



**2016 Annual Report to the City of Seattle**

Approved March 14, 2017 by the PHPDA Governing Council

**2016 Annual Report to the City of Seattle**  
**Pacific Hospital Preservation & Development Authority**

**Overview**

**Purpose & Mission**

The Pacific Hospital Preservation & Development Authority (PHPDA) is a public development authority established under Seattle Municipal Code 3.110 and a 501(c)(3) organization. In 1981, the City of Seattle chartered the PHPDA, placing in its trust the U.S. Public Health Service Hospital and its campus. The PHPDA purpose (per the revised Charter, as approved by the Mayor of Seattle on July 25, 2011) is to support and provide funding for the provision of the best possible health care to medically underserved communities in the greater Puget Sound area, including those referred through community clinics, those with limited access to medical care, and all others who are in need of charity health care. The PHPDA lease revenues fund these goals and our health mission, through grant-making.

**Report on 2016 Priorities**

- *Through a competitive process, award grants to improve access to health resources and improve health outcomes among underserved populations.*
  - The PHPDA awarded grants to the following agencies for program funding from July 1, 2016 through June 30, 2017 (first half payment made 2016, second half payment made 2017):

<b>AGENCY</b>	<b>AWARD</b>	<b>PROGRAM</b>
Asian Counseling & Referral Service	\$115,000	Provide integrated behavioral and primary health care to Asians/Pacific Islanders
Chief Seattle Club	\$138,000	Weekend Hours at Chief Seattle Club to improve health outcomes for homeless/low-income American Indians/Alaskan Natives
Chinese Information & Service Center	\$105,000	Health care referral and linkages for low income Asians/Pacific Islanders
Country Doctor	\$200,000	After-hours primary care clinic
Downtown Emergency Service Center	\$170,000	Addition of an ARNP and medical assistance to the DESC Emergency Shelter Primary Care Clinic
El Centro de la Raza	\$81,383	Information/assistance in enrolling Latino/a clients in ACA
Harborview Medical Center	\$160,000	Diabetes management and improved outcomes
HealthPoint	\$140,000	Enhanced primary care services for non-English and non-Spanish speakers
International Community Health Svcs.	\$221,261	Access to health care, insurance, and resources for Bellevue-area immigrants
Mercy Housing NW	\$249,980	Community health workers to engage clients in healthcare in low-income housing settings
Navos	\$250,000	Health care access and outcomes for low-income adults with serious mental illness
Neighborcare Health	\$130,000	Community health workers to engage clients in healthcare in the Yesler Terrace and Meridian area

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Open Arms Perinatal Services	\$80,000	Trained and hired new doulas from the African-American and Native communities
Project Access NW Dental	\$132,000	Dental case management, referral to oral health services
Project Access NW Medical	\$157,500	Access for low-income residents needing medical specialty care services
Planned Parenthood	\$122,000	Increase access to Long Acting Reversible Contraceptives to uninsured, underinsured and vulnerable women
Sea Mar Community Health Centers	\$180,830	Integrated Behavioral Health Services for Des Moines Health & Housing campus
Seattle Children's Hospital Foundation	\$160,000	One-day-per-week clinic with a multidisciplinary approach to improve access to care for transgender youth
Seattle Indian Health Board	\$130,876	Health care linkage and support services for Indian elders
Seattle-King County Dental Society	\$40,000	Denture/partial services to low income patients with tooth loss
YWCA Seattle   King   Snohomish – Healthy Birth Outcomes	\$99,822	Reduce poor birth outcomes among low income women
YWCA Seattle   King   Snohomish – Passage Point	\$70,918	Increase effective access to health care services and health needs to individuals exiting the corrections system
<b>TOTAL</b>	<b>\$3,134,570</b>	

- In early 2016, the PHPDA contracted with the University of Washington’s Evans School’s Public Health Clinic to conduct an evaluation of the PDA’s grantmaking processes. Two Master of Public Administration graduate students assessed the full scope of the PDA’s grants program, including the application process, awards process, administrative burden on grantees, and ultimate grant outcomes. The general findings of the evaluation were that the PDA’s grantmaking processes were highly successful in achieving desired health equity outcomes and posed substantially less of an administrative burden on grantees than other grant processes. The report also suggested that the PDA needed to improve its focus on African-American healthcare issues as well as expand our grantmaking reach more broadly into South King County. Both of these concerns were addressed in the PDA’s most recent round of Major Grants and became focal points for granting consideration.
- *Establish additional funding avenues, including a nimble fund and collaborative grantmaking with other funders.*
  - The Nimble Fund awarded grants to the following agencies for a contract year of January 1, 2016 to December 31, 2016:

