



**Kittitas County Public Hospital District No. 2
BOARD OF COMMISSIONERS' REGULAR MEETING**

**March 20th, 2023 at 6:30 p.m.
Upper Kittitas County Medic One Ambulance Station 99
111 Pine Street, Cle Elum**

AGENDA

- I. Introductions**
- II. Approval of Agenda*** (1)
- III. Approval of Minutes***
 - a. February 20, 2023 (2,3)
- IV. Public Comments/Announcements/Correspondence**
- V. Reports:**
 - a. Operations Report (G. Scherer) (4-7)
 - b. Superintendent's Report (J. Petersen) (8-16)
 - c. Ancillary Report (R. Holden) (17-59)
 - 1. Community Updates
 - d. Finance Report, Approval of Expenses* (S. Olander) (60-70)
- VI. Old Business**
- VII. New Business**
 - a. Levy 2023 - Calendar
 - b. Upcoming Meeting Dates:
 - 1. April 17th, 2023, Board of Commissioners' Regular Meeting
 - 2. May 22nd, 2023, Board of Commissioners' Regular Meeting
- VIII. Executive Session**

No Executive Session
- IX. Adjournment**

Note: Upcoming Agenda Items



Kittitas County Public Hospital District #2

BOARD MEETING MINUTES

Meeting Date: Monday: February 20, 2023
Minutes of: Regular Meeting of the Board of Commissioners
Meeting Place: Medic One Ambulance Station, 111 Pine Street, Cle Elum, WA
Minutes Submitted By: Scott Olander, Treasurer

Call to Order:

Meeting: Call to Order – Call to order made by Commissioner Rogalski at 6:30 p.m.

Introductions:

Commissioners: Floyd Rogalski, Carrie Youngblood, Ingrid Vimont, Hartwig Vatheuer and Fred Benjamin. Superintendent: Julie Petersen; Treasurer: Scott Olander; Ancillary Operations: Rhonda Holden and EMS Manager: Geoff Scherer.

Approval of Agenda:

Action: A motion to approve the agenda was made by Commissioner Vatheuer and seconded by Commissioner Benjamin. Motion carried.

Approval of Minutes:

Action: A motion to approve the minutes of January 16, 2023 as amended was made by Commissioner Vatheuer and seconded by Commissioner Benjamin. Motion Carried.

Operations Report:

The Commissioners reviewed the written operations report and operating statistics prepared by Geoff for January 2023. January transports of 73 exceeded budget by 2 transports. Geoff reported that Medic One has struggled to cover weekend shifts at Snoqualmie Pass due to staffing shortages. Geoff is trying to hire additional per diem staff. Geoff advised that the LifePak monitors are at end of life. The cost to purchase new monitors will be \$60k each. Lastly Geoff reported that in February there were 13 hours when the District did not have ALS coverage because staff and ambulances busy transporting patients.

Superintendent's Report:

Julie advised that District 1 is planning to start a Rapid Access Clinic at the Medical Arts Center Clinic for established KVH patients in early April. Rapid Access would be open twelve hours per day Monday through Saturday. The exact hours of operation are still being worked out. Julie also advised that KVH is working to change anesthesia providers at the hospital. Anesthesia through-put is currently a limiting factor for growth in surgical volumes.

Ancillary Report:

The commissioners reviewed and discussed the written ancillary report. There was discussion about if and when to run another levy. There is an ongoing need for levy support for District operations.

Finance Report:

The financial statements for January 2023 were reviewed and discussed by the Commissioners. The review included a review of actual versus budgeted revenue and expense variances. As noted previously, Medic One did 73 transports in January which exceeded the monthly budget by 2 transports. January transport revenue exceeded budget by \$27,135 because the average charges per transport exceeded budget by \$310 per transport. January expenses exceeded budget by \$8,009. Professional fees and supplies accounted for most of the negative expense variance. In January Medic One recorded Net Loss of \$16,324 which was better than expected. Scott provided 2022 annual statistical and financial reports for Cle Elum Physical Therapy, Family Medicine Cle Elum and Cle Elum Urgent Care.

Action: A motion to approve the warrants for January was made by Commissioner Vatheuer and seconded by Commissioner Vimont. Motion Carried.

Executive Session:

There was no Executive Session.

Announcements:

The next regular meeting date: March 20, 2023 at 6:30 pm in the UKC Medic One Ambulance Station located at 111 Pine Street, Cle Elum, WA.

There being no further business the regular meeting was adjourned at 7:21 pm by Commissioner Rogalski.

Operation's Manager Report – February 2023

	February 2023	February 2022
Calls for Service	116	83
Patient Count	89	83
Patient Transports	63	61
Patient Refusals	19	9
Year to Date Transports	136	133
Station #73 Transports	26	
Station # 99 Transports	38	
Passed Calls	0	

PERSONNEL

The agency has received no applications to date for per diem medics or EMT's. Commissioner Ingrid Vimont and I met with Chief Sinclair and Deputy Chief Hutsell.

APPARATUS

All the medic units are running well.

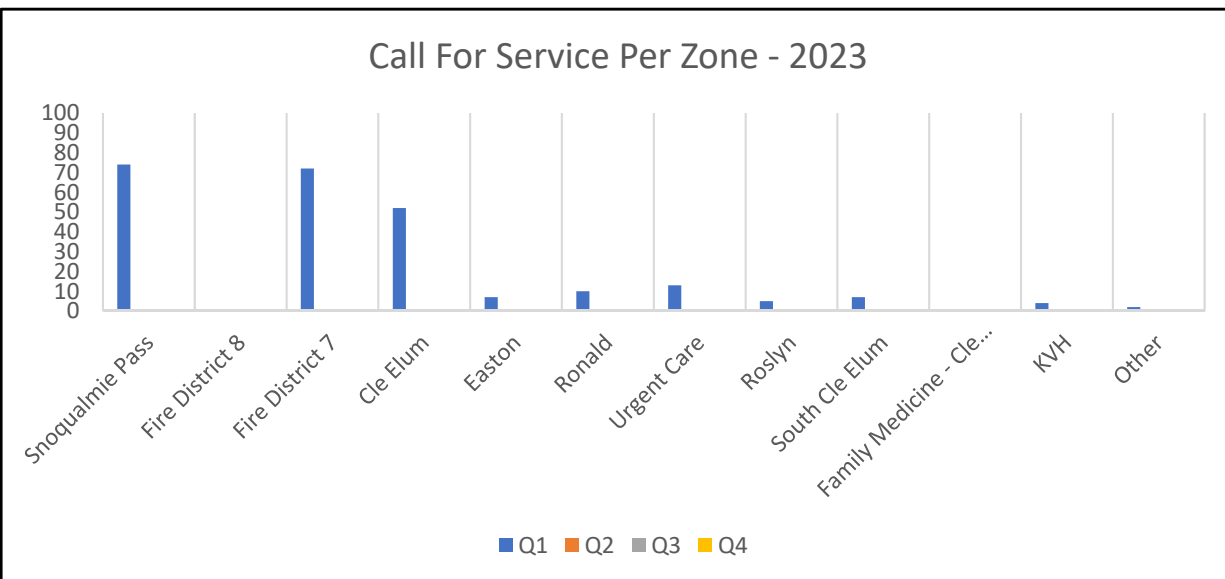
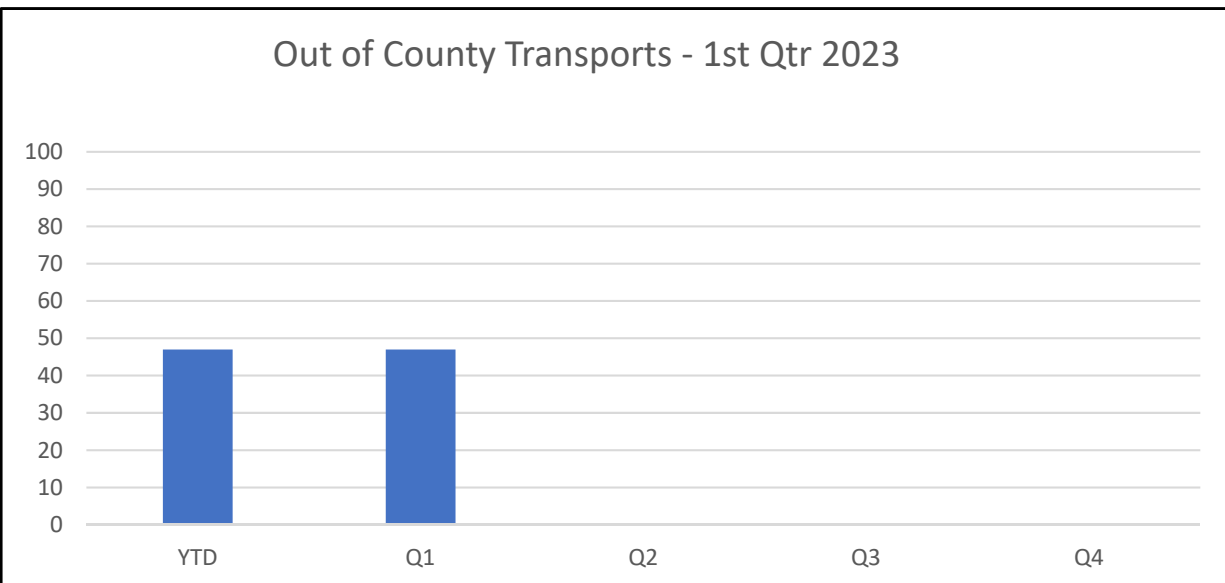
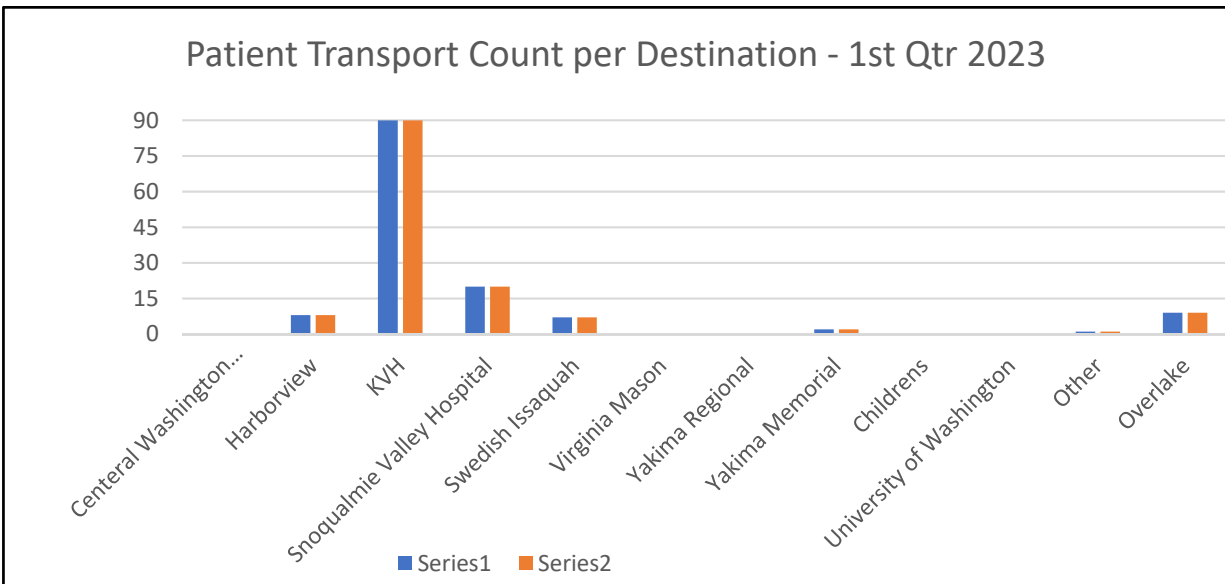
Year	Unit	Beg ODO	End ODO	Miles	Location	Comments
2022	M10	7,139	11,019	3,880	Station 93	1 st Out
2021	M9	37,692	41,535	3,843	Station 99	1 st Out
2019	M8	86,267	86,770	503	Station 99	Backup
2016	M6	140,763	140,763	0	Station 99	OOS
2016	M5	150,725	150,725	0	Station 99	Backup
Total Miles				8,226		

