annual salary of \$75,440 for a teacher is assumed based on the U.S. Bureau of Labor Statistics May 2021 State Occupational Employment and Wage Estimate for Washington State using the Eastern Washington Nonmetropolitan Area that includes Kittitas County (the average annual wage is used).
- A benefit multiplier of 38.1% is used based on the *Employer Costs for Employee Compensation for state and local government workers by occupational and industry group* as estimated by the U.S. Bureau of Labor Statistic's National Compensation Survey (May 2021 release).
- All costs are inflated to the year of incurrence at a rate of 3.0%.

Buses

The Public Services analysis in the SEIS Addendum estimates an impact 3.9 to 5.2 new buses will be needed at development buildout of the Revised Proposal. It is assumed that the reasonable estimate for a new diesel bus is \$150,000 per vehicle.

Fiscal Impact

The exhibit below summarizes the cost impact of the Revised Proposal. While costs exceed enrichment levy revenues, the School District will also receive intergovernmental revenues, the majority through state school funding support. This source accounts for over 75% of total District revenues. The analysis assumes that these sources of state and federal support would scale to meet these service costs. The impact on the school's main enrichment levy would be the same for every student generated within the development as it is for the existing district due to the changes in how local enrichment levies function after the McCleary resolution.

Exhibit 13: Revised Proposal - Summary of Costs for the School District

Source: ECONorthwest calculation, 2022.

Costs	2023	2024	2025	2026	2027	2028	2029	2030
Teachers	\$0	\$429,000	\$885,000	\$1,227,000	\$1,589,000	\$1,802,000	\$2,026,000	\$2,087,000

Costs	2031	2032	2033	2034	2035	2036	2037
Teachers	\$2,149,000	\$2,214,000	\$2,280,000	\$2,349,000	\$2,419,000	\$2,492,000	\$2,566,000

Exhibit 14: Revised Proposal - Summary of Local Tax Revenues for the School District

Source: ECONorthwest calculation, 2022.

Revenues	2023	2024	2025	2026	2027	2028	2029	2030
Enrichment Property Taxes	\$0	\$157,000	\$324,000	\$449,000	\$581,000	\$659,000	\$741,000	\$763,000

Revenues	2031	2032	2033	2034	2035	2036	2037
Enrichment Property Taxes	\$786,000	\$810,000	\$834,000	\$859,000	\$885,000	\$911,000	\$939,000

The cost of needed buses is estimated between \$585,000 and \$780,000. There is state funding for the purchase of school buses, but it typically does not cover the full cost of a school bus.

Comparison Revised Proposal to SEIS Alternative 5 and SEIS Alternative 6

The SEIS fiscal analysis estimated that both Alternative 5) and Alternative 6 would generate more service costs than local property tax revenues by 2037. The Revised Proposal would similarly generate greater costs than local revenues. However, the SEIS and this analysis note that intergovernmental funds have scaled to meet costs beyond local property tax revenue historically and are expected to do the same in the future.

9. Mitigation Discussion and Recommended Measures

This section identifies appropriate mitigation measures for the potential fiscal impacts identified in the previous discussion. Proposed measures are specific to mitigating the impacts of the Revised Proposal by Sun Communities. The Public Services analysis for the SEIS Addendum notes that the applicant is currently working with affected public service providers to execute mitigation agreements, where appropriate and to the extent possible, and to create a program to monitor actual revenues, and possibly expenses, for the provider. The program would, to the maximum extent possible, strive to time expenditures to the availability of revenues and strive to time capital expenditures to when the jurisdiction has sufficient capacity to issue bonds for the improvements and sufficient tax revenue to service the debt. Executed agreements would be included or referenced in a Development Agreement. The program could also rely on shortfall mitigation payments to address any identified adverse fiscal impacts identified through the monitoring program.

The cost analysis for affected jurisdictions is based on FTE estimates based on personnel-to-population ratios. For assigning costs and considering mitigation agreements, three factors should be considered:

1. Personnel-to-population ratios are a reasonable method to approximate staffing impacts but can overstate the true cost of delivering services. This is because they frame the need using averages as opposed to understanding the marginal approach to delivering services where governments benefit from economies of scale and the efficiencies that go with them. In this SEIS Addendum, this approach is reasonable as the analysis seeks to understand the potential outer bounds of potential impacts.
2. Population-based standards are commonly used and convenient formulas to use in the absence of adopted service standards. These personnel-to-population ratios used in the Public Service analysis are based on the population of households living in the area relative to the staffing in place. However, that staffing not only serves those living in the district but also those visiting the area. For example, the staffing for the police force for the city of Cle Elum is clearly driven by not only residents of the city but also the many visitors to the city's commercial areas and those passing through the City. Therefore, the use of 47° N household population in combination with the RV Resort visitors "proxy" population amplifies the effect of these visitors since they are likely "accounted" for in the personnel-to-permanent population ratios. In effect, therefore, the RV proxy population may involve double counting.
3. The use of the personnel-to-population ratios results in the computation of fractional FTEs relative to buildout at 47° N. While revenues can be added in a more linear fashion (i.e., there is a relationship between investment/valuation and taxes generated), costs can tend to be "lumpier" since it can be hard to hire 0.2 FTE for example and an agency may have to hire for a larger (or smaller) share of full-time employment. The timing and

extent of these more practical consideration will also determine when costs are incurred relative to the availability of revenues.

Measures to Mitigate Fiscal Impacts

This section organizes fiscal mitigation measures by taxing authority/entity. It should be noted that the original approval required execution of a mitigation agreement with each service provider.

City of Cle Elum

The pre-annexation agreement for the approved Trendwest UGA Master Site Plan (FEIS Alternative 5) identified several conditions to mitigate fiscal shortfalls and to ensure existing citizens and ratepayers would not suffer negative financial impacts because of the development. Conditions cited that Trendwest would: allow a Municipal Facilities and Services Expansion Plan to guide capital expansions; make fiscal shortfall mitigation payments; pay for the development's share of planning, water/wastewater treatment plant construction, and permit fees; and coordinate security forces with police and fire services. This analysis calculated net fiscal impacts for the city of Cle Elum. For the Revised Proposal, the analysis identifies:

- A cumulative net surplus in year 2037 of \$2.9 million to cover police and fire costs.
- An additional cumulative surplus of \$9.7 million in restricted revenues.

Based on this analysis, mitigation for fiscal impact to the City of Cle Elum is not anticipated to be necessary to maintain the fiscal balance of the underlying impacted enterprise.

The estimates provided as part of this analysis are based on the best information available but are not certain as an outcome. The economy is a very dynamic place and economic shocks (both positive and negative) are hard to forecast with any precision (e.g., timing, direction, magnitude, and duration). The actual performance of the city's fiscal situation will be highly influenced by these economic shocks as well as the measures undertaken by federal, state, and local policy makers.

An additional complicating element is understanding the city's underlying fiscal position absent growth at 47° N. For example, Washington State's tax policy favors land development for local jurisdictions by allowing for the taxation on construction activity and accounting for new construction add-on value to exceed the 1% limit on levy growth originally imposed by I-747. In this light, growth at 47° N and its estimated fiscal surplus helps subsidize other parts of the city enterprise or deal with underlying cost and revenue imbalances in the city. For example, growth at neighbor Suncadia and within the city have driven city revenues over the past decade. In 2011, city revenues totaled \$2.4 million. By 2021, those revenues had grown to

\$7.5 million. From a bottom-line perspective, its ending balance was \$890,000 in 2011 and was \$4.7 million in 2021.⁶

To reflect the uncertainty relating to predicting the future identified in the two prior paragraphs, it is recommended that a review of the assumptions used in the fiscal analysis be performed at year 5 of development, and appropriate updates to the analysis should be made at that time. If future mitigation should become necessary – consistent with typical municipal budgeting practices -- the city could impose new taxes or fees to balance its budget or seek to change levels of public services to meet available revenues. For instance, the city of Cle Elum does not currently impose all the funding mechanisms that cities rely on to fund services. For example, the city could consider implementing local option taxes (such as a levy lid lift that could be passed by voters) or the creation of business and occupation taxes. The city could also increase tax rates (such as their utility tax rates). Furthermore, future negotiations could consider the measures proposed in the previous pre-annexation agreement.

Kittitas Hospital District No. 2

Fiscal analysis for the hospital district found that projected costs for EMS and clinic services were greater than projected property tax revenues alone, with the Revised Proposal and all other SEIS alternatives. However, tax revenues do not provide a complete picture of fiscal conditions since the district would also receive patient/user service fees and other revenues which, in 2021, accounted for about 60% of the district's total revenues. For example, The District leases the clinic building to Kittitas Valley Healthcare (Hospital District #1) for their operation of the KVH Family Medicine (Cle Elum Rural Health Clinic) for which District #1 pays District #2 lease payments.

It is therefore difficult to assess the underlying fiscal situation of the district over time relative to the proposal since property taxes do not, and are not intended to, fully cover funding of services. This analysis assumes that new FTE would be added to meet service needs, and therefore, as service needs grow so too would non-property tax revenues. Again, this is a key assumption, but this analysis has no publicly available data from the District to rule out if there is a structural issue between its cost of service relative to the combination of fees and taxes it receives. However, the District has grown its beginning fund balances over time over during a period where both property taxes continue to grow while also being a smaller share of overall revenues. In 2014 it had a beginning balance of \$3,435,567 which had grown to \$6,366,267 in 2021.⁷

However, all jurisdictions that rely on the property tax are dealing with the structural limitations of this revenue source. The current EMS levy rate is \$0.16, and the regular hospital rate is \$0.17 per \$1,000 in assessed value. The effects of the 1% limit factor mean that levy rate declines year over year as the rate of assessed value growth outpaces the rate of levy growth. Districts faced with this issue must contemplate levy lid lifts to raise the level of property tax

⁶ Office of the Washington State Auditor, Financial Intelligence Tool, 2022.

⁷ Office of the Washington State Auditor, Financial Intelligence Tool, 2022.

funding if they are to maintain the relative purchasing power of this revenue source. For example, in 2014 property taxes accounted for 54% of total revenues for the district. In 2021, that amount had shrunk to 41% so reliance on the property tax has been declining for some time within the district.⁸

The mitigation section for FEIS Alternative 5 cited several criteria for consideration in a final mitigation agreement. One such criteria was that the Hospital District would track property tax revenues and patient fees attributed to FEIS Alternative 5 and, should revenues not cover costs of service, Trendwest would make monthly mitigation payments to avoid fiscal shortfalls. Other criteria included capital cost considerations (e.g., capital expenses would be purchased with bonds, capital costs would be subject to Trendwest's monthly mitigation arrangement, and capital equipment would be funded by Trendwest). These criteria could inform future negotiations to mitigate a fiscal shortfall, if any.

Kittitas Hospital District No. 1

Fiscal analysis for the hospital district found that projected costs would not have any offsetting property taxes under the Revised Proposal since Cle Elum (and 47° N) is not within its taxing district. Like the situation for Hospital District #2, user fees are the primary basis for funding services. Users living in 47° N or visiting the RV resort would have the same financial arrangements (i.e., patient and user fees) as existing Cle Elum residents, or any resident anywhere, when they use the hospital district's services. It is not clear on what basis mitigation would be appropriate for a development that is outside of the district and taxing area and where patients would pay fees for the services provided. In fact, the district hardly relies on property tax revenues within its own taxing boundaries. In 2021, the district's levy accounted for 0.004% of its total revenues and patient fees represented approximately 94% of the District's revenues.⁹

Kittitas County 911

Projected revenues from the KITTCOM phone tax are less than projected costs for new FTE in the Revised Proposal. This is the current situation KITTCOM finds itself in more generally, in that the fixed fee nature of the rate combined with declining number of household lines places larger and larger pressure to control costs while relying on intergovernmental revenues or subscriber fees to balance the budget. Households within 47° N would contribute at the same level of per line charges as existing households within the district. It is reasonable to assume that intergovernmental revenues in the form of subscriber fees would scale up with growth in the city and county. Further, subscriber fees could reasonably be restructured to cover additional funding needs as underlying needs change. It is not clear how the net effect of these fees would be allocated to member jurisdictions since this analysis does not have access to the allocation formula and data.

⁸ Office of the Washington State Auditor, Financial Intelligence Tool, 2022.

⁹ Office of the Washington State Auditor, Financial Intelligence Tool, 2022.

Cle Elum-Roslyn School District

The changes to enrichment levy funding from the McCleary resolution means that levy growth in the school district is a function of student enrollment growth. The result of this change on the fiscal impact means that local funding for operations is the same for students in the district as it would be for students in 47 ° N. While the analysis shows that cumulative costs derived from projected new teacher FTE are estimated to exceed projected local property tax revenues for operation of the Revised Proposal, the district receives additional intergovernmental revenues which are expected to contribute to overall student learning needs, mainly through state support for schools funded by the state property tax. Indeed, this is the underlying dynamic for local school funding in Washington State. For example, in the 2021-2022 budget year intergovernmental revenues and other non-property tax revenues account for nearly 82% of total district revenues.