<b>AGENCY</b>	<b>AWARD</b>	<b>PROGRAM</b>
Building Changes	\$10,000	Increasing access to behavioral health services for families experiencing homelessness

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Downtown Emergency Service Center	\$29,733	Smoking Cessation in Permanent Supportive Housing
Housing Development Consortium	\$15,000	Improving health and housing in South King County
IAF Northwest	\$8,000	Evaluation Tool - Health Outcomes of Relational Organizing
WithinReach	\$20,000	Addressing breastfeeding inequities amongst African-American mothers
<b>TOTAL</b>	<b>\$82,733</b>	

- The Nimble Fund awarded grants to the following agencies for a contract year of April 1, 2016 to March 31, 2017:

<b>AGENCY</b>	<b>AWARD</b>	<b>PROGRAM</b>
Mary's Place Seattle	\$22,590	Health and wellness essential equipment and training
Seattle Central College Foundation	\$12,000	Care Navigation & Coordination courses to train incumbent and new workers in client and patient navigation of services
Somali Health Board	\$17,332	Community-based participatory research
Washington State Smile Partners	\$20,000	Total Inclusion & Community Engagement program for dental care for youth
<b>TOTAL</b>	<b>\$71,922</b>	

- The Nimble Fund awarded grants to the following agencies for a contract year of October 1, 2016 to September 31, 2017:

<b>AGENCY</b>	<b>AWARD</b>	<b>PROGRAM</b>
Coalition Ending Gender-Based Violence	\$10,395	Domestic Violence and Behavioral Health Screening and Response Workshop
Encompass Northwest	\$7,500	Encompass Mobile Therapy Van
FEEST	\$15,000	FEEST Strategic Planning for Youth-Led Health Equity
IAF Northwest	\$7,500	Recreated the community organizing approach model by engaging and supporting patients in high disparity communities
Northwest Health Law Advocates	\$30,000	A report detailing County-Based Health Coverage for Immigrants
<b>TOTAL</b>	<b>\$70,395</b>	

- *Provide financial stewardship by managing the Pacific Tower property and the revenues from three long-term tenants in a responsible manner.*
  - The PHPDA has two long-term leases that remain active: with the Washington State Department of Commerce (DOC) and Pacific Medical Centers, for clinic space in Pacific Tower and health-related administrative space in the Quarters buildings.
  - In May 2016, the PHPDA was informed by Wright Runstad LLC that they planned to sell the lease rights to the Pacific Tower campus's North Lot. As owner of the property, the

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PHPDA was given right of first offer to purchase the lease. We contracted with King County to secure a loan in the amount of \$4.7 million to purchase the lease and to use some of funds to secure the services of a pre-development consultant to assist the PHPDA in determining optimal uses of the land. As part of this County covenant, the PHPDA has agreed (1) to work with ICHS and Kin On to site their senior day program on the Lot and (2) to build a minimum of 100 units of affordable units of housing on the site (or 50% of affordable units in excess of 200 total units). We are currently working with our pre-development consultant to conduct processes necessary to entitle the land and then determine the nature of the PDA's ongoing development role.

- In order to facilitate the proposed development project, the PHPDA Governing Council drafted an amendment adding the following language to the section of the existing charter outlining the PHPDA's purpose: "enhance, develop, or facilitate development of the Authority's property located at 1200 12<sup>th</sup> Avenue S in Seattle for mixed uses, which may include residential housing and related uses, to generate revenue in furtherance of the Authority's health care related purposes or to fulfill other public purposes as determined by the Authority." The charter amendment was approved by the Office of the Mayor on October 12, 2016.

### **Summary of Key 2016 Activities**

Implementing guidance from new 2016-2019 strategic plan, the PHPDA's program work in 2016 was largely focused on continuing to develop our grantmaking portfolio. We awarded approximately \$3.1 million total for Major Grant contracts beginning July 1, 2016 (and continuing into 2017) and approximately \$225,050 in Nimble Fund grant awards. In total, the PHPDA awarded over \$3.1 million in grants in 2016.