MISCELLANEOUS

- Snoqualmie pass has been very busy for calls on the weekends, only have had 2 out of 8 days with extra Medic coverage, 75 calls on the Kittitas County side in January 2023.
- Fire District 7 is no longer responding to low acuity EMS calls, all other partners are still responding to EMS calls
- The district received \$25,000 from Greater Health Now for community paramedic outreach
- 16.5 hours of no ALS coverage in February 2023 (Level Zero)
- Overlapping calls

2023	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Percent	48%	51%										
Calls	63	60										

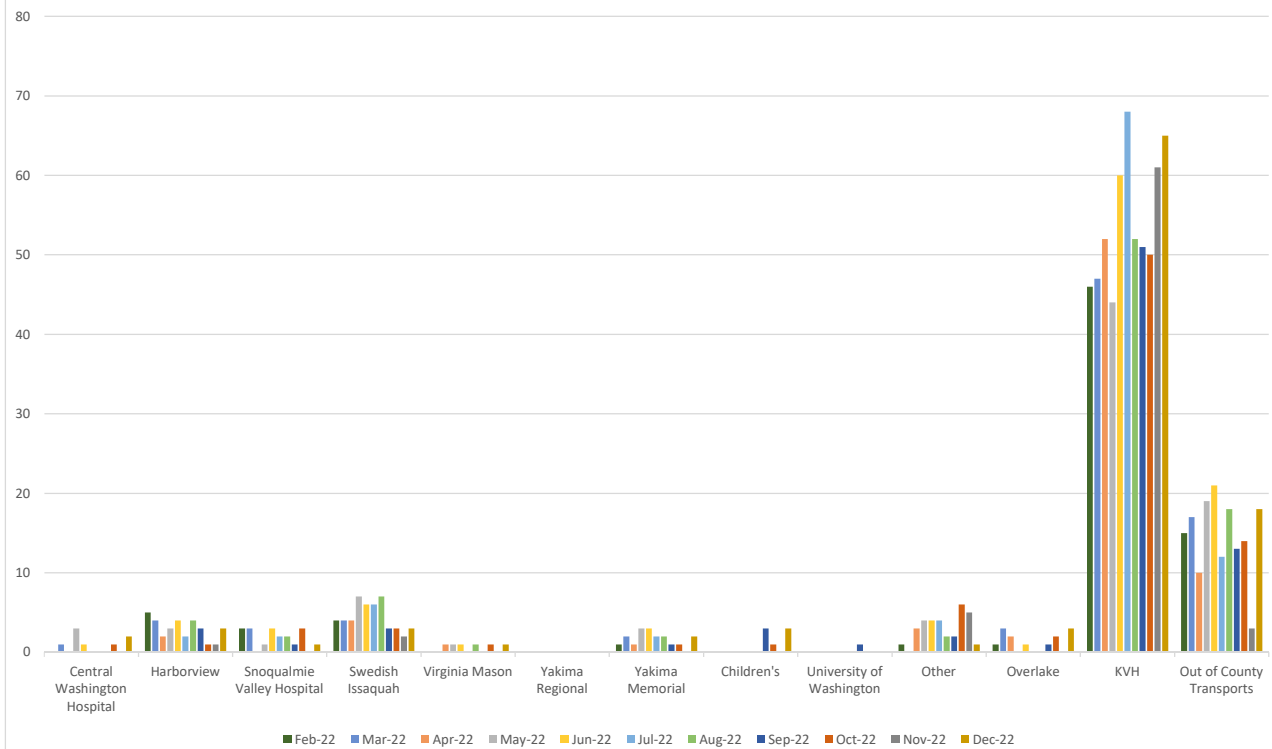
2022	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Percent	34%	38%	47%	44%	51%	54%	37%	45%	47%	48%	52%	52%
Calls	61	23	54	48	64	78	54	58	55	62	57	65