With respect to buses, only partial state and federal funding is provided to replace school buses. Some school districts in the state have responded by requesting transportation levies or by using other general funds to purchase buses. The need for additional school buses from student growth at 47° N will likely need to be similarly accommodated. To the extent that there is other facility related issues, the School District's plans to develop an Early Childhood Learning Center in the future. This facility would help to address capacity issues in the district.

The mitigation agreement for FEIS Alternative 5 included dedication of a 25-acre site to the district; a survey would be used to understand development-related student enrollment (to determine an appropriate mitigation response); and a payment-matching system for portable classrooms and buses would be made by Trendwest until the development reaches a pre-agreed-to-assessed value ceiling. The 25-ac. site was subsequently dedicated to the district. The other factors could be considered in future negotiations to mitigate fiscal shortfalls as well.

Fiscal Monitoring Considerations

The Conditions of Approval for the Cle Elum UGA/Bullfrog Flats Master Site Plan includes the following provision:

- k. Provision shall be made for Developer's fiscal monitoring consultant to have access to detailed monthly local sales tax reports and other appropriate tax information to assist the City and Developer to assure that all taxes due to the City are properly reported and collected.

For this monitoring to take place, the fiscal monitoring consultant will need the following information:

- Property Taxes. The consultant will need information from the county assessor that detail new construction value and assessed value for all 47° N tax parcels.
- Sales Taxes. The city will have to work with Washington State Department of Revenue to request individual tax reports for businesses and households. If these data are not available to the fiscal monitoring consultant due to data privacy restrictions, the

consultant will have to work with publicly available retail sales data to apportion city receipts to 47° N.

- Utility Taxes. Due to the mix of utility providers, the consultant will have to work with publicly available utility tax data to apportion city receipts to 47° N.
- Real Estate Excise Taxes. The consultant will need information from the county assessor to summarize real estate transactions within 47° N.

These types of fiscal monitoring can be cumbersome and difficult to assess since precise information on nature of costs and revenues are not possible to collect or can be administratively burdensome to work through. An alternative arrangement for the need for fiscal monitoring could be a negotiated agreement between the parties to address any fiscal concerns around the nature and timing of public service costs relative to the revenues that support them.

Section 3.9 FISCAL CONDITIONS

The Fiscal Conditions section is a summary of the *Fiscal Conditions Report* (February 2023) prepared by ECONorthwest in **Appendix E**. The reader should consult the full report for more detailed information.

3.9.1 Affected Environment

2020 / 2021 SEIS

The SEIS described the existing fiscal and economic conditions on and in the vicinity of the 47° North site at that time, including the fiscal conditions in City of Cle Elum (including for police and fire service) and for other local service providers, such as Hospital District No. 2, KITTCOM, and Cle Elum – Roslyn School District (see Draft SEIS Section 3.15 and Final SEIS Section 3-7 for details). Selected information from the SEIS is provided and compared in context below; please consult the SEIS document for more detailed information.

3.9.2 Impacts

2020 / 2021 SEIS

The temporary and permanent jobs under any of the SEIS Alternatives are expected to result in positive impacts to the local economy. SEIS Alternative 5 would generate more jobs due to its greater amount of development onsite. Both SEIS Alternatives would increase the tax base and increase the demand for services in each of the taxing jurisdictions evaluated. At buildout, both SEIS Alternatives would generate fiscal surpluses to the City of Cle Elum. The future commercial component of SEIS Alternative 6 could generate fiscal shortfalls in the city in earlier years but would ultimately generate surpluses; the 47° North residential and recreational component would generate fiscal surpluses in the city throughout buildout. While costs could exceed tax revenues for other public service purveyors (e.g., Hospital District No. 2, KITTCOM, and Cle Elum – Roslyn School District), mitigation may or may not be required, as the analysis only includes tax revenues and excludes other significant funding sources such as charges for service or intergovernmental revenues.

Revised Proposal

The updated fiscal impact analysis considers the marginal fiscal effects of 47° North by comparing the additional revenue generated by the development with the additional operational costs needed to serve the development. The focus of the revenue analysis is on local tax revenues. Comparing revenues and costs from development is a complicated task. For example, city revenues derived from development (e.g., property tax, sales tax, real

estate excise tax (REET), and other taxes or fees) all flow to different funds, some of which are available for use citywide in an annual budgeting process, and some of which are restricted in use in different ways.

Revenues also accrue over a period and may not be available at the time that a cost is incurred. In the updated analysis, the approach taken is to estimate the present value of the total costs of providing service increases, and the present value of total revenue sources that are available to the city and other service providers. The analysis relies on a set of assumptions about revenues and costs which are plugged into a cash flow revenue model. The model is also based on development assumptions, including phasing and timing of development, to estimate changes in affected taxes. Assumptions about the type, value, and timing of development were provided by the Applicant. The development of the project would also fuel the growth of tax bases attributable to 47° North. (See **Appendix E** for details on these assumptions.)

The updated fiscal impact analysis builds on the previous Draft SEIS and Final SEIS analyses and compares the fiscal impacts of the Revised Proposal to SEIS Alternative 6. As appropriate, references are made to SEIS Alternative 5 as well. No methods in the analysis have changed from the previous analysis; however, several assumptions have been updated in this updated analysis. These changes are described below.

Assumptions

Time Frame

The base year of the updated analysis incorporates information collected in 2022. The time horizon of the analysis shows impacts through 2037. The buildout year for the Revised Proposal is 2031 but 2037 is retained as an endpoint for the analysis so it can be compared to buildout of SEIS Alternative 6.

Development Program and Timing

The updated development program provided by the Applicant differs from SEIS Alternative 6 in the following ways:

- **Timing.** Development in the revised program reaches full buildout sooner in the analysis period (2031).
- **Valuation.** The Applicant has provided detailed information related to the following elements of their program:
 - Market valuation of the commercial and residential properties;
 - Construction costs of the commercial and residential properties;
 - Economic productivity estimates of the commercial properties; and
 - Land preparation and infrastructure construction estimates of the commercial and residential properties.

With respect to timing, the amount of buildout varies between the alternatives:

- Alternative 5 assumed development occurring in phases starting in 2021 and reaching full buildout in 2051.
- Alternative 6 assumed development occurring in phases starting in 2021 and reaching full buildout in 2037.

The implication of these timing disparities between SEIS Alternative 5 and 6, and the Revised Proposal, presents challenges that makes simple yearly comparisons between alternatives very difficult. These include:

- Annual revenues are influenced by the degree of one-time construction related taxes versus the on-going operational taxes that flow once buildings are occupied. An extended buildout will have a larger share of one-time revenues as part of its total revenue mix.
- Annual expenditures are driven by the development program. A program that delivers buildout earlier will reach the full extent of the public service impacts sooner.

As a result, comparing the impacts of the Revised Proposal several years post-buildout to SEIS Alternative 6 at buildout is not an apples-to-apples comparison. The decrease in one-time revenues that is observed post-buildout would, in fact, occur for any of the alternatives after construction is complete.

Tax Policy

Tax policy was updated for all the affected jurisdictions. Please refer to **Appendix E** for details.

Public Service Costs

Outside of the changes to the estimated staffing impacts identified in the Section 3.7, **Public Services**, the fiscal analysis has also updated employee compensation estimates. As analyzed in Public Services, staff are incurred on a prorated basis depending on the amount of population (households and RV effective population) in any given year depending on buildout. The updated proposal by Sun Communities also assumes that all roads, parks, and utilities will be privately constructed and maintained, which results in no public works or parks service responsibilities by the City of Cle Elum and, therefore, no cost impacts in these areas.

City of Cle Elum

The City of Cle Elum is the local service provider for police, fire, public works, community development, parks, and other local services. To support these services, the city collects a range of general and restricted taxes. Tax revenues are estimated in three categories:

- **One-time Revenues.** These general-purpose revenues (or for public safety) are tied to the construction of housing and commercial products. Specifically, they include the retail sales tax on construction (material and labor).
- **Recurring Revenues.** These general-purpose revenues (or for public safety) are derived from the occupation of residential and commercial structures by residents,

businesses, and employees. Specific revenues include the property tax, retail sales tax (resulting from new sales tax sourcing rules), and utility taxes.

- **Restricted Revenues.** These revenues are statutorily restricted to fund certain capital expenses and are generally not available to fund public safety service costs. Specific revenues include the REET and hotel-motel tax.

See **Appendix E** for additional descriptions and assumptions for property taxes, sales and use taxes, utility taxes, state shared motor vehicle fuel tax and liquor board tax, business license fees, REET, and special hotel/motel tax.

Tax revenues are calculated based on the changes in the components of the city's tax base resulting from development at the site. Elements of growth that influence revenues include the timing, scale, and quality of the project's development as well as the population and employment impacts of the development once complete.

The Revised Proposal also assumes that all roads, parks, and utilities will be privately constructed and maintained, which results in there being no public works or parks service responsibilities for the City of Cle Elum and, therefore, no cost impacts in these areas. Therefore, the analysis seeks to isolate general tax revenues and public safety restricted revenues that can be used to fund police and fire related costs. Unrestricted revenues, in contrast, can be dedicated to areas where no service impacts are anticipated.

Police Services

Section 3.7, **Public Services**, estimates the officers that would be needed at development buildout of the Revised Proposal. Officers are added to meet proportionate demand based on the officer to population growth ratios used in the that section. See Section 3.7, **Public Services**, of this Addendum and the Public Services section in the Draft SEIS for additional information about the different methods for estimating demand. Note that the population method includes the population from the proposed residential units, as well as a proxy population calculated for the RV sites to conservatively analyze impacts on police service. As explained in Section 3.7, **Public Services**, the RV proxy population used in the analysis is likely overly conservative and overestimates probable impacts associated with the RV element of the proposal.

The city's police department submitted staffing and cost information for the project's impacts on police service using a methodology recommended by the International City Managers Association (ICMA). Section 3.7, **Public Services**, estimates the need for police officers using both a population-based to service-based formula and the police department's ICMA method. The full allotment of officers is required upon buildout in 2031 (e.g., officers are added to meet proportionate demand based on the officer to population growth ratios used in Section 3.7, **Public Services**). The police department's ICMA method assumes 1/2 of the officers are brought on in 2023 and the remaining 1/2 are added in 2027. However, the methods and assumptions used by the department to determine

timing were not documented in a manner such that the analysis could be explained, reproduced, or incorporated in this updated fiscal impact analysis.

Fire Services

Section 3.7, **Public Services**, estimates the firefighters that would be needed at development buildout under the Revised Proposal. Firefighters are added to meet demand proportionate to population growth at 47° North (see the note above and in the Public Services section regarding the RV proxy population).

Fiscal Impacts

Table 3.9-1 and **Table 3.9-2** summarize the cost and revenue impacts of the 47° North development under the Revised Proposal to the City of Cle Elem. On the revenue side, the summary includes restricted revenues of REET, the hotel-motel tax, and the motor vehicle fuel tax (as part of state shared revenues) that cannot be used to fund police or fire service costs. By 2031, annual City costs are estimated to be \$1.1 million, and revenues are estimated to be more than \$2.3 million. By 2037, annual city costs are estimated to be \$1.4 million a year and annual city revenues are estimated to be \$2.1 million a year. As noted above, comparing the Revised Proposal six years after buildout (2037) to Alternative 6 at buildout in 2037 may not be an apples-to-apples comparison; see Table 3-5 in the Final SEIS for a city cost and revenue summary for SEIS Alternative 6.

**Table 3.9-1
SUMMARY OF COST IMPACTS FOR CLE ELUM – REVISED PROPOSAL**

	2023	2024	2025	2026	2027	2028	2029	2030
Police	\$0	\$197,000	\$405,000	\$581,000	\$766,000	\$835,000	\$908,000	\$935,000
Fire	\$0	\$37,000	\$75,000	\$108,000	\$143,000	\$155,000	\$169,000	\$174,000
Total	\$0	\$233,000	\$481,000	\$689,000	\$908,000	\$991,000	\$1,077,000	\$1,109,000

	2031	2032	2033	2034	2035	2036	2037
Police	\$963,000	\$992,000	\$1,022,000	\$1,053,000	\$1,084,000	\$1,117,000	\$1,150,000
Fire	\$179,000	\$185,000	\$190,000	\$196,000	\$202,000	\$208,000	\$214,000
Total	\$1,142,000	\$1,177,000	\$1,212,000	\$1,248,000	\$1,286,000	\$1,324,000	\$1,364,000

Source: ECONorthwest, 2023.