The funding priorities for our Major grants were:

- Projects that address cultural, linguistic, economic, and other access barriers to successful utilization of medical and other services, including projects that improve health literacy among the populations to be served.
- Projects that focus on ensuring access for underserved eligible populations and communities to health resources and services provided by the Affordable Care Act.
- Projects that provide services and/or increase access to services among populations and communities who are not eligible to receive services under the Affordable Care Act.
- Projects that provide services that are not covered, in part or fully, under the Affordable Care Act.

The funding priorities for our Nimble Fund grants were:

- Short term, time-limited projects
- Infrastructure and capacity development
- Planning
- Technology improvement
- Training, including internal staff training and external community trainings/educational events
- Policy and advocacy work

### **Financial Stewardship**

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Clark Nuber completed the 2015 external audit and reported compliance with policies and procedures. The 2016 external audit is scheduled for April-May 2017. The State Auditor conducted the 2014-2015 audit in Fall 2016. The PHPDA received a clean audit report. The 2016-2017 PHPDA State audit is expected in 2018.

The PHPDA’s Finance Committee reviewed financial statements on a monthly basis, with the full Governing Council reviewing them quarterly. On a quarterly basis, the Treasurer reviewed credit card expenditures, the check register, employment tax payments, and retirement contributions. Financial policies are continually reviewed and updated, and new policies developed.

Additionally, the Finance Committee tracked investments on a monthly basis, making investment decisions accordingly.

**2016 PHPDA Council Members & Officers**

The PHPDA is governed by a board of nine appointed members.

<b>Council Member</b>	<b>Position(s)</b>	<b>Employment</b>	<b>Term Ends</b>	<b>Appointing Authority</b>
Mike Heinisch	Council Chair, Program Committee Member	Kent Youth & Family Services	December 2017	Governing Council
Nancy Sugg	Council Vice-Chair, Program Committee Chair	Dept. of Medicine, Harborview & the Pioneer Square Clinic	December 2019	Governing Council
Judy Tobin	Council Secretary, Program Committee Member	Community Volunteer	December 2018	Governing Council
Teresa Mosqueda	Program Committee Member	WA State Labor Council, AFL-CIO	December 2018	County Exec
Tony McLean	Council Treasurer, Finance Committee Chair	South King County CHI Franciscan Health	December 2016	Governing Council
Rhonda Berry	Finance Committee Member	Office of King County Executive	December 2016	Mayor
Ellie Menzies	Program Committee Member	Community Volunteer	December 2018	Mayor
Doris Koo	Finance Committee Member	Yesler Community Collaborative	December 2017	Mayor
Susan Crane	Finance Committee Member	SkillUp Washington	December 2017	Mayor
Jeff Natter	Executive Director			

**Financial Information**

**Operating Budget**

The PHPDA 2016 Operating Budget was approved on December 8, 2015. The PHPDA has no capital budget.

Revenues:	\$6,370,247*
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Funds used from savings in previous years:	\$0
Operating Expenses:	\$3,094,687*
Grants/Projects/Services:	\$3,016,542
Depreciation (non-cash):	\$775,757

\*A portion of the PHPDA's revenues and operating expenses are pass-through costs paid by the PHPDA and reimbursed by tenants.

PHPDA revenue sources in 2016 were: 1) rental income from long-term tenants, Department of Commerce, WRC.Com Development LLC, and Pacific Medical Centers; 2) lessee tax reimbursements, 4) interest income; and 5) lessee reimbursement of property operating, management, and other expenses. As of December 31, 2016, the PHPDA holds \$5,964,304 in the Pacific Tower and Property Reserve Fund.

The PHPDA's Crime Coverage insurance policy protects the PHPDA from theft and loss of/damage to money, securities and other property sustained by PHPDA officers and staff.

**List of Depositories**

As of December 31, 2016, PHPDA monies are deposited in a Pacific Continental Bank checking account. Additional monies are invested in the State & Local Government Investment Pool, a CD with EastWest Bank, a CD with Sound Community Bank, and a CD with Northwest Bank.

**Certified Statement of Assets, Liabilities, Income, and Expenses for 2014 and 2015**

The December 31, 2015 PHPDA Financial Statements and Schedules (with Independent Auditors' Report thereon) were transmitted to the City of Seattle in June 2016. The 2016 Audit will be transmitted upon completion.