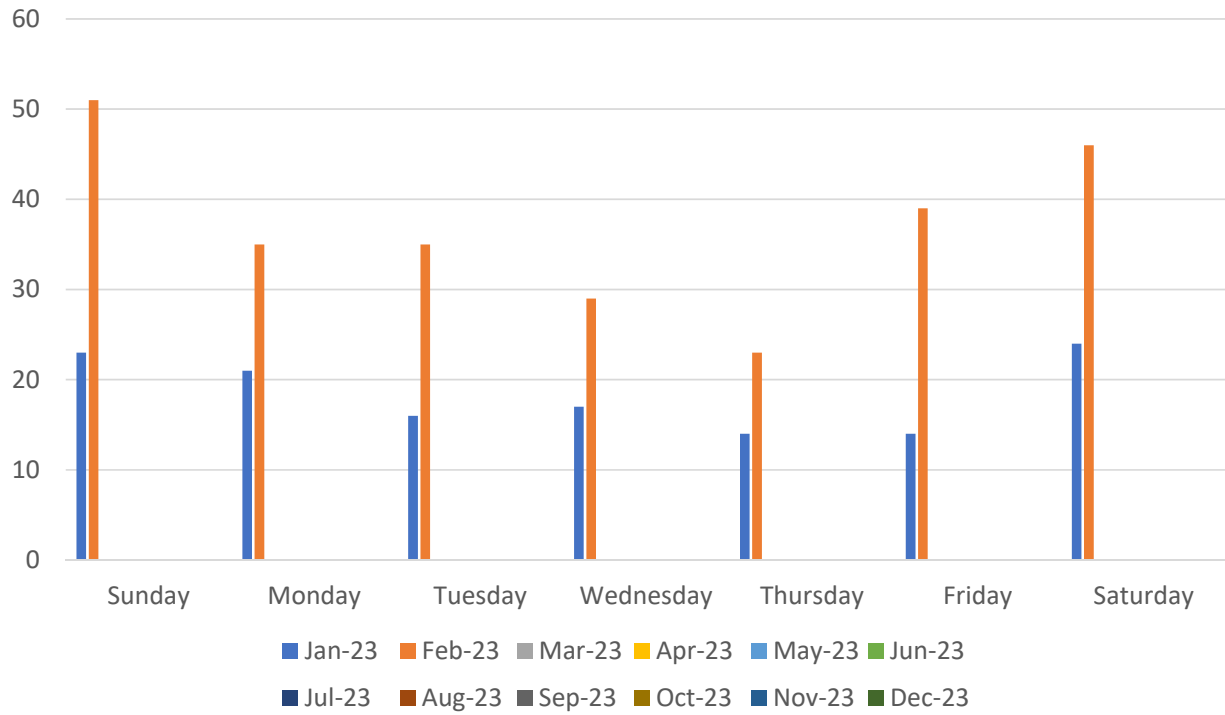
Patient Transport per Destination

Hospital	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23
Central Washington Hospital	0	1	0	3	1	0	0	0	1	0	2	0	0
Harborview	5	4	2	3	4	2	4	3	1	1	3	7	1
Snoqualmie Valley Hospital	3	3	0	1	3	2	2	1	3	0	1	45	45
Swedish Issaquah	4	4	4	7	6	6	7	3	3	2	3	9	11
Virginia Mason	0	0	1	1	1	0	1	0	1	0	1	3	4
Yakima Regional	0	0	0	0	0	0	0	0	0	0	0	0	0
Yakima Memorial	1	2	1	3	3	2	2	1	1	0	2	0	0
Children's	0	0	0	0	0	0	0	3	1	0	3	1	1
University of Washington	0	0	0	0	0	0	0	1	0	0	0	0	0
Other	1	0	3	4	4	4	2	2	6	5	1	0	0
Overlake	1	3	2	0	1	0	0	1	2	0	3	1	0
KVH	46	47	52	44	60	68	52	51	50	61	65	7	2
Out of County Transports	15	17	10	19	21	12	18	13	14	3	18	27	20

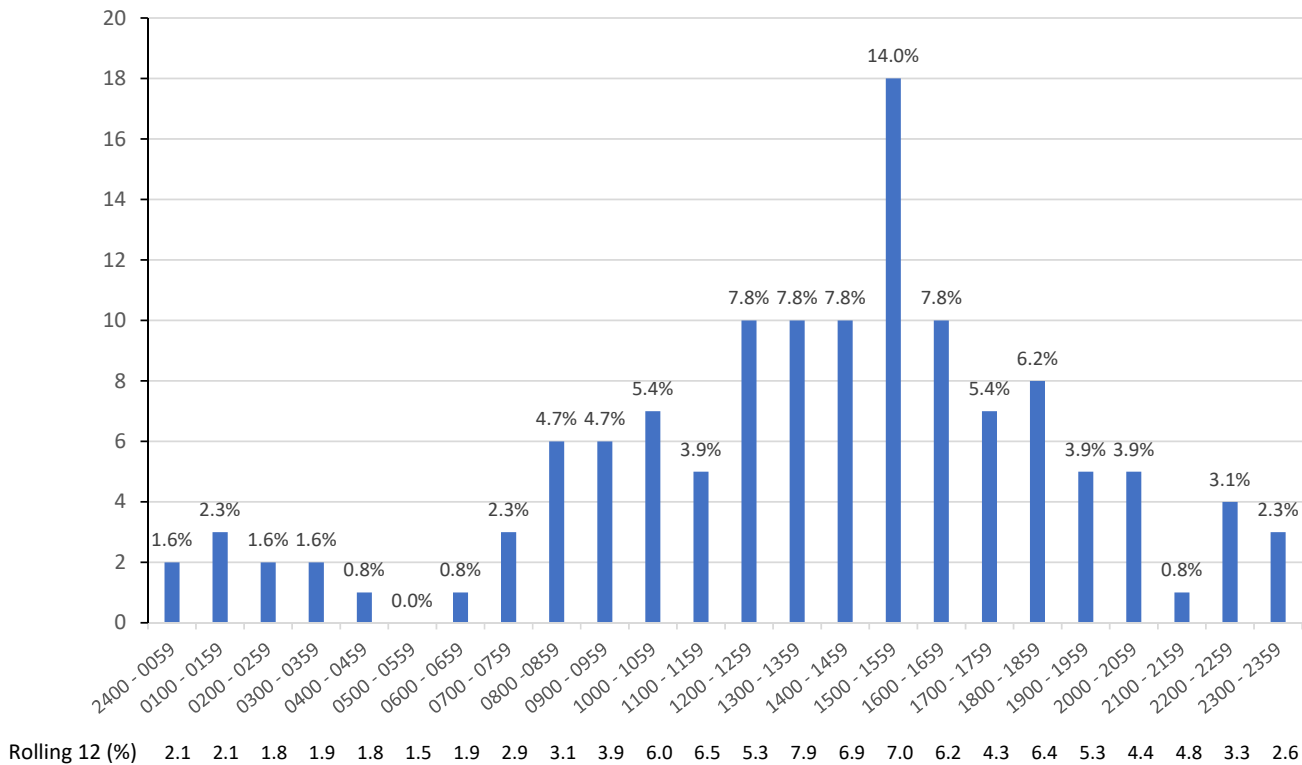
Patient Transport per Destination Jan 2022 - Jan 2023



Calls by Day of the Week - 2023 YTD



Calls by Hour of Day





SUPERINTENDENT'S REPORT – Julie Petersen

March 2023

Upper County Fire Authority Discussion

The conversation about a regional fire authority for Upper County that may or may not include EMS is coming up again in a number of different forums.

The fundraising organization, Life Support, raises money for emergency response in Upper County. Historically there has been some confusion about whether their fundraising is exclusively for Fire District #7 and Suncadia or the entire community of Upper County. I personally have attended fundraisers for Life Support where footage from Medic One calls was used to inspire donors to "raise the paddle". The focus of the fundraising has not previously been clear to me and the donors do not seem to be making the distinction.

A FD7 staff member recently requested funding from Life Support for equipment that was not appropriate for a BLS only emergency medical service. As a result of the back and forth communication, Rhonda Holden made the funding request from Life Support on behalf of Medic One. Life Support has clarified in the attached email that their funds are available exclusively to FD7. Email attached.

On March 15th the League of Women Voters hosted a forum to discuss healthcare and the future of EMS in Upper County. HD#2, HD#1 and Medic One were well represented. Notes attached.

Chief Sinclair sat down with Geoff and Commissioner Vimont to discuss consolidation. Notes attached.

Administration would appreciate some direction from the Commission about how they would like to proceed. In the interest of transparency, do the Hospital District #2 Commissioners have an interest in inviting the Fire District #7 Commissioners to a joint meeting?

Julie Petersen

Response From

From: Rhonda C. Holden
Sent: Tuesday, February 28, 2023 5:28 AM
To: Julie Petersen; Geoff Scherer; Scott Olander
Subject: Fwd: Life Support Assistance

*Life Support
1/2*

A firm "no"

Sent from my iPhone

Begin forwarded message:

From: "Is lifesupporti90.org" <Is@lifesupporti90.org>
Date: February 27, 2023 at 10:39:40 PM PST
To: "Rhonda C. Holden" <rholden@kvhealthcare.org>
Cc: mrsidwmorrison@aol.com, "Patricia Galloway (p.galloway@pegasus-global.com)" <p.galloway@pegasus-global.com>, mxreisman@gmail.com, slanphere@msn.com, bob.mclean@cdmanagement.com, Cheri Marusa <cheri.marusa@gmail.com>
Subject: RE: Life Support Assistance

DON'T GET PHISHED - message sent from outside of KVH - don't open suspicious attachments or links, or those from unknown senders.

Hi Rhonda,

Thank you for your email. I apologize for the delay in getting back to you.

As you know, Life Support 1-90 has for 22 years committed itself to improving fire and EMS response in Upper Kittitas County. In our board's view, our current system is not as effective and efficient as it could be. There is duplication of effort throughout Upper Kittitas County, and we feel the citizens and guests of our community would be best served by amalgamating all of the fire and EMS services within one entity.