**Table 3.9-2
SUMMARY OF REVENUE IMPACTS FOR CLE ELUM – REVISED PROPOSAL**

	2023	2024	2025	2026	2027	2028	2029	2030
Property Tax	\$0	\$199,000	\$404,000	\$549,000	\$698,000	\$759,000	\$822,000	\$840,000
Sales Tax on Construction	\$587,000	\$605,000	\$415,000	\$427,000	\$112,000	\$115,000	\$35,000	\$36,000
Sales Tax Ongoing	\$0	\$83,000	\$171,000	\$209,000	\$250,000	\$290,000	\$333,000	\$376,000
Utility Taxes	\$36,000	\$73,000	\$102,000	\$133,000	\$144,000	\$155,000	\$160,000	\$165,000
Criminal Justice & Public Safety	\$0	\$43,000	\$89,000	\$123,000	\$159,000	\$180,000	\$203,000	\$209,000
State Shared Taxes	\$0	\$16,000	\$34,000	\$47,000	\$60,000	\$68,000	\$77,000	\$79,000
Business License Fees	\$0	\$0	\$1,000	\$1,000	\$1,000	\$1,000	\$2,000	\$2,000
REET	\$0	\$236,000	\$269,000	\$208,000	\$230,000	\$230,000	\$249,000	\$149,000
Hotel-Motel Tax	\$0	\$101,000	\$209,000	\$314,000	\$424,000	\$437,000	\$450,000	\$464,000
Total	\$623,000	\$1,256,000	\$1,484,000	\$1,698,000	\$1,654,000	\$1,800,000	\$1,881,000	\$1,857,000

	2031	2032	2033	2034	2035	2036	2037
Property Tax	\$858,000	\$866,000	\$875,000	\$884,000	\$893,000	\$902,000	\$912,000
Sales Tax on Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales Tax Ongoing	\$422,000	\$434,000	\$448,000	\$461,000	\$475,000	\$489,000	\$504,000
Utility Taxes	\$170,000	\$174,000	\$178,000	\$183,000	\$187,000	\$192,000	\$197,000
Criminal Justice & Public Safety	\$215,000	\$222,000	\$228,000	\$235,000	\$242,000	\$249,000	\$257,000
State Shared Taxes	\$82,000	\$84,000	\$87,000	\$89,000	\$92,000	\$95,000	\$97,000
Business License Fees	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
REET	\$618,000	\$157,000	\$161,000	\$165,000	\$169,000	\$173,000	\$177,000
Hotel-Motel Tax	\$478,000	\$492,000	\$507,000	\$522,000	\$538,000	\$554,000	\$570,000
Total	\$2,366,000	\$1,939,000	\$1,978,000	\$2,019,000	\$2,060,000	\$2,102,000	\$2,145,000

Source: ECONorthwest, 2023.

Table 3.9-3 summarizes the net annual surplus or deficit of the estimated costs and revenues. For revenues, restricted revenues of the REET, hotel-motel tax, and motor vehicle fuel taxes are excluded from the balance since they cannot be used to fund these public services. Development at 47° North is estimated to create fiscal surpluses that accumulate over time; \$8.7 million in restricted revenues are excluded from the general revenue fund and would be additive to this operating surplus.

By year 2037, which is six years after buildout of the Revised Proposal, the city is estimated to have a cumulative revenue surplus of \$2.9 million of general revenues to support police and fire expenses with the Revised Proposal. Initial annual surplus revenues coming from one-time sales taxes on construction would fall once development is complete and would combine with rising services costs to produce a situation where annual surpluses would give way to a small deficit only in 2037. However, on top of the \$2.9 million in cumulative general revenues to support police and fire, the city would also have an additional \$9.7 million in other restricted revenues for which it has no corresponding public service cost to account for; this amount is additive to the \$2.9 million cumulative surplus in 2037 covering public safety costs.

**Table 3.9-3
SURPLUS/DEFICIT OF COSTS AND REVENUES FOR CLE ELUM – REVISED PROPOSAL**

	2023	2024	2025	2026	2027	2028	2029	2030
Total Costs	\$0	\$233,000	\$481,000	\$689,000	\$908,000	\$991,000	\$1,077,000	\$1,109,000
Total Non-Restricted Revenues	\$623,000	\$911,000	\$990,000	\$1,154,000	\$972,000	\$1,101,000	\$1,146,000	\$1,207,000
Annual Surplus/Deficit	\$623,000	\$678,000	\$509,000	\$465,000	\$64,000	\$110,000	\$69,000	\$98,000
Cumulative Impact	\$623,000	\$1,301,000	\$1,810,000	\$2,275,000	\$2,339,000	\$2,449,000	\$2,518,000	\$2,616,000
Other Cumulative Restricted Revenues	\$0	\$345,000	\$839,000	\$1,383,000	\$2,065,000	\$2,764,000	\$3,499,000	\$4,149,000

	2031	2032	2033	2034	2035	2036	2037
Total Costs	\$1,142,000	\$1,177,000	\$1,212,000	\$1,248,000	\$1,286,000	\$1,324,000	\$1,364,000
Total Non-Restricted Revenues	\$1,231,000	\$1,250,000	\$1,269,000	\$1,290,000	\$1,309,000	\$1,330,000	\$1,352,000
Annual Surplus/Deficit	\$89,000	\$73,000	\$57,000	\$42,000	\$23,000	\$6,000	-\$12,000
Cumulative Impact	\$2,705,000	\$2,778,000	\$2,835,000	\$2,877,000	\$2,900,000	\$2,906,000	\$2,894,000
Other Cumulative Restricted Revenues	\$5,284,000	\$5,973,000	\$6,682,000	\$7,411,000	\$8,162,000	\$8,934,000	\$9,727,000

Source: ECONorthwest, 2023.

Comparison of Revised Alternative to SEIS Alternative 5 & SEIS Alternative 6

The SEIS estimated that Alternative 5 and Alternative 6 would result in cumulative fiscal surpluses to the city in 2037 (\$4.4 million and \$956,000, respectively). The fiscal surplus of the Revised Proposal would similarly result in a positive surplus at buildout in 2031.

Hospital District No. 2

Kittitas Hospital District No. 2 operates Medic One ambulance services and responds to calls from a point about halfway to Ellensburg all the way to Snoqualmie Pass. The district also owns Kittitas Valley Healthcare (KVH) Family Medicine Clinic in Cle Elum and leases the clinic building to Kittitas Valley Healthcare (Hospital District No.1) for their operation of the KVH Family Medicine (Cle Elum Rural Health Clinic). Kittitas Valley Healthcare operates an Urgent Care Clinic in Cle Elum.

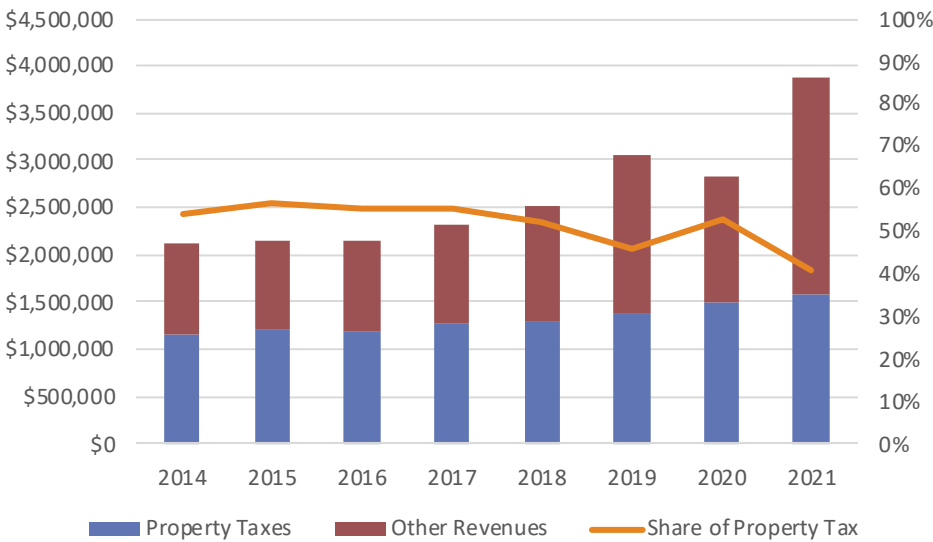
Tax Revenues

The Hospital District collects two distinct property tax levies to fund two different services: one based on a permanent EMS levy and the other a regular levy (see **Appendix E** for details on these levies).

Other Revenues

Reoccurring revenues received by Hospital District No. 2 include patient/service fees and property taxes. **Figure 3.9-1** summarizes the district’s cumulative revenues received through their operating property tax levies (EMS and hospital) and other revenue sources. In 2021, patient service fees and other revenues accounted for about 59% of the district’s total revenues. This fiscal analysis assumes that service fees could scale to meet additional costs beyond revenues provided by property tax revenues alone, as they have historically. For example, if new hires are required to accommodate increased service needs, then revenues from services fees would theoretically increase too.

**Figure 3.9-1
SUMMARY OF KITTITAS HOSPITAL DISTRICT NO.2 REVENUES**



Source: Washington State Auditor Financial Intelligence Tool, 2022.

Fiscal Impacts

The analysis of fiscal impacts to Hospital District No. 2 is based on the personnel that would be added to meet demand proportionate to population growth at 47° North under the Revised Proposal at buildout in 2031. As noted previously, the population used to estimate impacts includes a proxy RV population factor which is likely overly-conservative. (See Section 3.7, **Public Services**, for details.)

Medic One

The cost and revenue impacts of the Revised Proposal are summarized in Exhibits 7 and 8 in **Appendix E**. Medic One supports its services through a combination of property taxes and charges for its services. Results in the referenced exhibits show only the property tax component of revenues relative to increased personnel costs and, therefore, presents an incomplete and inaccurate picture of the future fiscal condition and highlights the disparity inherent in the tax revenue stream. Although costs are higher than property tax revenues in the analysis, Medic One also receives user service charges that make up a large proportion of its total revenues.

The analysis assumes that patient service fees could scale to meet additional costs beyond revenues provided by property tax revenues. For example, if new hires are required to accommodate increased service needs, then revenues from services fees would increase as well per charges for service from the district. Again, this is a key assumption, but this analysis has no publicly available data from the district to rule out if there is a structural issue between its cost for service relative to the combination of fees and taxes it receives. However, the district has grown its beginning fund balances over time during a period where both property taxes continue to grow while also representing a smaller share of

overall revenues. In 2014, for example, it had a beginning balance of \$3,435,567 which had grown to \$6,366,267 in 2021.¹ In summary, the analysis finds that all service impacts and any hypothetical shortfalls could be wholly offset by adjusting patient service fees.

Cle Elum Clinic

The cost and revenue impacts of the Revised Proposal are summarized in Exhibits 9 and 10 in **Appendix E**. Results show only the property tax component of revenues relative to increased personnel costs and excludes patient charges for service.

The Cle Elum Clinic is run by Kittitas Valley Healthcare (Hospital District No.1) but supported in part by Hospital District No.2 through their ownership of the facility. District No.2 owns the clinic building and receives rent payments from District 1. Although costs are higher than property tax revenues in the analysis, the clinic also receives user service charges that make up most of its revenue base. The analysis assumes that patient service fees could scale to meet additional costs beyond revenues provided by property tax revenues.

For example, if new hires are required to accommodate increased service needs, then revenues from services fees would increase as well per charges for service from the district. Kittitas Valley Healthcare states that its services are almost exclusively supported by revenue generated from patient services.² Services provided to 47^o North residents and visitors would be supported by fees charged to those patients in the same manner as existing residents pay for their services. District No. 2 also receives property taxes and as well as payments made by Kittitas Valley Healthcare to District No. 2 for lease of the medical facility. In summary, the analysis finds that all service impacts and any hypothetical shortfalls could be wholly offset by adjusting patient service fees.

Comparison of Revised Alternative to SEIS Alternative 5 & SEIS Alternative 6

The SEIS fiscal analysis estimated that SEIS Alternative 5 and Alternative 6 would generate more in service costs than property tax revenues by 2037. The same would be true of the Revised Proposal if only tax revenues are considered. However, District No. 2 revenues come primarily from patient user fees rather than property taxes, so considering property tax revenues alone provides an incomplete and inaccurate picture of fiscal conditions. The SEIS noted that service fees have scaled to meet costs beyond property tax revenue in past years and that condition would likely continue in the future.

Hospital District No. 1

Hospital District No. 1 provides care to Kittitas County and surrounding areas. The public hospital district is governed by a five-member elected Board of Commissioners and is almost exclusively supported by revenue generated from patient services. The SEIS did not evaluate fiscal impacts to Hospital District No. 1 because the 47^o North property is not within the district's taxing district. Similarly, the 2002 Bullfrog Flats Master Site Plan EIS did not evaluate fiscal impacts to the district.

¹ Office of the Washington State Auditor, Financial Intelligence Tool, 2022.

² <https://www.kvhealthcare.org/about-us/>

Revenues

The City of Cle Elum, and therefore 47° North are not located within the district's boundary and taxing area; therefore, there is no property tax revenue that currently accrues to the district, and none would accrue to the district from the Revised Proposal. However, the site is broadly within the district's service area (it is the closest regional hospital) and 47° North would result in additional demand for services from the district and associated cost impacts, as described below. Note that District No. 1 also operates the Cle Elum Clinic, which is owned by District No. 2 and discussed above.