**Priorities for 2017**

- Through a competitive process, award grants to improve access to health resources and improve health outcomes among underserved populations.
- Explore additional funding avenues and mechanisms to further PHPDA's mission and strategic goals.
- Provide financial stewardship by managing the Pacific Tower property and the revenues from three long-term tenants in a responsible manner.
- Participate in key local and regional health policy and planning workgroups and collaborations.
- Work with pre-development consultant to further entitlement of the North Lot
- Contract with ICHS and Kin On to determine the parameters of their senior program on the North Lot
- Begin the process of identifying potential funding entities, development partners, and tenant programs in the North Lot's housing structures.

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**Attachments**

- 1. Certificates of Insurance**
- 2. PHPDA 2016 Operating Budget**
- 3. Resolution 14-2015, approving the 2016 Operating Budget**



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
06/15/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> USI Kibble & Prentice 601 Union Street, Suite 1000 Seattle, WA 98101	<b>CONTACT NAME:</b> PHONE (A/C, No, Ext): 206 441-6300      FAX (A/C, No): 610-362-8530 E-MAIL ADDRESS:	
	INSURER(S) AFFORDING COVERAGE INSURER A : Philadelphia Indemnity Ins. Co.      NAIC # 18058	
<b>INSURED</b> Pacific Hospital Preservation & Development Authority 1200 12th Ave S. Qtrs 2 Seattle, WA 98144	INSURER B :	
	INSURER C :	
	INSURER D :	
	INSURER E :	
	INSURER F :	

COVERAGES      CERTIFICATE NUMBER:      REVISION NUMBER:


THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			PHPK1502184	06/01/2016	06/01/2017	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$1,000,000 MED EXP (Any one person) \$20,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP AGG \$2,000,000 \$
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS			PHPK1502184	06/01/2016	06/01/2017	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$10,000			PHUB542530	06/01/2016	06/01/2017	EACH OCCURRENCE \$10,000,000 AGGREGATE \$10,000,000 \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input type="checkbox"/> Y / <input checked="" type="checkbox"/> N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	PHPK1502184 WA Stop Gap Only	06/01/2016	06/01/2017	<input type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$1,000,000 E.L. DISEASE - POLICY LIMIT \$1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
 City of Seattle is additional insured on the General Liability as respects their interest in all operations performed by or on behalf of the named insured.

CERTIFICATE HOLDER

CANCELLATION

City of Seattle 600 4th Ave, Floor 7 Seattle, WA 98124	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE 
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**EVIDENCE OF PROPERTY INSURANCE**

DATE (MM/DD/YYYY)  
06/15/2016

THIS EVIDENCE OF PROPERTY INSURANCE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE ADDITIONAL INTEREST NAMED BELOW. THIS EVIDENCE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS EVIDENCE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE ADDITIONAL INTEREST.

AGENCY <b>Kibble &amp; Prentice, a USI Co</b> 601 Union Street, Suite 1000 Seattle, WA 98101		PHONE (A/C, No, Ext):	COMPANY <b>See Below</b>	
FAX (A/C, No): 877-678-5844	E-MAIL ADDRESS:			
CODE:	SUB CODE:			
AGENCY CUSTOMER ID #: <b>581221</b>			LOAN NUMBER <b>N/A</b>	POLICY NUMBER <b>See Below</b>
INSURED <b>Pacific Hospital Preservation                  &amp; Development Authority</b> 1200 12th Ave S., Qtrs 2 Seattle, WA 98144			EFFECTIVE DATE <b>06/01/16</b>	EXPIRATION DATE <b>06/01/17</b>
			<input type="checkbox"/> CONTINUED UNTIL TERMINATED IF CHECKED	
THIS REPLACES PRIOR EVIDENCE DATED:				

**PROPERTY INFORMATION**

LOCATION/DESCRIPTION  
**1200 12th Ave S., Seattle, WA 98144**

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS EVIDENCE OF PROPERTY INSURANCE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

**COVERAGE INFORMATION**

COVERAGE/PERILS/FORMS	AMOUNT OF INSURANCE	DEDUCTIBLE
Company: <b>Affiliated FM Insurance Company</b> Policy Number: <b>TK465</b> Coverage: <b>Special Form, including Theft. Replacement Cost.</b> Agreed Value (No Co-insurance). Equipment Breakdown. Blanket Limit on Buildings, Business Personal Property, and Business Income/Rental Value	<b>\$84,500,000</b>	<b>\$10,000</b>
Earthquake Coverage: Company: <b>Beazley (Lloyds London)</b> Policy Number: <b>WB15ADC160301 - continued on page 2</b>		

REMARKS (Including Special Conditions)