While our board cannot drive policy, we remain steadfast in our belief that there needs to be one primary agency for fire and EMS. Hence, we continue to support the efforts of Kittitas County Fire District 7 to regionalize the services. We have made a strategic choice to focus our funding towards that goal.

Sincerely,

Cheri

From: Rhonda C. Holden <rholden@kvhealthcare.org>

Sent: Friday, February 17, 2023 9:52 AM

To: cheri.marusa@gmail.com

Subject: Life Support Assistance

Good morning Cheri,

I hope you are doing well. I wanted to reach out on behalf of Medic One and see if Life Support would be willing to help us purchase three new LifePack 15's for the Medic One ambulance service. I know that Life Support is always working to provide emergency medical services with critical supplies needed to care for patients in a life-saving emergency.

I appreciate all that you do to raise funds and support this important service.

Kind regards,

Rhonda

Rhonda Holden, MSN CENP

Chief Auxiliary Officer

Kittitas Valley Healthcare

Ellensburg, WA

(509)962-7320

2/2

Julie Petersen

NOTES LEAGUE of

From: Ingrid Vimont

Sent: Wednesday, March 15, 2023 3:52 PM

To: Julie Petersen

Cc: Rhonda C. Holden

Subject: Notes from meeting today

women voters

1/3

DON'T GET PHISHED - message sent from outside of KVH - don't open suspicious attachments or links, or those from unknown senders.

Notes from the meeting today that was sponsored by the League of Women Voters.

Rhonda did a great presentation for Hospital district 2. Jeff's overview of Medic one was also very good. I think it was beneficial just from an informational perspective. We had really good turnout, but it still wasn't enough to get to the broader audience. I hope that were included in all meetings going forward.

The biggest Takeaway for me was that our county commissioners vehemently refused to consider impact fees for new developers. This is just a crazy subject, and most people were very vocal about , this being a major problem for our community. They talked about the big development Amat Vantage as well as 47° north. I am wondering what we could do with regards to conversations with our county commissioners. That seems to be a critical discussion.

Again, I won't be able to attend our commissioner meeting on the 21st. I'm sorry to miss that meeting, but look forward to the following meeting.

What else can I do for hospital district 2 at this point?

Thank you,
Ingrid

Summary of League of Women Voters Meeting
3/15/23

Panelist discussing impact of growth in Upper County on Healthcare: John Sinclair, Jerry Pettit, Geoff Scherer, Cole Gravel, Rhonda Holden

HD2 Attendees: Scott Olander, Fred Benjamin, Ingrid Vimont, Hartwig Vatherer

Geoff and Cole opened with a wonderful powerpoint presentation outlining Medic One services. Jerry Pettit followed and shared that regarding growth, it is higher than the 2% projected population growth, closer to 5% . He shared that the Council of Governments (COG) did not fill out the necessary paperwork to challenge the population estimates and this is important because it impacts funding allocations, which are based on growth. He stated one entity is struggling to get water to fight fire and needs to rely on tenders.

Jerry told the group he is a KVFR Commissioner and is very concerned with having enough water to fight fire with the rapid growth. He states housing is being built in areas that aren't part of a fire district and residents don't know they aren't in a fire district. Residents don't know that a fire crew may or may not arrive to their home and watch it burn, are unaware of an increased response time and higher fire insurance premiums if they are outside of a fire district. He said consolidations of fire districts are occurring and he is grateful for mutual aid agreements. He mentioned the Taylor Bridge and Jolly Mountain fires heightened concerns for 1 way in and 1 way out in some areas. He encouraged folks to firewise their property and become a volunteer if they are able.

John Sinclair introduced himself as the Fire Chief for KVFR and for 4 years, the contracted Fire Chief for Fire District 7. He introduced the other Fire Chiefs in attendance and Cheryl Burrows. John shared that when he first arrived there were 10 Fire Districts in Kittitas County and we are down to 8. FD 8 consolidated with Snoqualmie Pass Fire & Rescue, The City of Ellensburg FD2 joined with KVFR and the city of Kittitas consolidated with KVFR (I realize that's not 10). He stated this has allowed an increase service level to the community, allowed him to reinvest in more fire fighters on the scene and build bench strength. He agreed with Geoff's statement that Suncadia is 32% built out and many new homes are in the Wildland Urban Interface. New homes are proposed at Lauderdale and on Peoh Point as well as 47Degrees North. This stresses roads and all services. John stated the EMS system is about 50 years old and Washington State has one of the best in the Nation. KVFR is supported with a Fire Levy of \$1.50 per \$1000 valuation. He said EMS is vital to the community and they also receive GEMT funds and transport fees. He stated each fire district has a different base tax rate and voters need to choose what service level they want.

Rhonda spoke about the relationship between HD1 and HD2 and the services provided by each. Each HD has a 5 member elected Board of Commissioners. Each HD has their own strategic plan, but has held joint strategic planning meetings since 2003 to be sure all of the needs of Upper and Lower Kittitas County are met, including EMS, primary care and specialty care. We also work closely with community partners such as the 8 FD and have mutual aid agreements, we also work with the schools.

HD2 strategic plan includes being involved in decisions related to growth in Upper County. To that end we've been very involved in evaluating the impact of 47 Degrees North on our community and are working with an attorney to ensure the rapid growth and impact of the development doesn't reduce the service level that we can provide to the residents in Upper County. We aren't against growth, just concerned with the rapid growth with manufactured homes, the loss of tax revenue with RV's and the reduced value of the home compared to the development approved in 2002. Homeowners of 47 Degree North will not own the land and will have their lot rental fees increased 4% per year and also pay homeowners association fees that rise. 47 Degrees is owned by Sun Communities, traded on the NYSE.

Rhonda concluded by stating that our Hospital and EMS Levy failed and we need those levies to support operations of EMS. Only ½ of our call volume results in transport and we can only bill when we transport a patient. She encouraged everyone to register to vote and vote in the next election.

We then turned it over to Q&A:

- What percentage of our call volume is non-resident? Scott answered 35%, with a lower fee for transport for residents.
- Would like to know more about a Regional Fire EMS- John explained that when he first arrived Geoff stated that he didn't want them taking ALS services and our Commissioners said the same thing. He said it is possible to do, there is a path forward for it and HD 2 Commissioners have to make the decision and the voters need to vote. Cole responded that it can be beneficial to have 2 agencies, especially when there is a fire and KVFR cannot respond
- There were questions about Impact Fees- Jerry Pettit responded that this is something the County Commissioners would have to pursue

3/1/2023 10 am

Meeting attendees:

- Geoff Scherer
- John Sinclair KVFR Chief
- Chris Hutsell FD7 Asst Chief
- Ingrid Vimont

Background:

Chief Sinclair and Geoff Scherer have been in ongoing communication regarding Upper County EMS services and arranged this meeting to discuss a number of topics. Geoff invited me to attend the in-person meeting at my request to be included in upcoming meetings since I have a long working relationship with Chief Sinclair.

General notes from the meeting:

- District 7 is no longer responding to EMS calls in Upper County due to recent direction from one specific KVFR Fire Commissioner.
 - New EMS Protocol:
 - BLS is backup to HD2
 - Go to calls if you are closest, if you're a volunteer or if Medic 1 requests assistance
- Geoff & John have a mutual employee who has recently placed an order for ACLS equipment.
- There are laws that prevent HD2 from joining a Regional Fire Authority (per Geoff). HD2 could "contract" with KVFR to provide ACLS services and sign off the levy check at the end of the year.
- District 7 does not get EMS levy money, HD2 does

Chief Sinclair:

- John met with Mayor McGowan 2 years ago and offered to annex in with Cle Elum and allow them to be lead. The next step from that meeting was that Mayor McGowan would present the idea to his council and get back to John but he never did that.
- Collaboration and consolidation is the only route to success for EMS in our rural area.
- A few years ago, Geoff and John had a blunt conversation about staying out of each other's business.
- They will be starting to staff Station 72 later this year. Their EMS Officer (Taylor Hone) ordered a new LP15 and 2 Lucas devices to supply their new station. They have requested money from Life Support.