District No. 1 generates almost all revenues from user fees and states in published information that its services are almost exclusively supported by revenue generated from patient services.³ Its main recurring revenue sources include patient/service fees and other sources of funds including its property tax levy and grants. In 2021, the district collected \$5,061 in property taxes which is 0.004% of its total revenue of \$118,867,617.

Fiscal Impact

The fiscal impact analysis of the Revised Proposal to Hospital District No. 1 is based on the personnel that would be added to meet demand proportionate to population growth at 47° North at buildout in 2031. As noted previously, the population used to estimate impacts includes a proxy RV population factor which is likely overly-conservative. (See Section 3.7, **Public Services**, for details.) The analysis finds that all service impacts and any hypothetical shortfalls could be wholly offset by adjusting patient service fees.

KITTCOM

Revenues

KITTCOM is funded primarily by intergovernmental revenue as well as fees paid by emergency service subscribers (which varies by subscriber based on the dispatch service costs) and through monthly excise taxes levied on telephone lines (\$0.70 per line: land, mobile, and voice over internet protocol (VOIP)).

Fiscal Impacts

The fiscal impacts of the Revised Proposal to KITTCOM are analyzed based on the personnel that would be added to meet estimated demand in proportion to population growth at 47° North at buildout in 2031. As noted previously, the population used to estimate impacts includes a proxy RV population factor which is likely overly conservative and overstates probable demand. (See Section 3.7, **Public Services**, for details.)

Exhibits 11 and 12 in **Appendix E** summarize the cost and revenue impacts of the Revised Proposal. Reoccurring revenues received by KITTCOM predominately include intergovernmental revenues, fees paid by emergency service subscribers, and a monthly tax

³ <https://www.kvhealthcare.org/about-us/>

applied to telephone lines. Residents of 47° North are expected to pay similar levels of line fees per household as existing residents of the city (and the district as a whole). Line charge revenues at buildout in 2031 are estimated to be \$13,000, while projected new staffing costs are estimated at \$135,000. The analysis is limited to line charge revenues, however, and estimates of intergovernmental revenues and/or subscriber fees, which historically have and could be restructured to cover additional funding needs, are not included. Line charge revenues alone, therefore, provide an incomplete and inaccurate picture of fiscal conditions.

Comparison of Revised Alternative to SEIS Alternative 5 & SEIS Alternative 6

The SEIS fiscal analysis estimated that both Alternative 5 and Alternative 6 would generate more in service costs than line tax revenues by 2037. However, it was noted that subscriber fees could scale to meet costs beyond line fee revenue as has been the case historically for KITTCOM. The Revised Proposal reflects the same conclusion as SEIS Alternative 5 and SEIS Alternative 6.

Cle Elum – Roslyn School District

Tax Revenues

Property Tax

In 2019, maintenance and operations levies proposed by local school districts and approved by voters were replaced by enrichment levies as part of the state’s McCleary resolution. Enrichment levies are capped based on assessed value or per full-time equivalent student. For taxes due in 2020 and beyond, the levy cap for voter-approved enrichment levies has increased. See **Appendix E** for details on how the cap is used in the updated fiscal analysis. For the analysis, households are transformed into students using the district’s student generation rate and the incremental levy impact is computed by the growth in students coming from 47° North.

Fiscal Impact

The fiscal impacts analysis of the Revised Proposal on Cle Elum-Roslyn School District is based on the teachers and buses that would be added to meet demand proportionate to permanent resident growth/student generation at 47° North at buildout in 2031. As noted previously, the population used to estimate impacts includes a proxy RV population factor which is likely overly-conservative. (See Section 3.7, **Public Services**, for details.)

Exhibits 13 and 14 in **Appendix E** summarize the cost and revenue impacts of the Revised Proposal. While costs exceed enrichment levy revenues, this single tax presents an incomplete picture of school district revenues. The district would also receive intergovernmental revenues, the majority through state school funding support, which accounts for over 75% of total district revenues. The analysis assumes that these sources of state and federal support could scale to meet these service costs. The impact on the school’s main enrichment levy would be the same for every student generated within the

development as it is for the existing district due to the changes in how local enrichment levies function after the McCleary resolution.

Comparison of Revised Alternative to SEIS Alternative 5 & SEIS Alternative 6

The SEIS fiscal analysis estimated that both Alternative 5 and Alternative 6 would generate more in service costs than local property tax revenues by 2037. The Revised Proposal would similarly generate greater costs than local revenues. However, the SEIS and this analysis note that local revenues are not the primary source of district funding; intergovernmental funds have scaled to meet costs beyond local property tax revenue historically and are expected to do the same in the future.

3.9.3 Mitigation Measures

No new, significant or materially different fiscal impacts would occur from the Revised Proposal and no additional mitigation measures are recommended.

The mitigation measure identified below is updated to provide additional considerations relating to fiscal monitoring; monitoring was recommended in the Final SEIS and would similarly apply to the Revised Proposal. See **Appendix F** for a complete list of the mitigation measures under the Revised Proposal, including additional discussion of monitoring. See the Introduction to **Chapter 3** for a description of the different categories of mitigation (e.g., proposed, required, other possible).

City of Cle Elum

- The fiscal monitoring consultant will need the following information to assure that all taxes due to the city are properly reported and collected:
 - **Property Taxes.** The consultant will need information from the county assessor that detail new construction value and assessed value for all 47° North tax parcels.
 - **Sales Taxes.** The city will have to work with the Washington State Department of Revenue to request individual tax reports for businesses and households. If these data are not available to the fiscal monitoring consultant due to data privacy restrictions, the consultant will have to work with publicly available retail sales data to apportion city receipts to 47° North.
 - **Utility Taxes.** Due to the mix of utility providers, the consultant will have to work with publicly available utility tax data to apportion city receipts to 47° North.
 - **Real Estate Excise Taxes.** The consultant will need information from the county assessor to summarize real estate transactions within 47° North.

Other Service Purveyors

- The Applicant should, and has committed to, pursue mitigation agreements with the affected service providers to address fiscal impacts, if any, resulting from increased service demands attributable to the Revised Proposal.

Clinic Operations report to Hospital District #1 Board of Commissioners March 2023

Staffing

Open positions:

- Patient Service Representatives
 - Family Medicine Ellensburg x 3
 - Family Medicine Cle Elum
 - Dermatology
- Nursing
 - Family Medicine of Ellensburg
 - Ortho/General & Vascular Surgery
- Medical Assistants:
 - Internal Medicine
 - Orthopedics
 - General & Vascular Surgery
 - Dermatology
 - MA Apprentice

Days to Third Available Established and New Appointments (See charts)

- Internal Medicine: We had a locum start in March.
- Women's Health: The clinic continues to struggle with getting in new and existing patients due to a decrease in the number of providers. We do have some locums helping out and we did have 2 interviews with providers.
- Cardiology continues to struggle to get new patients in. Our new PA is doing well and taking on more follow up appointments. Dr. Hoppe continues to be busy with procedures. You can review the cardiology dashboard for details
- General Surgery: MAs are doing the screening scope consults which has opened up more access to the surgeons.

ENT and Allergy

Dr. Rogers started on 03/13/23 and we are excited to have her as our permanent ENT provider. NW Asthma and Allergy clinic is closing their Yakima location in April and we are already starting to see some of their patients transition to us for their allergy shots.

Rapid Access Clinic

New tentative date for Rapid Access opening is May 1, 2023. We have hired 2 fulltime MAs and 2 fulltime providers.

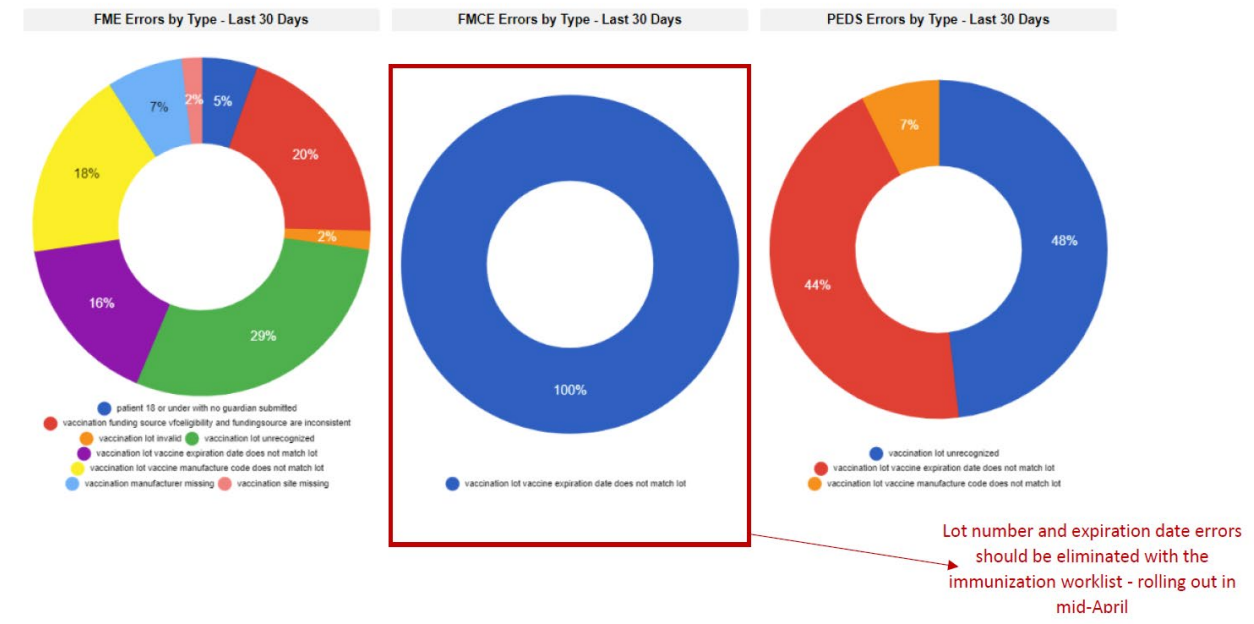
FMCE

On Tuesday, February 7th, a transformer located down the road from the clinic malfunctioned and caused a sporadic power outage. Later that morning PSE determined it needed to be replaced and they had to turn off power, causing the clinic to operate on emergency power only. Providers and staff reviewed the schedule for acuity and were able to see 42 of the 69 patients

schedule that day. They were able to contact 19 to get them rescheduled, they left voicemails with 6 patients, and we had 2 no shows. Rescheduled patients were able to be seen in the next 2 – 4 weeks.

Medication Scanning

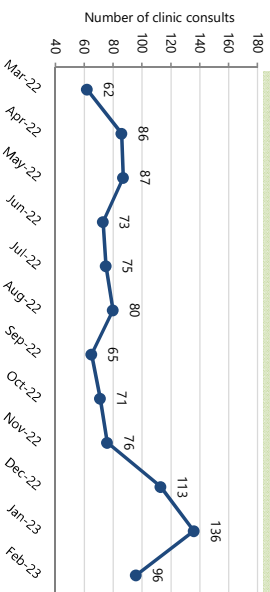
Since the go-live of medication scanning in the clinics we have seen a significant reduction of errors. The next phase, which will begin in mid-April, is using a worklist for vaccine. Instead of hand entering the lot number and expiration date, the staff will be able to select the lot number and expiration date from a pick list created off of our current inventory.