**CANCELLATION**

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

**ADDITIONAL INTEREST**

NAME AND ADDRESS <b>Pacific Hospital Preservation                  and Development Authority</b> 1200 12th Ave S, Qtrs 2 Seattle, WA 98144	<input type="checkbox"/> MORTGAGEE	<input type="checkbox"/> ADDITIONAL INSURED
	<input type="checkbox"/> LOSS PAYEE	
	LOAN #	
AUTHORIZED REPRESENTATIVE 		

# COVERAGE INFORMATION (Continued from page 1.)

COVERAGE/PERILS/FORMS	AMOUNT OF INSURANCE	DEDUCTIBLE
<b>Coverage: Earthquake and Flood for the Towers Building and Garage</b> <b>Limit on Buildings and Business Income</b>	<b>\$10,000,000</b>	<b>5%</b>
<b>Company: Evanston Insurance Company</b> <b>Policy Number: MKLV14XP006655</b> <b>Coverage: \$10,000,000 Excess Earthquake and Flood above the underlying policy with Beazley</b>	<b>\$10,000,000</b>	

PHPDA 2016 Operating Budget

<u>Income/revenues</u>	<u>2015 Budget</u>	<u>2015 Projected</u>	<u>2016 Budget</u>	<u>Comments</u>
<b>RENTAL REVENUES</b>				
Dept. of Commerce Lease	\$2,538,348	\$2,538,348	\$2,614,499	3% increase per lease
WRC North Lot Lease	\$219,468	\$220,784	\$223,416	
PacMed Lease	\$891,520	\$904,134	\$945,624	Increased in June 2015; No further adjustments before end of lease in 2021
<b>Total Rental Revenues</b>	<b>\$3,649,336</b>	<b>\$3,663,266</b>	<b>\$3,783,539</b>	
<b>Income/revenues</b>				
<b>OTHER REVENUE</b>				
Tower Operating reimbursement from PMC	\$647,603	\$632,603	\$703,810	Tower Operating and Quarters electricity
N Lot Operating reimbursement	\$2,400	\$2,400	\$2,400	Quarterly invoices for driveway and gardener work
Quarters building insurance reimbursement from PMC	\$16,500	\$17,000	\$18,000	
Operating reimbursement from DOC	\$1,643,130	\$1,815,130	\$1,796,398	Tower Operating
Project Management fee	\$48,225	\$40,000	\$13,600	Decrease expected in 2016, as construction is decreasing
Interest earnings	\$9,000	\$16,000	\$15,000	
Other income		\$60,000	\$10,000	Income from costs for assisting Commerce's gap funding
<b>Total Other Revenue</b>	<b>\$2,366,858</b>	<b>\$2,583,133</b>	<b>\$2,559,208</b>	
<b>Tax re-imbusement</b>				
Property Tax	\$25,000	\$26,360	\$27,500	
<b>Total Tax Reimbursement</b>	<b>\$25,000</b>	<b>\$26,360</b>	<b>\$27,500</b>	
<b>Total Rev/Income</b>	<b>\$6,041,194</b>	<b>\$6,272,759</b>	<b>\$6,370,247</b>	
<b>Expense</b>				
<b>Professional services</b>				
External audit	\$22,000	\$22,600	\$22,000	Small portion of 2015 reimbursed by tenants
State audit	\$0	\$0	\$9,500	Bi-annual audit in Fall 2016
Legal	\$100,000	\$150,000	\$85,000	2015 includes significant reimbursed cost; expect lower reimburseable cost in 2016
Accounting	\$18,000	\$19,000	\$18,500	
Payroll services (ADP)	\$1,875	\$1,900	\$1,950	
Real Estate Professional Advisors	\$55,000	\$55,000	\$40,000	2015 includes significant reimbursed cost; expect lower reimburseable cost in 2016
Government Relations Consultant	\$7,000	\$2,000	\$3,000	
<b>Total professional services</b>	<b>\$203,875</b>	<b>\$250,500</b>	<b>\$179,950</b>	
<b>Expense</b>				
<b>Consultants</b>				
Communications Consultant	\$10,000	\$1,200	\$5,000	
IT support	\$8,000	\$7,500	\$8,000	
Graphic Design	\$1,400	\$1,200	\$1,300	