- To date, District 7 & KVFR are the only groups/departments willing to talk and strategize about a Regional Fire Authority. John is no longer reaching out to engage other groups on this subject but his door is always open.
- John's strategic initiative focus is:
 - 1.) Complete merger between KVFR & FD7
 - 2.) Engage in overall response system conversations and planning with all service providers in Upper Kittitas County.
- A couple years ago, Floyd informed John that HD2 was not interested in joining a Regional Fire Authority.
- John is getting pushback from HD2 staff and his FFs because they want to go on every call.
- HD2 levy timing was bad—don't run future levy in General Election, run it in the Primary Election.
- KVFR is not losing much money due to the GEMT legislation change because they have been using that money appropriately. Other big departments on the West side have been inappropriately tapping into that resource. It's not a fire apparatus reimbursement program.
- LA County tried to bill for every EMS call but it was shut down immediately.
- Roslyn has a new aid unit & District 6 has a new aid unit (HD2's old unit)
- Life Support:
 - Focused on bringing EMS together in Kittitas County
 - Cheri Marusa and her board have decided that FD7/KVFR will lead the RFA effort
 - If HD2 & KVFR "regionalize" they will release \$\$\$

Group discussion:

- There is a need for Fire & EMS precinct inside Suncadia
- Are we serving the citizens of Upper County best?
 - There are 3 response stations to serve a population of 2000 residents (District 6, 7, South Cle Elum, HD2)
- Is it time to engage in a "system" discussion
- Can we broaden the scope of our current design?
- Who should be leading the regional discussion? Per John, the Kittitas County Commissioners
- COGG should be helping the County Commissioners to drive this conversation
- Critical need to build a long-term service model
- John was on the design team that merged San Francisco EMS & Fire 25 years ago.
- Between the 2 organizations, there is more than enough EMS Levy money.
- Stand-alone EMS is a dying breed, especially in a rural area.
- We could use the disruption of the Vantage Bridge repair work to drive the discussion since it will have such significant impact on the traffic in our area starting in April 2023. <https://wsdot.wa.gov/construction-planning/search-projects/i-90-vantage-bridge-replace-bridge-deck-and-special-repairs>
- Life Support could be a financial resource for funding the planning meetings

- EMS “system” meetings must include:
 - HD2
 - KVFR/District 7
 - Sheriff
 - Life Support
 - Local Fire Chiefs
 - Local Police
 - DNR
 - Forest Service
- Need to create an operational plan for a “system” EMS program
 - This would require 3-4 planning meetings to develop an official operational plan
- Suncadia is at 32% build-out

Next steps to consider:

1. Engage with KVFR & District 7:
 - Invite Chief Sinclair to HD2 meeting to discuss the best EMS solution for our area
2. Determine how EMS & Fire services in Upper County best serve the community over the next 3, 5 & 10 years with all the financial, reimbursement, inflation & staffing challenges we all face
3. Understand the historic barriers to a regional system design for EMS
4. Engage with County Commissioners
5. Outline the risks and or benefits to HD2 to engage in a regional EMS system?
6. Alameda example of “Rethinking EMS”: <https://ems.acgov.org/ems-assets/docs/EMSystem/System%20Redesign/RETHINKING%20ALAMEDA%20COUNTY%20EMS%20Presentation.pdf>

Ancillary Services report to Hospital District #2 Board of Commissioners
March 2023

Ancillary Service Operation Report:

47 Degrees North

The City of Cle Elum has posted the "47 Degrees North Fiscal Assessment, Support for the SEIS Addendum" dated February 23, 2023 on their website. This document is included in your packet. Pages 13-17 discuss the fiscal impact of the project on Hospital District #2 and possible mitigation strategies for the District are discussed on page 25. The full SEIS Addendum can be found here: [Proposed 47 Degrees North Project - City of Cle Elum](#). I've included Section 3.9 FISCAL CONDITIONS as a separate document, which is also attached, and discussed the impact on HD2, the Cle Elum Clinic and HD 1 beginning on page 3.9-7.

As of this writing, Sun Communities has not submitted an application for 47 Degrees North. Once they submit, there will be a 30 day comment period on the application and the SEIS Addendum.

Rehab Services

Our therapy team is working with KDA on a feasibility study to locate Rehab Services in the lower portion of the Bull Durham building owned by Craig Pigeon.

League of Women Voters Meeting

Geoff Scherer, Cole Gravel and I participated in a community event on March 15 at the Putnam Centennial Center to discuss the impact of Upper County Growth on Healthcare Services. The event was sponsored by the Kittitas County League of Women Voters.

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

Park Place
1200 Sixth Avenue
Suite 615
Seattle, WA 98101
206-823-3060

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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)				RV and Glamping	Commercial (square footage)			
			Single Family	Multi-family	Affordable			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.

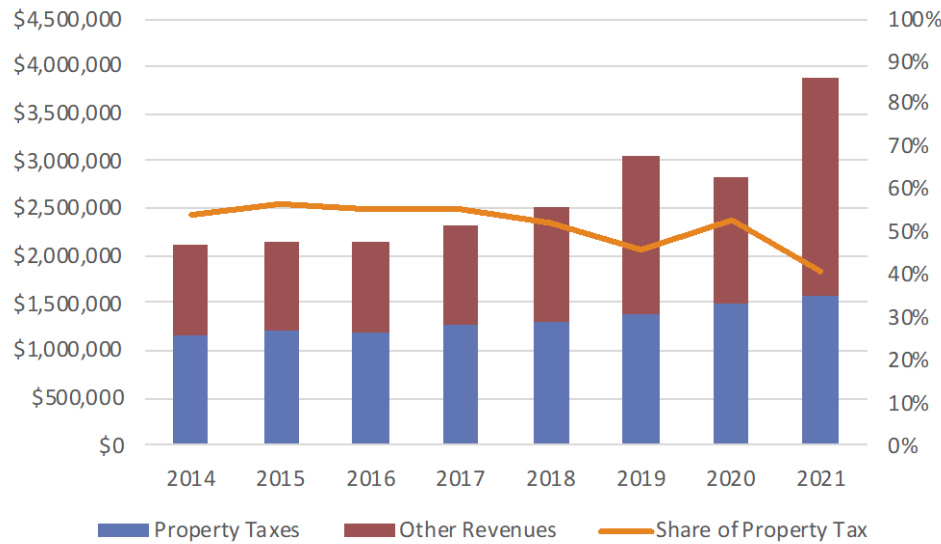
Other Revenues

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 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.

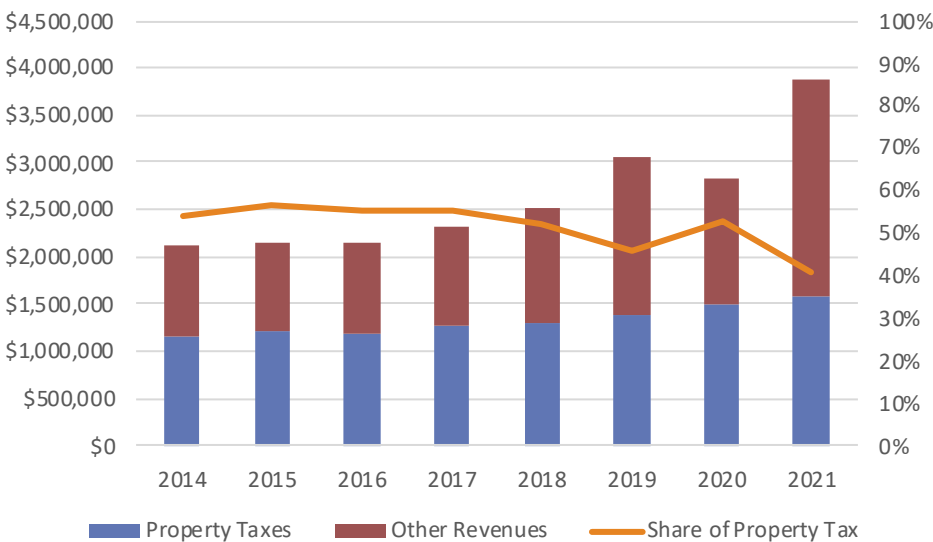
Tax Revenues

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° 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° 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.