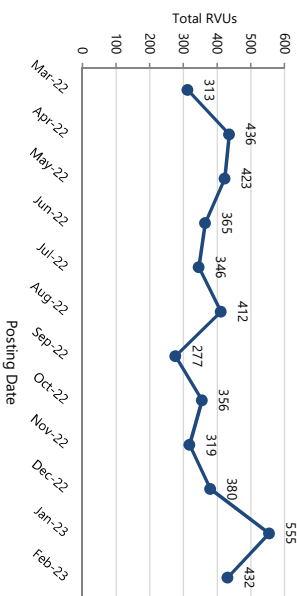
Respectfully submitted by Stacy Olea, MT(ASCP), FACHE

Cardiology Services

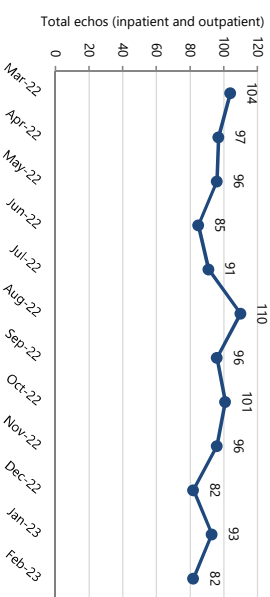
Clinic Consultations



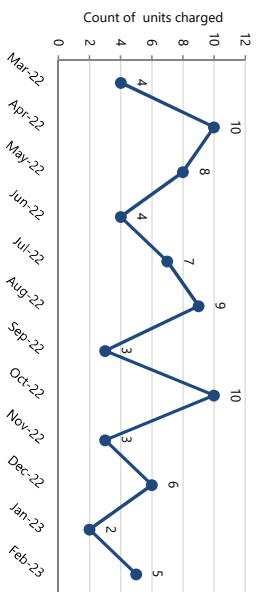
RVUs



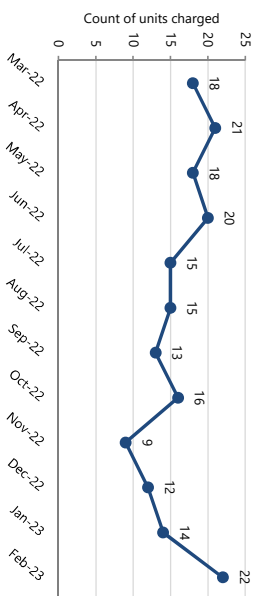
Echo Procedures



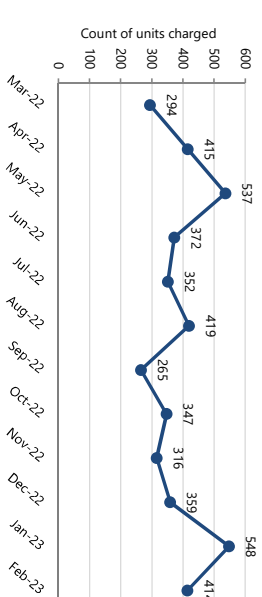
Holter Monitor Interpretation



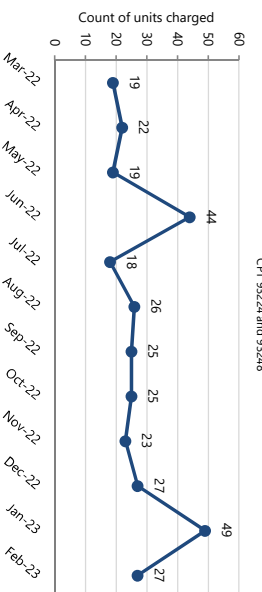
Stress Test Interpretation



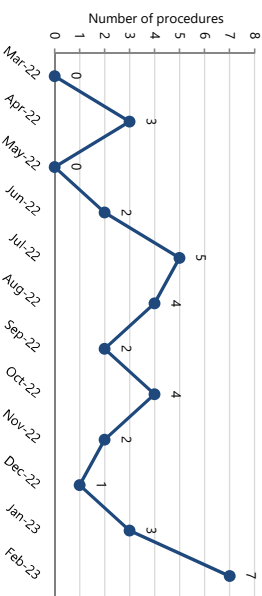
ECG Interpretation



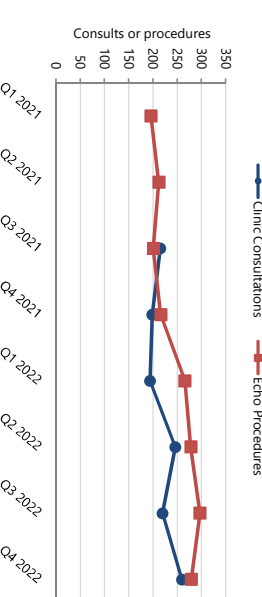
Zio Patch Interpretation



Surgical Procedures

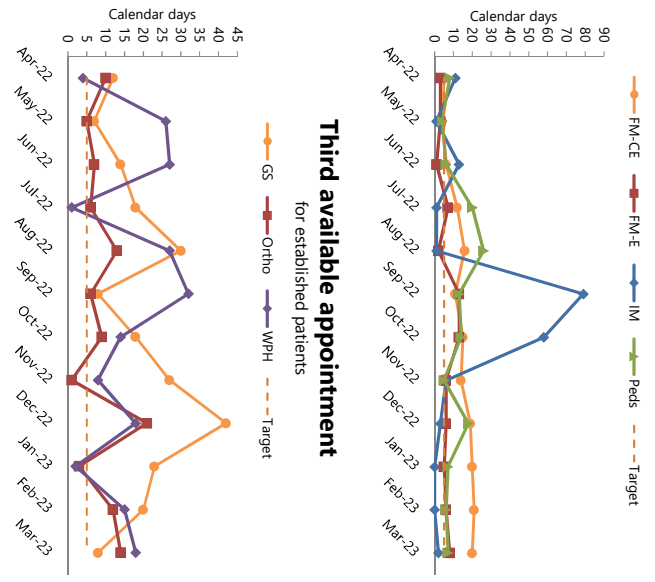


Clinic Consultations/Echo Procedures

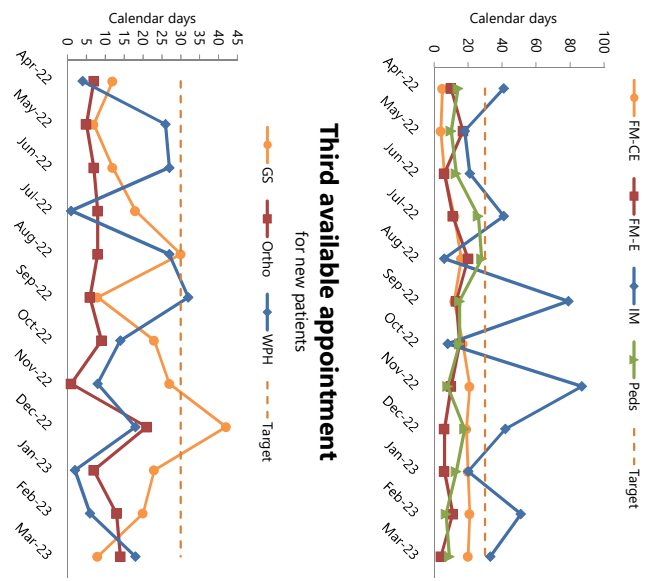


Clinic Operations Dashboard

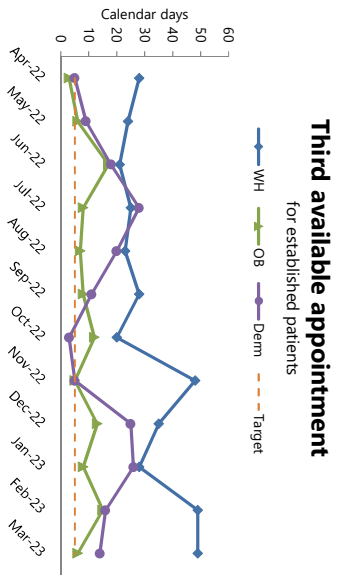
Third available appointment for established patients



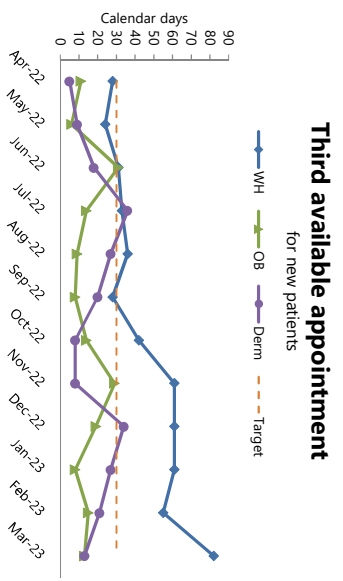
Third available appointment for new patients



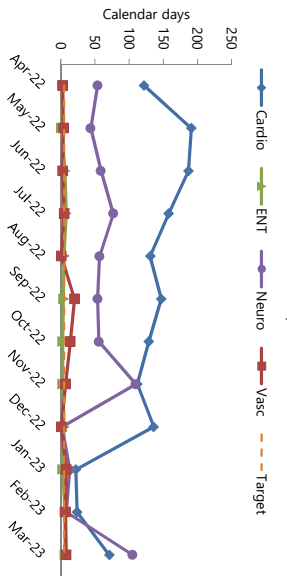
Third available appointment for established patients



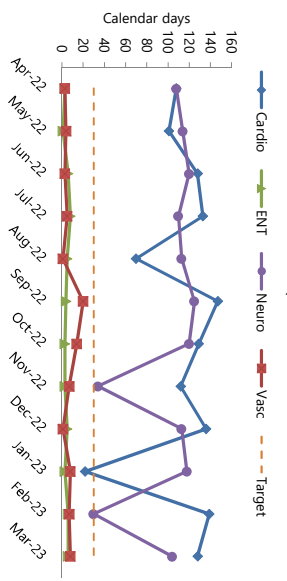
Third available appointment for new patients



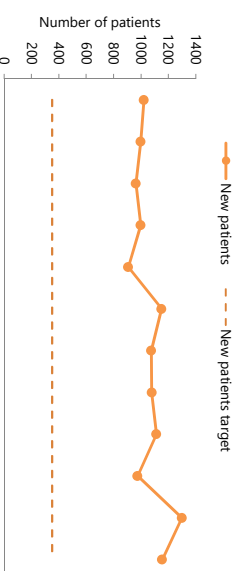
Third available appointment for established patients



Third available appointment for new patients

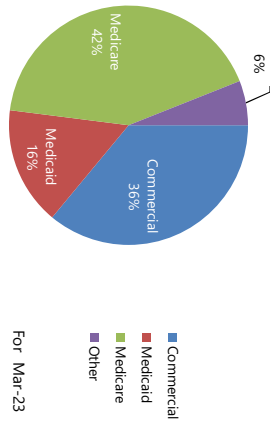


New patients



Effective March 2021, we began coding our "new" patients differently. The definition of "new" visits were changed as it was based on taxonomy code for the practice. Previously, we were only identifying the visit as "new" if the patient had not presented to any of the clinics in the

Payor Mix



NOTIFICATION OF CREDENTIALS FILES
FOR REVIEW

Date March 17, 2023

TO: Board of Commissioners
 Kevin Martin, MD

FROM: Shannon Carlson, CPCS
 Medical Staff Services

The Medical Executive Committee has reviewed the applications for appointment or reappointment for the practitioners listed below. They recommend to the Board that these practitioners be granted appointment and privileges as noted in each file.

<u>PRACTITIONER</u>	<u>STATUS</u>	<u>APT/REAPT</u>	<u>SITE</u>
*Berg, Sara, MD	Provisional	Initial Appointment	KVH WH
Bridger, Wendy, ARNP	Provisional	Initial Appointment	KVH FME
Feeney, Craig, MD	Provisional	Initial Appointment	ONRAD
Pu, Glen, MD	Provisional	Initial Appointment	ONRAD
Schwartz, Jonathan, MD	Provisional	Initial Appointment	RPG
*Svientek, Susan, MD	Provisional	Initial Appointment	KVH WH
*White, David, MD	Provisional	Initial Appointment	KVH IM
Hibbs, Jonathan, MD	Active	Re-Appointment	KVH IM
Larson, Mark, MD	Active	Re-Appointment	RPG
Murphey, Laine, MD	Active	Re-Appointment	RPG
Birt, Zoe, PA-C	AHP	Re-Appointment	KVH FME
Henderson, Derek, PA-C	AHP	Re-Appointment	KVH Ortho

*Locum providers that will be with us greater than 120 days.

CHIEF MEDICAL OFFICER – Kevin Martin, MD
March 2023

Medical Staff Services:

- **Recruiting:**
 - We have had turnover in both Women’s Health and the Emergency Department. We are working to ensure coverage. Our highest priorities are
 - Anesthesia
 - Women’s Health
 - Emergency Department
 - **Incoming Providers:**
 - Occupational Medicine – David Frick, DO started 1.24.2023
 - Internal Medicine Locum – David White, MD started 02.14.2023
 - Family Medicine Ellensburg - Joseph Nebecker, PA-C starts 02.20.2023
 - Women’s Health – Anna Parr, PA-C working on transition plan
 - Emergency Department – Clint Kalan, PA-C starts 03.07.23
 - ENT & Allergy - Shawn Rogers, MD starts 03.13.23
 - Family Medicine Ellensburg - Blake Harding, PA-C starts 03.20.2023
 - Family Medicine Ellensburg – Wendy Bridger, ARNP starts 03.27.2023
 - Internal Medicine Locum – Edward DuMontier, MD starts 03.27.2023
 - **Providers in Progress:**
 - 6 OB providers to help cover call while recruiting for 3 permanent providers
 - FPOB interview scheduled 03.17.2023
 - OBGYN scheduling interview for March
 - New IM physician conversations
 - Possible 2024 FP/IM graduate
 - New IM ARNP conversations
 - **Additional Postings:**
 - Family medicine physicians
 - Internal medicine physicians and APCs
 - Occupational medicine APCs
 - Pulmonologist
 - Geriatric nurse practitioner
 - Cardiologist
 - Dermatologist
 - Psychiatrist
 - Vascular surgeon
- **Medical Staff:**
 - There are 7 providers up for initial appointment, including 5 locum tenentes
 - There are 7 application in process.

CMO activities:

- **Emergency Department staffing.**
 - Emergency Associates of Yakima has been a valuable partner in ensuring the operations of our ED.
- **The Rural Collaborative (TRC):**

- The Rural Ethics Committee held its first meeting 17 January and began laying the foundation for processes and expectations..
- The Physician Leadership Committee did not meet..