Kittitas County Hospital Dist 2
Statement of Revenue and Expense

MEDICAL BILLABLE RUNS	63	64	(1)	136	135	1	141
AVERAGE CHARGE PER RUN	2,147	2,244	(97)	2,363	2,241	122	2,312
	Current Month			Year to Date			Prior
	Actual	Budget	Variance	Actual	Budget	Variance	YTD
INTEREST INCOME	12,765	7,350	5,415	29,377	14,700	14,677	(7,114)
RENTAL INCOME	23,117	25,709	(2,592)	46,234	51,413	(5,179)	50,917
OTHER OPERATING REVENUE	25,000	8,675	16,325	25,000	17,350	7,650	3,370
AMBULANCE REVENUE	135,262	143,592	(8,330)	321,373	302,568	18,805	326,047
TOTAL REVENUE	196,144	185,326	10,818	421,984	386,031	35,953	373,220
CONTRACTUAL ADJUSTMENTS	49,912	80,215	(30,303)	117,631	169,026	(51,395)	121,761
GEMT PROGRAM CHANGE 2023	20,000	0	20,000	40,000	0	40,000	0
BAD DEBT	9,482	10,339	(857)	22,733	21,788	945	21,845
CHARITY CARE	0	1,872	(1,872)	0	3,742	(3,742)	0
DEDUCTIONS FROM REVENUE	79,394	92,426	(13,032)	180,364	194,556	(14,192)	143,606
NET OPERATING REVENUE	116,751	92,900	23,851	241,620	191,475	50,145	229,614
SALARIES AND WAGES	101,980	112,271	(10,291)	222,061	236,537	(14,476)	206,751
EMPLOYEE BENEFITS	45,053	35,156	9,897	75,963	71,944	4,019	62,233
PROFESSIONAL FEES	2,100	1,917	183	10,028	3,830	6,198	1,866
SUPPLIES	5,724	9,448	(3,724)	21,890	19,364	2,526	28,412
UTILITIES	4,903	4,164	739	8,568	8,331	237	7,985
PURCHASED SERVICES	39,739	30,251	9,488	71,631	60,490	11,141	53,892
CEUCC SUBSIDY EXPENSE	16,578	16,578	0	33,157	33,160	(3)	32,507
DEPRECIATION	42,400	44,550	(2,150)	89,078	89,091	(13)	64,247
INSURANCE	3,128	3,125	3	6,519	6,244	275	5,599
LICENSES AND TAXES	592	918	(326)	2,012	1,846	166	3,152
INTEREST EXPENSE	9,211	9,211	0	18,422	18,422	0	19,965
TRAVEL AND EDUCATION	0	463	(463)	1,797	932	865	4,661
OTHER DIRECT EXPENSES	1,721	988	733	3,151	1,985	1,166	1,770
EXPENSES	273,130	269,040	4,090	564,275	552,176	12,099	493,038
OPERATING INCOME (LOSS)	(156,379)	(176,140)	19,761	(322,655)	(360,701)	38,046	(263,423)
TAX LEVY INCOME	150,731	148,578	2,153	300,683	297,154	3,529	274,485
GAIN LOSS ASSET DISPOSITION	0	0	0	0	0	0	105,210
NON OPERATING OTHER INCOME OR EXPENS	0	0	0	0	0	0	0
INTERGOVERNMENTAL REV OR EXP	0	0	0	0	0	0	0
NON-OPERATING BOND ISSUE COST	0	0	0	0	0	0	0
NET INCOME (LOSS)	(5,649)	(27,562)	21,913	(21,973)	(63,547)	41,574	116,272
DAYS CASH ON HAND	398.0						
AR DAYS	92.9						
CURRENT RATIO	10.17						

Kittitas County Hospital Dist 2
Statement of Revenue and Expense

MEDICAL BILLABLE RUNS	63	64	(1)	136	135	1	141
AVERAGE CHARGE PER RUN	2,147	2,244	(97)	2,363	2,241	122	2,312
	Current Month			Year to Date			Prior
	Actual	Budget	Variance	Actual	Budget	Variance	YTD
INTEREST INCOME	0	0	0	0	0	0	0
RENTAL INCOME	0	0	0	0	0	0	0
OTHER OPERATING REVENUE	25,000	8,675	16,325	25,000	17,350	7,650	3,370
AMBULANCE REVENUE	135,262	143,592	(8,330)	321,373	302,568	18,805	326,047
TOTAL REVENUE	160,262	152,267	7,995	346,373	319,918	26,455	329,417
CONTRACTUAL ADJUSTMENTS	49,912	80,215	(30,303)	117,631	169,026	(51,395)	121,761
GEMT PROGRAM CHANGE 2023	20,000	0	20,000	40,000	0	40,000	0
BAD DEBT	9,482	10,339	(857)	22,733	21,788	945	21,845
CHARITY CARE	0	1,872	(1,872)	0	3,742	(3,742)	0
DEDUCTIONS FROM REVENUE	79,394	92,426	(13,032)	180,364	194,556	(14,192)	143,606
NET OPERATING REVENUE	80,869	59,841	21,028	166,009	125,362	40,647	185,811
SALARIES AND WAGES	101,980	111,958	(9,978)	222,061	235,912	(13,851)	205,855
EMPLOYEE BENEFITS	45,053	35,134	9,919	75,963	71,897	4,066	61,862
PROFESSIONAL FEES	0	0	0	0	0	0	0
SUPPLIES	5,724	9,448	(3,724)	21,890	19,364	2,526	14,302
UTILITIES	3,774	3,572	202	7,399	7,146	253	6,673
PURCHASED SERVICES	16,658	15,117	1,541	29,324	30,225	(901)	25,398
CEUCC SUBSIDY EXPENSE	0	0	0	0	0	0	0
DEPRECIATION	13,531	12,883	648	28,246	25,761	2,485	10,438
INSURANCE	866	929	(63)	1,733	1,860	(127)	2,614
LICENSES AND TAXES	582	800	(218)	2,002	1,600	402	3,152
INTEREST EXPENSE	0	0	0	0	0	0	0
TRAVEL AND EDUCATION	0	463	(463)	1,797	932	865	4,661
OTHER DIRECT EXPENSES	0	95	(95)	0	195	(195)	0
EXPENSES	188,167	190,399	(2,232)	390,414	394,892	(4,479)	334,955
OPERATING INCOME (LOSS)	(107,299)	(130,558)	23,259	(224,404)	(269,530)	45,126	(149,143)
TAX LEVY INCOME	72,786	70,984	1,802	145,236	141,969	3,267	132,620
GAIN LOSS ASSET DISPOSITION	0	0	0	0	0	0	105,210
NON OPERATING OTHER INCOME OR EXPENS	0	0	0	0	0	0	0
INTERGOVERNMENTAL REV OR EXP	0	0	0	0	0	0	0
NON-OPERATING BOND ISSUE COST	0	0	0	0	0	0	0
NET INCOME (LOSS)	(34,513)	(59,574)	25,061	(79,168)	(127,561)	48,393	88,687

Kittitas County Hospital Dist 2
Statement of Revenue and Expense

	Current Month			Year to Date			Prior
	Actual	Budget	Variance	Actual	Budget	Variance	YTD
INTEREST INCOME	12,765	7,350	5,415	29,377	14,700	14,677	(7,114)
RENTAL INCOME	23,117	25,709	(2,592)	46,234	51,413	(5,179)	50,917
OTHER OPERATING REVENUE	0	0	0	0	0	0	0
AMBULANCE REVENUE	0	0	0	0	0	0	0
TOTAL REVENUE	35,882	33,059	2,823	75,610	66,113	9,497	43,803
CONTRACTUAL ADJUSTMENTS	0	0	0	0	0	0	0
GEMT PROGRAM CHANGE 2023	0	0	0	0	0	0	0
BAD DEBT	0	0	0	0	0	0	0
CHARITY CARE	0	0	0	0	0	0	0
DEDUCTIONS FROM REVENUE	0	0	0	0	0	0	0
NET OPERATING REVENUE	35,882	33,059	2,823	75,610	66,113	9,497	43,803
SALARIES AND WAGES	0	313	(313)	0	625	(625)	896
EMPLOYEE BENEFITS	0	22	(22)	0	47	(47)	371
PROFESSIONAL FEES	2,100	1,917	183	10,028	3,830	6,198	1,866
SUPPLIES	0	0	0	0	0	0	14,110
UTILITIES	1,130	592	538	1,169	1,185	(16)	1,312
PURCHASED SERVICES	23,082	15,134	7,948	42,306	30,265	12,041	28,494
CEUCC SUBSIDY EXPENSE	16,578	16,578	0	33,157	33,160	(3)	32,507
DEPRECIATION	28,869	31,667	(2,798)	60,832	63,330	(2,498)	53,809
INSURANCE	2,262	2,196	66	4,787	4,384	403	2,984
LICENSES AND TAXES	10	118	(108)	10	246	(236)	0
INTEREST EXPENSE	9,211	9,211	0	18,422	18,422	0	19,965
TRAVEL AND EDUCATION	0	0	0	0	0	0	0
OTHER DIRECT EXPENSES	1,721	893	828	3,151	1,790	1,361	1,770
EXPENSES	84,963	78,641	6,322	173,862	157,284	16,578	158,083
OPERATING INCOME (LOSS)	(49,081)	(45,582)	(3,499)	(98,251)	(91,171)	(7,080)	(114,280)
TAX LEVY INCOME	77,945	77,594	351	155,447	155,185	262	141,865
GAIN LOSS ASSET DISPOSITION	0	0	0	0	0	0	0
NON OPERATING OTHER INCOME OR EXPENS	0	0	0	0	0	0	0
INTERGOVERNMENTAL REV OR EXP	0	0	0	0	0	0	0
NON-OPERATING BOND ISSUE COST	0	0	0	0	0	0	0
NET INCOME (LOSS)	28,864	32,012	(3,148)	57,195	64,014	(6,819)	27,585
DAYS CASH ON HAND	398.0						
AR DAYS	92.9						
CURRENT RATIO	10.17						

Kittitas County Hospital Dist 2

Balance Sheet

	<u>Year to Date</u>	<u>Prior Year End</u>	<u>Change</u>
CASH	211,221	1,007,564	(796,343)
ACCOUNTS RECEIVABLE	263,736	279,457	(15,721)
TAXES RECEIVABLE	1,829,059	39,232	1,789,827
RIGHT OF USE RECEIVABLE	2,694,498	2,728,050	(33,552)
PREPAIDS	51,531	15,868	35,663
INVESTMENTS	2,756,905	2,251,901	505,004
CURRENT ASSETS	7,806,950	6,322,072	1,484,878
LAND	843,524	843,524	0
PROPERTY, PLANT, & EQUIPMENT	10,682,745	10,657,272	25,473
ACCUMULATED DEPRECIATION	(4,321,439)	(4,232,361)	(89,078)
NON CURRENT ASSETS	7,204,830	7,268,435	(63,605)
NET PENSION ASSET	1,537,281	1,537,281	0
DEFERRED OUTFLOWS	112,844	112,844	0
ASSETS	16,661,905	15,240,632	1,421,273
ACCOUNTS PAYABLE	67,404	91,129	(23,725)
INTEREST PAYABLE	27,839	9,417	18,422
ACCRUED PAYROLL	43,936	36,710	7,226
ACCRUED BENEFITS	91,238	112,650	(21,411)
CEUCC SUBSIDY PAYABLE	228,196	195,039	33,157
DEFERRED OTHER	0	25,709	(25,709)
CURRENT PORTION REVENUE BOND - LTGO	308,678	308,678	0
CURRENT LIABILITIES	767,291	779,332	(12,040)
LONG TERM REVENUE BOND - LTGO	3,014,950	3,014,950	0
NET PENSION LIABILITY	5,728	5,728	0
DEFERRED INFLOWS - PENSION	1,207,778	1,207,778	0
DEFERRED INFLOW RIGHT OF USE	2,609,789	2,654,023	(44,234)
DEFERRED INFLOWS - LEVY	1,499,520	0	1,499,520
NONCURRENT LIABILITIES	8,337,765	6,882,479	1,455,286
LIABILITIES	9,105,056	7,661,810	1,443,246
NET INCOME (LOSS)	(21,973)	0	(21,973)
UNRESTRICTED FUND BALANCE	7,578,822	7,578,822	0
FUND BALANCE	7,556,849	7,578,822	(21,973)
TOTAL LIABILITIES AND NET POSITION	16,661,905	15,240,632	1,421,273

Kittitas County Hospital Dist 2

Statement of Cash Flows

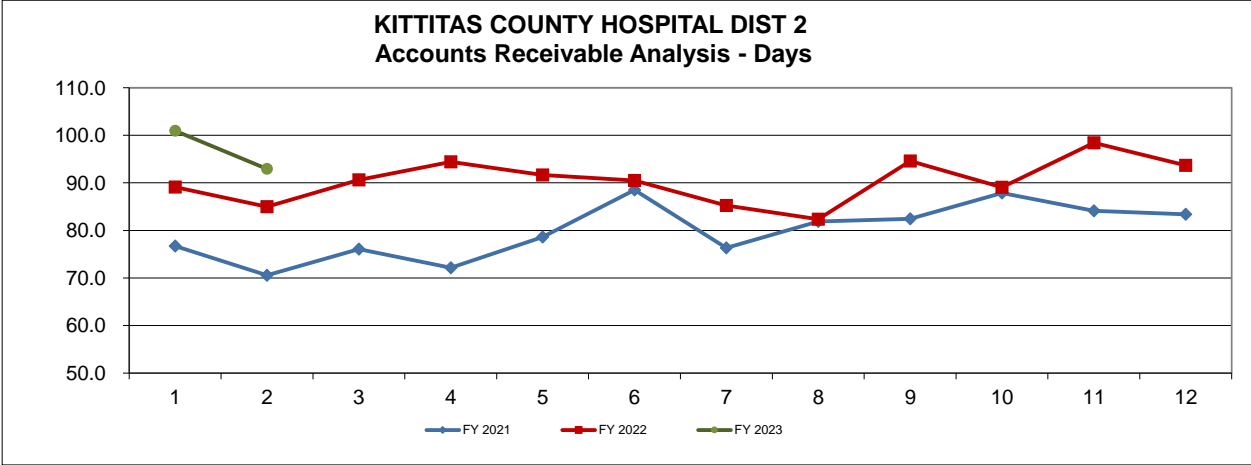
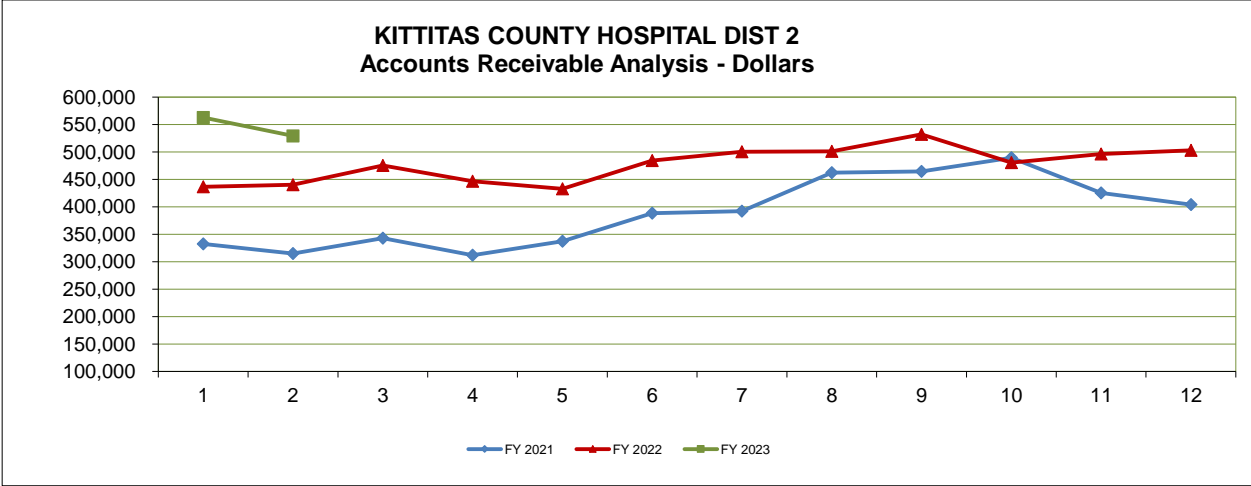
	<u>CASH</u>
NET BOOK INCOME	(21,973)
ADD BACK NON-CASH EXPENSE	
DEPRECIATION	89,078
NET CASH FROM OPERATIONS	67,105
CHANGE IN CURRENT ASSETS	
PATIENT ACCOUNTS AND OTHER RECEIVABLES	15,721
PROPERTY TAX RECEIVABLE	(1,789,827)
RIGHT OF USE RECEIVABLE	33,552
PREPAID EXPENSE	(35,663)
TOTAL CHANGE IN CURRENT ASSETS	(1,776,217)
PURCHASE OF PROPERTY, PLANT & EQUIPMENT	(25,473)
NET PENSION ASSET	0
DEFERRED OUTFLOWS	0
INCREASE IN INVESTMENTS	(505,004)
PROCEEDS FROM SALE/MATURITY OF INVESTMENTS	
TOTAL CHANGE IN ASSETS	(2,306,693)
CHANGES IN CURRENT LIABILITIES	
ACCOUNTS PAYABLE	(23,725)
INTEREST PAYABLE	18,422
ACCRUED PAYROLL	7,226
ACCRUED BENEFITS	(21,411)
CEUCC SUBSIDY PAYABLE	33,157
DEFERRED OTHER	(25,709)
TOTAL CHANGE CURRENT LIABILITIES	(12,040)
PRINCIPLE PAYMENT ON REVENUE BOND	0
NET PENSION LIABILITY	0
DEFERRED INFLOWS PENSION AND LEVY	1,499,520
DEFERRED INFLOW RIGHT OF USE	(44,234)
NET CHANGE IN CASH	(796,343)
BEGINNING CASH ON HAND	1,007,564
ENDING CASH ON HAND	211,221



KITTITAS COUNTY HOSPITAL DIST 2
Accounts Receivable Analysis

SYS DESIGN EMS

	Feb-23	Jan-23	Dec-22	Nov-22	Oct-22	Sep-22	Aug-22	Jul-22	Jun-22	May-22	Apr-22	Mar-22
A/R Dollars	529,329	562,853	502,991	496,457	480,632	532,130	501,313	500,356	484,393	432,815	446,662	475,314
A/R Days	92.9	100.9	93.7	98.4	89.1	94.6	82.4	85.2	90.5	91.6	94.4	90.6