Respectfully submitted,
Kevin Martin, MD
Chief Medical Officer

February Operating Results

- February admissions to the hospital of 74 were 15 admissions less than budget, however, patient days of 362 exceeded budget by 10 days. The hospital has been caring for a number of boarder patients who were ready to be discharged but could not be discharged to a safe setting. This is reflected in the average length of stay of 4.9 days. The Family Birth Place delivered 20 infants in February, 5 deliveries less than budget. The surgery department was very busy in February. Inpatient cases of 23 were 4 cases below budget, outpatient cases of 178 exceeded budget by 55 cases and GI procedures of 153 exceeded budget by 29 procedures. February ER visits of 1,313 exceeded budget by 71 visits but Urgent Care Clinic of 395 were below budget by 69 visits. February clinic visits of 7,105 exceeded budgeted visits by 60 visits.
- February gross revenue of \$19,725,245 exceeded budget by \$1,681,581. February inpatient revenue was below budget by \$302,692; outpatient revenue exceeded budget by \$1,623,114 and professional fee revenue exceeded budget by \$361,158. The following departments had significant positive revenue variances in February: Med/Surg by \$234,904; Surgery by \$723,667; Imaging by \$461,912; ER by \$103,329 and KVH's clinics by \$245,892. Departments with significant negative variances were Family Birth Place by \$74,790 and laboratory by \$296,567.
- In February deductions from revenue exceeded budget by \$1,148,049. Contractual adjustments exceeded budget by \$933,490. Bad debt deductions exceeded budget by \$25,662. Financial assistance exceeded budget by \$28,751. Other deductions totaled \$298,424 and exceeded budget by \$160,146. Hospice adjustments were \$1,991; no prior authorizations were \$49,274; not medically necessary adjustments totaled \$102,542; no patient consent were \$53,764 and provider not credentialed adjustments totaled \$6,521.
- February other operating revenue was below budget by \$16,964. In February the shortfall from 340B contract pharmacy rebates totaled \$31,981. This shortfall was offset by retail pharmacy sales that exceeded budget by \$4,913, a receipt related to the ER trauma fund of \$6,302 and cafeteria sales that exceeded budget by \$2,127.
- February expenses exceeded budget by \$612,801. In general, expenses are tracking closer to expected budget levels or are trending with patient volumes that exceed budget. Salaries were below budget by \$94,420. Temporary labor exceeded budget by \$227,632 and continues trending downward. Temporary labor for the following departments exceeded their monthly budget: ICU by \$30,196; Med/Surg by \$19,360; Family Birth Place by \$30,141; Laboratory by \$14,665; Radiology by \$30,584; ER by

\$46,144 and the Clinics by \$105,235. In many departments KVH has been able to hire permanent staff so we expect temporary labor expense to continue to decline over the next few months. Professional fees exceeded budget by \$229,803. KVH spent \$113,697 for ER locums and \$89,855 for an ENT locum in February. Supply expenses exceeded budget in February by \$257,435 and were volume related. Surgery exceeded their supply budget by \$136,527 and pharmacy exceeded their supply budget by \$190,535. Depreciation expense exceeded budget for February and will for the year due to shortening the estimated useful life on some hospital owned buildings. Other expenses exceeded budget by \$56,589 due to unexpected recruitment and marketing expenses.

- In February KVH posted an operating income of \$517,184 compared to a budgeted operating income of \$613,417; a negative variance of \$96,233. YTD operating income is \$123,596 compared to budgeted operating income of \$1,129,867; a negative variance of \$1,006,271.
- Non-operating income was below budget by \$108,704. In February KVH recorded interest income of \$110,985 which was offset by an unrealized loss on investments of \$119,706.
- KVH reported a Net Income for February of \$524,249. YTD Net Income is \$452,909 compared to YTD budgeted Net Income of \$1,361,485, a negative variance of \$908,576.
- February Days in Accounts Receivable increased .2 days to 68.9 days from 68.7 in January. Gross accounts receivables increased by \$1,833,837 from \$45,371,335 in January to \$47,205,172 in February. Total cash receipts in February from payers and patients totaled \$10,018,896. Total Cerner receipts posted in February were \$9,033,353.
- Average daily cash collections per working day increased from \$415,241 in January to \$500,945 in February.
- Days cash on hand decreased 1.5 days to 201.8 days in February from 203.3 days in January. Actual cash and investments on hand decreased by \$1,312,346 from \$70,188,813 in January to \$68,876,467 in February.

Kittitas Valley Healthcare
February 2023 - Key Statistics and Indicators

Activity Measures	Current Month			Year to Date			Prior YTD		
	Actual	Budget	Var. %	Actual	Budget	Var. %	Actual	Var. %	
01 Admissions w/Swingbed	74	89	-16.5%	154	183	-16.1%	182	-15.4%	01
02 Patient Days - W/O Newborn	362	352	2.7%	757	729	3.9%	775	-2.3%	02
03 Patient Days - Swingbed	-	7	-100.0%	-	15	-100.0%	4	-100.0%	03
04 Avg Daily IP Census w/Swingbed	12.9	12.8	0.7%	12.8	12.6	1.8%	13.2	-2.8%	04
05 Average Length of Stay	4.9	4.0	23.1%	4.9	4.0	23.7%	4.3	15.5%	05
06 Average Length of Stay w/Swingbed	4.9	4.1	20.7%	4.9	4.1	21.3%	4.3	14.9%	06
07 Deliveries	20	25	-19.1%	39	52	-25.1%	47	-17.0%	07
08 Case Mix Inpatient	1.09	1.00	8.5%	1.23	1.00	22.7%	1.19	3.1%	08
09 Surgery Minutes - Inpatient	2,428	3,345	-27.4%	5,506	6,917	-20.4%	5,890	-6.5%	09
10 Surgery Minutes - Outpatient	10,711	7,796	37.4%	22,153	16,120	37.4%	10,732	106.4%	10
11 Surgery Procedures - Inpatient	23	27	-16.1%	52	57	-8.2%	49	6.1%	11
12 Surgery Procedures - Outpatient	178	123	44.3%	343	255	34.5%	146	134.9%	12
13 Gastrointestinal Procedures	153	124	23.7%	301	256	17.7%	139	116.5%	13
14 ER Visits	1,313	1,242	5.7%	2,568	2,568	0.0%	2,270	13.1%	14
15 Urgent Care Cle Elum Visits	395	464	-14.8%	798	959	-16.8%	705	13.2%	15
16 Laboratory	21,566	23,382	-7.8%	45,288	48,360	-6.4%	46,920	-3.5%	16
17 Radiology Exams	3,102	2,796	10.9%	6,405	5,784	10.7%	5,140	24.6%	17
18 Rehab Visit	1,430	1,581	-9.6%	3,135	3,268	-4.1%	2,777	12.9%	18
19 Outpatient Percent of Total Revenue	88.3%	85.5%	3.2%	87.1%	85.5%	1.9%	83.1%	4.8%	19
20 Adjusted Patient Days	3,089	2,432	27.0%	5,876	5,023	17.0%	4,585	28.2%	20
21 Equivalent Observation Days	117	87	34.5%	241	180	33.8%	177	36.1%	21
22 Avg Daily Obs Census	4.2	3.1	34.5%	4.1	3.1	33.8%	3.0	36.1%	22
23 Home Care Visits	471	564	-16.5%	936	1,168	-19.8%	909	3.0%	23
24 Hospice Days	723	576	25.5%	1,483	1,214.0	22.2%	1,247	18.9%	24
25 Primary Clinic Visits	4,716	4,766	-1.1%	10,306	9,755	5.7%	10,550	-2.3%	25
26 Specialty Clinic Visits	2,325	2,174	6.9%	4,661	4,493	3.7%	2,521	0.0%	26
27 Telehealth Visits	64	105	-39.1%	169	217	-22.3%	301	NA	27
28 Total Clinic Visits	7,105	7,045	0.8%	15,136	14,465	4.6%	13,372	13.2%	27
Financial Measures									
29 Salaries as % of Operating Revenue	44.6%	47.9%	6.8%	47.1%	48.7%	3.4%	47.5%	-0.9%	29
30 Total Labor as % of Operating Revenue	56.2%	60.4%	7.0%	59.1%	61.2%	3.4%	60.0%	-1.5%	30
31 Revenue Deduction %	47.6%	45.7%	-4.2%	47.7%	45.6%	-4.5%	46.0%	3.6%	31
32 Operating Margin	4.9%	6.2%		0.6%	5.5%		3.9%		32
Operating Measures									
33 Productive FTE's	550.7	548.0	-0.5%	549.0	548.0	-0.2%	513.3	7.0%	33
34 Non-Productive FTE's	51.9	73.0	28.8%	49.3	73.0	32.4%	69.1	-28.7%	34
35 Paid FTE's	602.6	621.0	3.0%	598.3	621.0	3.7%	582.4	2.7%	35
36 Operating Expense per Adj Pat Day	\$ 3,228	\$ 3,848	16.1%	\$ 3,613	\$ 3,885	7.0%	\$ 3,643	-0.8%	36
37 Operating Revenue per Adj Pat Day	\$ 3,396	\$ 4,100	-17.2%	\$ 3,634	\$ 4,110	-11.6%	\$ 3,791	-4.1%	37
38 A/R Days	68.9	60.0	-14.8%	68.9	60.0	-14.8%	62.1	11.0%	38
39 Days Cash on Hand	201.8	217.6	-7.3%	201.8	217.6	-7.3%	222.6	-9.3%	39

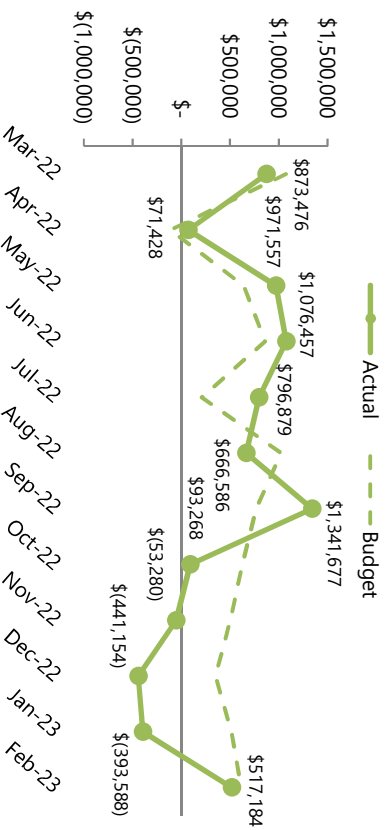
Kittitas Valley Healthcare

Year over Year Financial and Operating Indicator Trends
February 2023 - Key Statistics and Indicators

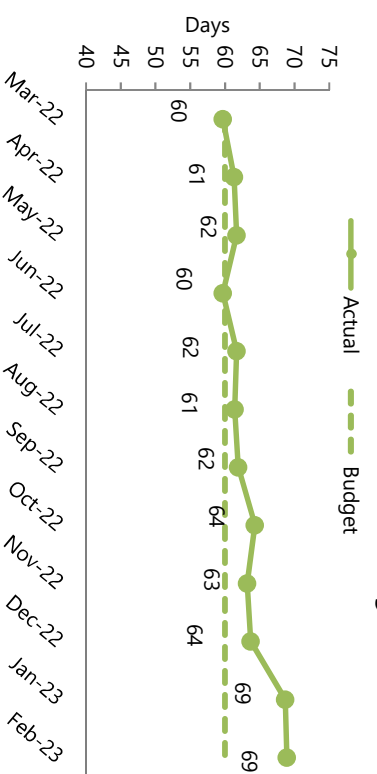
L	Measure	2023 YTD	2023 Budget	2023 Annualize	2022	2021	2020	2019	2018	2017	2016
1	Total Charges	40,242,115	233,240,187	248,955,454	213,492,081	198,630,104	160,301,629	152,675,062	140,104,003	130,611,388	124,153,636
2	Net Revenue	21,354,141	129,100,000	132,106,126	120,219,085	114,372,961	89,905,245	83,527,969	78,753,810	71,490,964	71,506,819
3	Operating Income	123,596	8,000,000	764,619	6,074,001	14,127,110	620,732	2,901,869	474,120	885,655	(5,893)
4	Operating Margin %	0.6%	6.2%	0.6%	5.1%	12.4%	0.7%	3.5%	0.6%	1.2%	0.0%
5	Net Income	452,908.5	9,390,000	2,801,892	4,079,789	18,470,881	6,420,388	3,690,537	2,526,547	2,648,415	1,543,915
6	Net Margin %	2.1%	7.3%	2.1%	3.4%	16.1%	7.1%	4.4%	3.2%	3.7%	2.2%
7	Cash	70,188,813	62,853,786	NA	73,241,408	61,914,502	40,852,244	29,218,516	27,408,625	33,213,447	29,859,717
8	Days Cash on Hand	108.1	197.0	NA	246.4	235.8	175.8	138.6	133.5	178.7	156.0
9	Surgeries	395	1,950	2,444	1,922	1,788	1,354	1,305	1,461	1,396	1,510
10	Gastrointestinal Procedures	301	1,600	1,862	1,404	1,321	1,211	1,416	1,250	1,383	1,396
11	Emergency Visits	2,568	16,790	15,887	15,643	13,988	12,207	13,861	13,930	13,162	13,789
12	% ED visits To Bed	7.1%	10.0%	7.1%	7.7%	9.2%	10.1%	9.5%	n/a	n/a	n/a
13	Laboratory Tests	45,288	302,431	280,172	277,627	288,552	237,710	209,144	207,040	190,587	181,082
14	Radiology Exams	6,405	36,169	39,624	35,222	32,016	29,338	30,397	30,843	33,836	33,471
15	Rehab Visits	3,135	20,447	19,394	17,060	21,390	16,724	18,718	16,359		
16	IP & Obs Days (no swing)	999	5,684	6,177	5,470	4,820	3,717	3,805	3,999	3,440	3,937
17	Deliveries	39	322	241	318	280	284	309	342	322	312
18	Admits w/Swing	154	1,147	953	1,066	949	860	941	984	899	1,043
19	Primary Clinic Visits	10,306	61,377	63,757	58,013	60,229	53,270	60,871			
20	Specialty Clinic Visits	4,661	28,113	28,835	22,778	19,865	13,135	11,840			
21	Telehealth Visits	169	1,359	1,046	1,263	1,391	3,793	-			
22	Total Clinic Visits	15,136	90,849	93,638	82,054	81,485	70,198	72,711	59,241	50,917	48,525
23											
24	FTEs	598.3	621.0	NA	560.9	529.9	499.0	477.4	469.4	457.6	449.1
25	AR Days	68.9	60.0	NA	63.7	63.9	73.5	88.1	92.0	50.8	47.5
Normalize charges by adjusting for charge master increases:											
26	Normalized Charges to 2022		233,240,187	248,955,454	223,099,225	217,946,882	179,408,782	174,290,630	165,265,768	161,001,417	159,162,750
27	Operations Growth		4.55%	11.59%	2.36%	21.48%	2.94%	5.46%	2.65%	1.16%	-1.05%
28	Operations Growth Exclude COVID Testing			12.94%	6.29%	19.23%	-0.61%				