KITTITAS COUNTY HOSPITAL DIST 2

BOARD MEETING February 2023 ACTIVITY

ACCOUNTS PAYABLE WARRANTS/ EFTS TO BE APPROVED

CHECK DATE:

# 1 WARRANT NUMBERS:	13598-13607	NET AMOUNT:	47,905.94	6-Feb-23
# 2 WARRANT NUMBERS:	13608-13623	NET AMOUNT:	26,806.27	13-Feb-23
# 3 WARRANT NUMBERS:	13624-13641	NET AMOUNT:	44,812.90	21-Feb-23
# 4 WARRANT NUMBERS: (VOID)	13625	NET AMOUNT:	(1,774.38)	21-Feb-23
# 5 WARRANT NUMBERS:	13642-13651	NET AMOUNT:	9,308.00	27-Feb-23
# 6 WARRANT NUMBERS: (VOID)	13646	NET AMOUNT:	(559.07)	27-Feb-23
			<u>126,499.66</u>	

PAYROLL WARRANTS / EFTS TO BE APPROVED

PPE 01/28/2023	NET AMOUNT:	34,281.10	3-Feb-23
PPE 02/11/2023	NET AMOUNT:	34,322.29	17-Feb-23
		<u>68,603.39</u>	

TOTAL NET WARRANTS & EFT'S **195,103.05**

Kittitas County Hospital District #2
Detailed Statement of Accounts Payable Transactions
Month of February 2023



Account Class	Check No	Vendor	Amount
Balance Sheet	13598	DEPARTMENT OF RETIREMENT SYSTEMS	1028.59
	13599	DEPARTMENT OF RETIREMENT SYSTEMS	3943.66
	13607	STRYKER SALES CORP	25472.51
	13629	DEPARTMENT OF RETIREMENT SYSTEMS	848.19
	13630	DEPARTMENT OF RETIREMENT SYSTEMS	-3320.61
	13630	DEPARTMENT OF RETIREMENT SYSTEMS	3802.49
	13632	HUB INTERNATIONAL LLC	29365.00
	13634	LEE HADDEN	3320.61
	13642	AFLAC	543.91
	13644	BROWN & BROWN OF WASHINGTON, INC.	108.36
	13644	BROWN & BROWN OF WASHINGTON, INC.	108.36
	13649	HUB INTERNATIONAL LLC	1527.51
	13650	IAFF LOCAL 4880	1273.00
Employee Benefits	13599	DEPARTMENT OF RETIREMENT SYSTEMS	2628.74
	13616	LEE HADDEN	725.00
	13622	WA STATE COUNCIL OF FIREFIGHTERS	900.00
	13630	DEPARTMENT OF RETIREMENT SYSTEMS	-2063.22
	13630	DEPARTMENT OF RETIREMENT SYSTEMS	2518.00
Professional Fees	13604	MEYER, FLUEGGE & TENNEY INC. P.S.	787.50
	13606	STATE AUDITORS OFFICE	6849.90
Supplies	13600	GALLS, LLC	99.98
	13601	GOOD TO GO	6.50
	13603	LIFE ASSIST, INC.	14.57
	13603	LIFE ASSIST, INC.	14.57
	13603	LIFE ASSIST, INC.	88.60
	13603	LIFE ASSIST, INC.	14.57
	13605	OXARC INC	129.98
	13608	AMAZON	92.92
	13608	AMAZON	43.13
	13608	AMAZON	670.31
	13608	AMAZON	317.02
	13608	AMAZON	172.96
	13608	AMAZON	63.55
	13608	AMAZON	12.96
	13608	AMAZON	247.58
	13608	AMAZON	40.14
	13608	AMAZON	276.21
	13609	CARDINAL HEALTH 112, LLC	6.51
	13609	CARDINAL HEALTH 112, LLC	55.92
	13611	JAMES OIL CO., INC.	769.90
	13617	LIFE ASSIST, INC.	854.15
	13623	WAPITI OFFICE	34.62

Utilities

Purchased Services

13624 AMAZON	135.89
13624 AMAZON	99.57
13624 AMAZON	43.13
13627 CLE ELUM FARM & HOME	42.13
13628 CLE ELUM HARDWARE & RENTAL	10.80
13628 CLE ELUM HARDWARE & RENTAL	16.18
13628 CLE ELUM HARDWARE & RENTAL	2.50
13631 GALLS, LLC	324.48
13631 GALLS, LLC	109.66
13635 LIFE ASSIST, INC.	308.55
13636 MOUNTAIN AUTO PARTS	249.45
13636 MOUNTAIN AUTO PARTS	44.40
13636 MOUNTAIN AUTO PARTS	84.18
13637 OXARC INC	72.30
13637 OXARC INC	287.72
13637 OXARC INC	96.36
13637 OXARC INC	2.00
13639 STATE DEPARTMENT OF TRANSPORTATION	2539.83
13645 CARDINAL HEALTH 112, LLC	44.82
13645 CARDINAL HEALTH 112, LLC	17.88
13647 CLE ELUM HARDWARE & RENTAL	2.50
13647 CLE ELUM HARDWARE & RENTAL	3.57
13647 CLE ELUM HARDWARE & RENTAL	18.37
13610 DISH NETWORK	119.59
13613 KITTITAS COUNTY FIRE DISTRICT #7	200.00
13620 PUGET SOUND ENERGY	33.90
13625 CITY OF CLE ELUM	115.44
13625 CITY OF CLE ELUM	116.68
13625 CITY OF CLE ELUM	424.12
13625 CITY OF CLE ELUM	559.07
13625 CITY OF CLE ELUM	559.07
13625 CITY OF CLE ELUM	-559.07
13625 CITY OF CLE ELUM	-559.07
13625 CITY OF CLE ELUM	-115.44
13625 CITY OF CLE ELUM	-116.68
13625 CITY OF CLE ELUM	-424.12
13633 INLAND NETWORKS	215.41
13638 PUGET SOUND ENERGY	1560.56
13638 PUGET SOUND ENERGY	15.39
13638 PUGET SOUND ENERGY	330.54
13641 CITY OF CLE ELUM	424.12
13641 CITY OF CLE ELUM	116.68
13641 CITY OF CLE ELUM	559.07
13641 CITY OF CLE ELUM	115.44
13646 CITY OF CLE ELUM	559.07
13646 CITY OF CLE ELUM	-559.07
13602 KITTITAS COUNTY AUDITOR	6826.27
13608 AMAZON	470.71
13614 KITTITAS COUNTY FIRE PROTECTION DISTRICT 6	200.00

Licenses & Taxes Travel & Education Other Direct Expenses	13615 KITTITAS VALLEY HEALTHCARE	9387.41
	13615 KITTITAS VALLEY HEALTHCARE	6176.93
	13618 MCGUIRES LANDSCAPING & WINTER SVC LLC	1473.67
	13621 SYSTEMS DESIGN	1947.18
	13626 CITY OF CLE ELUM FIRE DEPARTMENT	200.00
	13640 YAKIMA ADJUSTMENT SERVICE INC	561.72
	13643 ALADTEC, INC.	3945.65
	13647 CLE ELUM HARDWARE & RENTAL	32.41
	13647 CLE ELUM HARDWARE & RENTAL	46.45
	13651 MICROSOFT	479.03
	13651 MICROSOFT	15.13
	13648 DEPARTMENT OF REVENUE-EXCISE	581.98
	13612 KITTITAS COUNTY EMS & TRAUMA CARE COUNCIL	1459.00
	13619 NORTHERN KITTITAS CO TRIBUNE	26.12
	13619 NORTHERN KITTITAS CO TRIBUNE	28.88
		<hr/>
		126,499.66

KITTITAS COUNTY PUBLIC HOSPITAL DISTRICT #2
US BANCORP INVESTMENTS
February 28, 2023

INVESTMENT TYPE	CUSIP	INVESTMENT DATE	MATURITY DATE	YTM %	MATURITY AMOUNT	INVESTMENT AMOUNT	MARKET VALUE	UNREALIZED GAIN/(LOSS)
US TREASURY NOTES	912828ZH6	12/19/2022	4/15/2023	4.119%	500,000.00	493,860.00	497,171.00	3,311.00
US TREASURY NOTES	912828ZU7	12/19/2022	6/15/2023	4.311%	500,000.00	490,275.00	493,164.00	2,889.00
FHLB	3130ATWQ6	11/29/2022	11/17/2023	4.750%	1,000,000.00	998,815.00	996,198.00	(2,617.00)
FNMA	3135G06B4	7/27/2021	10/22/2025	0.570%	300,000.00	299,874.30	268,664.40	(31,209.90)
TOTAL					2,300,000.00	2,282,824.30	2,255,197.40	(27,626.90)