Financial Dashboard

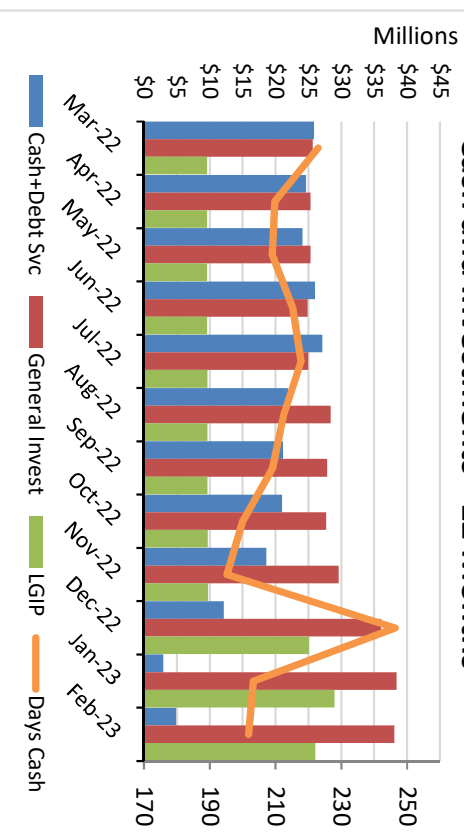
Operating Income



Accounts Receivable Days



Cash and Investments - 12 Months



Payer Mix

	CY 2020	CY 2021	CY 2022	YTD 2023
Medicare	39.42%	40.24%	42.31%	41.25%
Medicaid	19.41%	19.08%	18.64%	20.18%
Commercial	34.97%	35.29%	33.66%	32.13%
Self Pay	2.66%	2.38%	2.10%	2.02%
Other	3.55%	3.01%	3.29%	4.42%

Kittitas Valley Healthcare
Statement of Revenue and Expense

	Current Month			Year to Date			Prior Y t D
	Actual	Budget	Variance	Actual	Budget	Variance	Actual
INPATIENT REVENUE	2,310,855	2,613,546	(302,692)	5,185,485	5,409,411	(223,926)	5,335,108
OUTPATIENT REVENUE	13,975,333	12,352,219	1,623,114	28,084,471	25,565,657	2,518,814	21,167,579
PROF FEE REVENUE	3,439,057	3,077,898	361,158	6,972,159	6,300,475	671,683	5,066,369
REVENUE	19,725,245	18,043,663	1,681,581	40,242,115	37,275,543	2,966,571	31,569,056
CONTRACTUALS	8,468,277	7,534,787	933,490	17,399,716	15,565,353	1,834,364	13,159,113
PROVISION FOR BAD DEBTS	507,961	482,299	25,662	985,538	971,570	13,968	1,022,589
FINANCIAL ASSISTANCE	122,425	93,674	28,751	251,865	187,348	64,517	167,968
OTHER DEDUCTIONS	298,424	138,278	160,146	541,303	276,556	264,748	166,036
DEDUCTIONS FROM REVENUE	9,397,088	8,249,038	1,148,049	19,178,423	17,000,827	2,177,596	14,515,706
NET PATIENT SERVICE REVENUE	10,328,157	9,794,625	533,532	21,063,692	20,274,717	788,975	17,053,350
OTHER OPERATING REVENUE	160,494	177,458	(16,964)	290,449	370,446	(79,997)	329,218
TOTAL OPERATING REVENUE	10,488,651	9,972,083	516,568	21,354,141	20,645,163	708,978	17,382,568
SALARIES	4,678,970	4,773,390	(94,420)	10,051,421	10,058,216	(6,794)	8,259,478
TEMPORARY LABOR	458,889	231,257	227,632	940,254	487,292	452,962	481,420
BENEFITS	1,214,221	1,250,276	(36,055)	2,570,839	2,570,172	668	2,168,420
PROFESSIONAL FEES	378,568	148,766	229,803	709,449	313,471	395,979	384,016
SUPPLIES	1,205,212	947,777	257,435	2,825,066	1,965,103	859,963	1,569,224
UTILITIES	124,393	118,080	6,313	227,173	224,352	2,821	217,813
PURCHASED SERVICES	928,139	984,878	(56,740)	1,945,772	2,065,848	(120,076)	2,217,719
DEPRECIATION	539,731	458,658	81,073	1,093,846	926,043	167,803	740,545
RENTS AND LEASES	1,604	3,250	(1,645)	(1,260)	6,499	(7,759)	167,632
INSURANCE	109,192	157,592	(48,399)	220,294	315,183	(94,889)	146,356
LICENSES & TAXES	63,148	77,311	(14,164)	163,227	159,926	3,302	134,373
INTEREST	111,752	109,470	2,281	223,810	220,439	3,371	99,598
TRAVEL & EDUCATION	47,430	44,332	3,098	87,399	89,750	(2,352)	31,160
OTHER DIRECT	110,217	53,628	56,589	173,253	113,002	60,251	86,912
EXPENSES	9,971,467	9,358,665	612,801	21,230,545	19,515,296	1,715,249	16,704,665
OPERATING INCOME (LOSS)	517,184	613,417	(96,233)	123,596	1,129,867	(1,006,271)	677,902
OPERATING MARGIN	4.93%	6.15%	-18.63%	0.58%	5.47%	-141.93%	3.90%
NON-OPERATING REV/EXP	7,065	115,768	(108,704)	329,312	231,617	97,695	(511,569)
NET INCOME (LOSS)	524,249	729,186	(204,937)	452,909	1,361,485	(908,576)	166,334
UNIT OPERATING INCOME							
HOSPITAL	748,054	919,315	(171,261)	855,007	1,864,844	(1,009,837)	1,362,153
URGENT CARE	4,491	7,137	(2,646)	(13,184)	12,812	(25,996)	4,470
CLINICS	(232,499)	(255,734)	23,235	(680,531)	(619,461)	(61,070)	(720,949)
HOME CARE COMBINED	(2,862)	(57,300)	54,438	(37,696)	(128,328)	90,632	32,228
OPERATING INCOME	517,184	613,417	(96,233)	123,596	1,129,867	(1,006,271)	677,902

02/28/2023

Kittitas Valley Healthcare Balance Sheet and Cash Flow

Kittitas Valley Healthcare
Balance Sheet

	YEAR TO DATE	PRIOR YEAR END	CHANGE
CASH AND CASH EQUIVALENTS	4,331,836	11,162,290	(6,830,453)
ACCOUNTS RECEIVABLE	47,205,172	41,373,454	5,831,718
ALLOWANCE FOR CONTRACTUAL	(29,897,985)	(26,782,288)	(3,115,697)
THIRD PARTY RECEIVABLE	182,107	182,107	0
OTHER RECEIVABLES	1,871,733	2,007,557	(135,824)
INVENTORY	2,602,312	2,690,763	(88,451)
PREPAIDS	1,795,587	1,512,320	283,267
INVESTMENT FOR DEBT SVC	511,549	963,413	(451,863)
CURRENT ASSETS	28,602,312	33,109,615	(4,507,304)
INVESTMENTS	64,033,082	61,115,705	2,917,377
PLANT PROPERTY EQUIPMENT & ROU ASSET	107,016,477	106,089,339	927,138
ACCUMULATED DEPRECIATION & ROU AMORT	(54,946,843)	(53,865,018)	(1,081,825)
NET PROPERTY, PLANT, & EQUIP	52,069,634	52,224,321	(154,687)
OTHER ASSETS	0	0	0
NONCURRENT ASSETS	52,069,634	52,224,321	(154,687)
ASSETS	144,705,028	146,449,641	(1,744,614)
ACCOUNTS PAYABLE	2,873,063	4,228,424	(1,355,362)
ACCRUED PAYROLL	2,178,244	2,645,596	(467,351)
ACCRUED BENEFITS	1,024,991	985,345	39,647
ACCRUED VACATION PAYABLE	2,461,936	1,927,557	534,379
THIRD PARTY PAYABLES	1,284,899	1,284,899	0
CURRENT PORTION OF LONG TERM DEBT	1,640,441	2,293,900	(653,459)
OTHER CURRENT LIABILITIES	0	0	0
CURRENT LIABILITIES	11,463,574	13,365,720	(1,902,146)
ACCRUED INTEREST	197,599	273,091	(75,492)
DEFERRED TAX COLLECTIONS	8,542	0	8,542
DEFERRED REVENUE HOME HEALTH	59,313	60,910	(1,597)
DEFERRED INFLOW RIGHT OF USE	615,865	628,695	(12,831)
DEFERRED OTHER	127,031	127,031	0
DEFERRED LIABILITIES	1,008,350	1,089,727	(81,378)
LTD RIGHT OF USE ASSETS	4,777,303	4,991,302	(213,998)
LTD - 2017 REVENUE BONDS	11,194,095	11,667,554	(473,459)
LTD - 2018 REVENUE BOND	5,100,000	5,280,000	(180,000)
LTD - 2018 LTGO & REVENUE REFUND BONDS	898,152	898,152	0
LTD - 2022 REVENUE BOND	15,310,000	15,310,000	0
CURRENT PORTION OF LONG TERM DEBT CONT	(1,640,441)	(2,293,900)	653,459
LONG TERM DEBT	35,639,109	35,853,108	(213,998)
OTHER POST EMPLOYMENT BENEFITS LIABILITY	3,806,216	3,806,216	0
NONCURRENT LIABILITIES	40,453,675	40,749,051	(295,376)
LIABILITIES	51,917,249	54,114,771	(2,197,522)
FUND BALANCE	92,334,870	92,334,870	0
NET REVENUE OVER EXPENSES	452,909	0	452,909
FUND BALANCE	92,787,778	92,334,870	452,908
TOTAL LIABILITIES & FUND BALANCE	144,705,027	146,449,641	(1,744,614)

Kittitas Valley Healthcare
Balance Sheet and Cash Flow

Statement of Cash Flow

	CASH
NET BOOK INCOME	452,909
ADD BACK NON-CASH EXPENSE	
DEPRECIATION	1,081,825
PROVISION FOR BAD DEBTS	
LOSS ON SALE OF ASSETS	
NET CASH FROM OPERATIONS	1,534,733
CHANGE IN CURRENT ASSETS (\$)	
PATIENT ACCOUNTS	(2,716,021)
OTHER RECEIVABLES	135,824
INVENTORIES	88,451
PREPAID EXPENSES & DEPOSITS	(283,267)
INVESTMENT FOR DEBT SVC	451,863
TOTAL CURRENT ASSETS	(2,323,150)
INVESTMENTS	(2,917,377)
PROPERTY, PLANT, & EQUIP.	(927,138)
OTHER ASSETS	0
TOTAL ASSETS	(4,632,931)
CHANGE IN CURRENT LIABILITIES (\$)	
ACCOUNTS PAYABLE	(1,355,362)
ACCRUED SALARIES	(467,351)
ACCRUED EMPLOYEE BENEFITS	39,647
ACCRUED VACATIONS	534,379
COST REIMBURSEMENT PAYABLE	0
CURRENT MATURITIES OF LONG-TERM DEBT	(653,459)
CURRENT MATURITIES OF CAPITAL LEASES	0
TOTAL CURRENT LIABILITIES	(1,902,146)
CHANGE IN OTHER LIABILITIES (\$)	
ACCRUED INTEREST ON 1998, 1999 UTGO	(75,492)
DEFERRED TAX COLLECTIONS	8,542
DEFERRED REVENUE - HOME HEALTH	(1,597)
DEFERRED INFLOW RIGHT OF USE	(12,831)
DEFERRED OTHER	0
TOTAL OTHER LIABILITIES	(81,378)
CHANGE IN LT DEBT & CAPITAL LEASES (\$)	
LTD RIGHT OF USE ASSETS	(213,998)
LTD - 2017 REVENUE BONDS	(473,459)
LTD - 2018 REVENUE BOND	(180,000)
LTD - 2018 LTGO & REVENUE REFUND BONDS	0
LTD - 2022 REVENUE BOND	0
CURRENT PORTION OF LONG TERM DEBT	653,459
TOTAL LONG-TERM DEBT & LEASES	(213,998)
OTHER POST EMPLOYMENT BENEFITS LIABILITY	0
TOTAL LIABILITIES	(2,197,522)
NET CHANGE IN CASH	(6,830,453)
BEGINNING CASH ON HAND	11,162,290
ENDING CASH ON HAND	4,331,836

KITTITAS VALLEY HEALTHCARE

Capital Expenditure Board Narrative

Requesting Department: Surgery

Capital Item Requested: deSoutter Medical Orthopedic Equipment

Function of Project: Replace current power drills, saws and pin drivers used in a variety of orthopedic procedures. Also, add an additional set of power drills, saws and pin drivers. Our Orthopedic Surgeon has trialed all of the equipment and supports the purchase.

Reason Requested: The current equipment is no longer repairable or supported by the current vendor. Adding an additional set of equipment for large orthopedic surgeries will get us closer to our goal of completing five total joint procedures in one day. This equipment is from a new vendor, deSoutter Medical. The switch to deSoutter Medical will help KVH achieve cost savings and will allow us to increase our equipment inventory to prepare for increased volumes.

Budget: \$218,250.00

Actual Cost: \$248,597.35

Submitted By: Amy Krogstadt – Surgery Dept. Director

Date: 03/23/2023

KITTITAS VALLEY HEALTHCARE

Capital Expenditure Board Narrative

Requesting Department: Emergency Department

Capital Item Requested: Mindray Point of Care Ultrasound System

Function of Project: The Point-of-care ultrasound is for assisting in procedures and bedside diagnostic information. It is utilized by both nurses and providers in providing care. Our goal is to interface this system with PACS/Cerner to improve documentation and charge capture, in addition to the improved functionality and image quality the system offers. The unit is designed so user can save and capture images with one hand controls on the wand while commonly used to do IV starts.

Reason Requested: Our current system, Sonosite Edge, is at end of life and suffers from degradation and an inability to transmit images into our current EHR and/or PACS. Currently, it is non-functional and being sent out for repairs. Because the current system does not interface and is not ideal for printing images and scanning back into the chart in ER setting, we have not been able to document with it to a level that would satisfy submitting for charges on these exams.

Budget: \$50,000.00

Actual Cost: \$71,630.72

Submitted By: Dede Utley – Emergency Dept. Director

Date: 03/23/2023

KITTITAS VALLEY HEALTHCARE

Capital Expenditure Board Narrative

Requesting Department: Laboratory

Capital Item Requested: Beckman Coulter Chemistry Immunoassay System

Function of Project: The system will replace the Siemen's Vista chemistry analyzer and allow complete redundancy for both the chemistry and immunoassay systems.

Reason Requested: The current chemistry analyzer is eight years old, is past its life expectancy and breaks down often. Downtimes have a negative impact as well as stressors to our clinicians in providing patient care by causing inconsistent and decreased test menu availability causing increased risk to patients. When planning for the lab remodel a general assumption was that KVH would replace the Siemen's Vista analyzer with a Siemen's Itallica analyzer which is comparable in size. The Itallica analyzer has not been a good analyzer so Seimen's stopped producing it, redesigned the machine and created a CI1900 chemistry analyzer. The CI1900 analyzer is awaiting FDA approval so it is not available. Lab staff has selected and recommend a FDA approved chemistry analyzer from Beckman Coulter that has complete redundancy and is able to process some additional tests that are not available on any of the Siemen's analyzers. The size of the Beckman Coulter analyzer is nearly twice that of the Siemens's analyzers so some of the existing lab equipment will need to be relocated to other locations within the lab to accommodate the Beckman Coulter machine. The estimated cost to relocate equipment, electrical outlets, exhaust fans, plumbing for the equipment, sinks, etc., is approximately \$217,589. The cost of the Beckman Coulter analyzer is \$547,920. The total capital request includes the buy-out of a lease for a Roche analyzer of about \$109,000 that will no longer be needed because the Beckman Coulter analyzer is able to process all of the Roche tests. The Beckman Coulter analyzer will need to be interfaced with Cerner at a cost of \$46,440. The agreement with Beckman Coulter assumes that \$36,000 of the Cerner interface cost is borne by Beckman Coulter.

As part of the transaction with Beckman Coulter, KVH will have a seven year service agreement of \$61,624 per year and will purchase consumable supplies and reagent materials from Beckman Coulter at a cost of \$400,233 per year. KVH has negotiated an inflator cap for the service contract and consumables of the lesser of CPI or 3%. KVH is currently paying these costs as part of our agreement with Seimens so these are not new expenses to KVH.

Budget: \$650,000

Actual Cost: \$920,949

Submitted By: Katy Bellotti – Laboratory Dept. Director

Date: 03/23/2023

KITTITAS COUNTY PUBLIC HOSPITAL DISTRICT NO. 1

**RESOLUTION 23-1
SURPLUS PERSONAL PROPERTY**

The District has determined the following item to be no longer required for Public Hospital District purposes and hereby declare them as surplus.

These items may be sold or disposed of in such manner and upon such terms and condition as the Board finds to be in the best interest of the District per RCW 70.44.320.

See Exhibit A attached.

DATED this 23th day of March 2023

Matt Altman, President
Board of Commissioners

Jon Ward, Secretary
Board of Commissioners

EXHIBIT A

Asset No.	Description	Acquisition Date	Book Basis	Total Accum Depreciation	Book Value to remove	Proceeds from Sale	Disposition
9410	CYTOCENTRIFUGE	1/20/2012	12,344.76	12,344.76	0	0	OBSOLETE
8717	TRACTION TABLE HI-LO	10/28/1997	3,118.00	3,118.00	0	0	OBSOLETE
8929	CHEMISTRY ANALYZER	12/1/2016	282,353.69	282,353.69	0	0	SCRAP
8093	ULTRASOUND	6/28/2014	66,946.18	66,946.18	0	0	TRADE IN
8208	STRETCHER M SERIES BIG WHEEL	9/12/2008	6,329.24	6,193.37	135.87	0	SCRAP
9144	NK 675 PARALLEL BARS	4/1/1997	147.00	147.00	0	0	SCRAP
			<u>371,238.87</u>	<u>371,103.00</u>	<u>135.87</u>	<u>0</u>	

Grant	Grantee/Applicant	Funding Category	Funding Source	Amount	Status	Funds Leveraged/Complimented	Partnerships	Purpose
Opioid Implementation Grant	KCHN	Opioids	HRSA	\$1,000,000	Awarded	Opioid Planning and Opioid Resource Network Manager	KCHN Participants	Implement plan created in Opioid Planning Grant to address opioid addiction in our county
Care Coordination	KCHN	Care Coordination	HRSA	\$750,000	Awarded	HRSA Rural Health Network Development, GCACH	KCHN Participants	Funding to improve care coordination in our community
Community World of Difference	KCHN	Care Coordination	Cigna	\$100,000	WIP	HRSA Rural Health Network Development, GCACH, HRSA Care Coordination	KCH Participants	Funding to improve care coordination in our community
Rural Mental Health Integration	KVH	PCMH	UW/AIMS	\$245,000	Awarded	GCACH	Greater Columbia KVFR, Law Enforcement (likely included), Foundation	Provides training and education for integrated mental health at FMCE
Drill Grant	KVH via KVHF	Education/Staff Development	Coverys	\$49,000	WIP	DOH Trauma		Create and implement clinical and non-clinical drill program
Behavioral Health Grant	KVH via KVHF	Facilities	Premera	\$100,000	WIP	Rural Mental Health Integration	ED, Foundation	Remodel ED and ICU rooms to be safe rooms for behavioral holds and training staff
Child Care Partnerships Grant	KCHN	Child Care	WS Department of Commerce	\$80,000	Awarded		KCHN	Provides funding to explore options and strategically plan how to increase childcare capacity in our community
Drive Thru Vaccinations Clinic	KVH	Pharmacy/Clinics	Capture Cares	\$24,879	Awarded			Funds to implement a vaccination drive-thru clinic for flu and child immunizations.
Rural Mental Health Integration	KVH	PCMH	UW/AIMS	\$245,000	Awarded	GCACH	Greater Columbia	Provides training and education for integrated mental health at FME
Capital Funding Request	District 2	Facilities	Washington State Legislature	\$761,080	Awarded			Capital Funding to assist in the construction of Station 99
Capital Funding Request	KVH	Facilities	Washington State Legislature	\$385,627	Awarded			Capital Funding to assist in the remodel of KVH Lab
Kittitas County Jail MAT and Behavioral Health RFP	KCHN	Behavioral Health	Kittitas County Corrections	\$600,000	Awarded	HRSA RCORP, HRSA Care Coordination	KCHN	KCHN is applying with a joint application with its partners to provide direct treatment services in the jail. Three year Contract
COVID-19 RHC Vaccine Funding	KVH	COVID	HHS	\$150,000	Awarded			Funding to assist in the COVID-19 Vaccination efforts
Early Learning Facilities Grant	Happy Feet Academy / KCHN / KVH	Child Care	Department of Commerce	\$1,000,000	Awarded	HRSA Care Coordination	KCHN	Funding would increase childcare capacity in our community

Opioid Implementation Grant	KCHN	Opioids	HRSA	\$1,000,000	Awarded	Opioid Planning and Opioid Implementation Grant	KCHN Participants	Expanding on the work of the first Opioid response grant Funding would expand the work of the implementation grant to go beyond opioids and work to find solutions for other behavioral health issues
RCORP Behavioral Health	KCHN	Opioids	HRSA	\$2,000,000	Awarded	Opioid Planning and Opioid Implementation Grant	KCHN Participants	Activities focus primarily on ways increase access to treatment, and reduce harm for individuals with SUD
Harm Reduction Program #2	KCHN	Opioids	SAMHSA	\$1,200,000	Applied	Opioid Planning and Opioid Implementation Grant	KCHN Participants	Funding would support getting staff members through ALTA Language testing and help them to become certified.
ALTA Training	KVH	Education/Staff Development	DOH	\$7,500	Awarded			Funding focuses on professional development and addressing healthcare professional shortages.
Professional Development	KVH	Education/Staff Development	Hearst Foundation		Researching			Funding focuses on improving care management for underserved populations and improving service delivery for LGBTQ+ individuals
Coordinated Care	KCHN	Care Coordination	Coordinated Care Yakima Valley		Applied	HRSA Care Coordination		Funding to extend care coordinators to fulltime.
Care Coordination Expansion	KCHN	Care Coordination	Community Foundation	\$25,000	Applied	HRSA Care Coordination		Funding to provide care coordination for individuals and families at risk for abuse and neglect
Family Resource Center Capacity Building	KCHN	Care Coordination	DCYF	\$60,000	Applied	HRSA Care Coordination		In collaboration with school districts, technical schools, and health care providers, KVH is proposing strategic planning activities to create training programs for training new employees and addressing the workforce shortage. Currently searching for a grant program that will be a better fit for this work.
Technical Education Grant	KVH	Education/Staff Development			Researching		School Districts, YVCC, Technical Programs, CHCW	
Capital Funding Request	KVH	Facilities	Washington State Legislature	\$2,000,000	WIP			Capital Funding to assist in the construction of the surgery expansion, with primary focus on the Diagnostic Imaging Department

Offender Re-Entry Program	KCHN	Opioids	SAMHSA	\$2,000,000	Applied	Opioid Implementation, Care Coordination	Funds will be used to provide continued MAT services to inmates as they re-enter the community and provide care coordination. This is a 3 year grant program.
Cyber Security Grant Programs	KVH	IT	State and FEMA		Researching		Funds to implement and improve cyber security at KVH.
ANEW Grant Program	KVH	Staff Development	HRSA	\$650,000	WIP		Training Grant to provide scholarships and funding for clinical training for ARNP Students. Funds will pay for approximately 12 students in 4 years for two years of support and clinical training.

* Grants under research may not have a grant amount associated yet

** Bold and larger fonts are new opportunities

*** Denied Applications

**** ***Bold, italicized, larger font size are newly awarded grants***