PHPDA 2016 Operating Budget

Website Developer	\$1,000	\$500	\$500	
<b>Total consultants</b>	<b>\$20,400</b>	<b>\$10,400</b>	<b>\$14,800</b>	
<b>Expense</b>	<b>2015 Budget</b>	<b>2015 Projected</b>	<b>2016 Budget</b>	<b>Comments</b>
<b>Operations</b>				
<b>Salaries &amp; Benefits</b>				
Executive Director	\$113,300	\$113,300	\$116,699	Based on historic increase of 3% annually; will be finalized after annual performance review
Other staff salaries	\$152,290	\$145,827	\$160,580	Includes step increases, pending satisfactory performance reviews
<b>Total Salaries</b>	<b>\$265,590</b>	<b>\$259,127</b>	<b>\$277,279</b>	
Health insurance	\$20,800	\$19,596	\$21,600	
Dental insurance	\$2,130	\$2,320	\$3,120	
403(b) contributions (3% of salary)	\$7,968	\$7,774	\$8,318	
L&I insurance	\$1,350	\$1,170	\$1,280	
Social security/Medicare	\$20,318	\$19,823	\$21,212	
Life and disability insurance	\$5,540	\$6,120	\$6,900	
Other benefits	\$2,970	\$2,916	\$3,600	
<b>Total Salaries &amp; Ben</b>	<b>\$326,665</b>	<b>\$318,846</b>	<b>\$343,309</b>	
<b>Expense</b>	<b>2015 Budget</b>	<b>2015 Projected</b>	<b>2016 Budget</b>	<b>Comments</b>
<b>Operating</b>				
Tower Insurance	\$235,000	\$225,000	\$225,000	
Quarters Insurance	\$16,500	\$17,000	\$18,000	
Tower Operating	\$2,036,110	\$2,283,110	\$2,241,228	Includes Quarters electricity, N Lot operating costs
Small Equipment	\$5,000	\$5,500	\$4,000	Fewer large purchases expected in 2016
Grant Software and Licensing	\$4,250	\$4,650	\$4,800	
Supplies	\$5,000	\$7,500	\$7,500	
Quarters 2 Repairs & maintenance	\$8,000	\$7,500	\$8,000	
Printing & Publicity	\$2,500	\$3,000	\$3,500	
Postage	\$3,200	\$1,000	\$1,500	
Telephone	\$3,500	\$4,000	\$4,200	Additional phone line added April 2015
Internet service	\$1,400	\$1,300	\$1,500	
Meals/Catering	\$3,500	\$4,500	\$5,200	Includes estimates for annual grantee meeting
Travel + parking	\$500	\$450	\$2,500	Previously included travel to conferences in Prof. Development; Travel now here, just fees in Prof. Development
Dues & Subscriptions	\$5,000	\$5,500	\$6,500	Philanthropy NW dues based on annual giving
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Professional development	\$8,000	\$7,000	\$4,500	Conference and training fees only in 2016 (travel and meals in those categories)
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Misc.	\$3,000	\$3,000	\$3,200	
<b>Total Oper Exp</b>	<b>\$ 2,353,960</b>	<b>\$ 2,594,810</b>	<b>\$ 2,556,628</b>	
<b>TOTAL professional services, consultants, S + B, operations</b>	<b>\$2,904,900</b>	<b>\$3,174,556</b>	<b>\$ 3,094,687</b>	

PHPDA 2016 Operating Budget

<b>Expense</b>	<b>2015 Budget</b>	<b>2015 Projected</b>	<b>2016 Budget</b>	<b>Comments</b>
Public Health ACA translation	\$0			
DSHS Interpreter svcs admin	\$325	\$100	\$0	
PANW Medical	\$75,000	\$75,000	\$0	
Major grants	\$1,912,571	\$1,765,332	\$2,785,542	\$1,217,771 committed to 2nd half of current grants; Assumes small decrease in total spending for those grants at mid-year renewal (though some may increase and others decrease); \$800K in new Major Grants, half paid in 2016
Nimble Fund	\$300,000	\$398,009	\$225,000	Approx. \$75,000 available per quarter for 3 quarters
Pooled funding	\$250,000	\$150,000	\$0	
Contracted Evaluation Services	\$55,000	\$6,000	\$6,000	
<b>Total Program</b>	<b><u>\$2,592,896</u></b>	<b><u>\$2,394,441</u></b>	<b><u>\$3,016,542</u></b>	
<b>Pass-Through Tax Expenses</b>				
Property Tax	\$25,000	\$26,360	\$27,500	
<b>Total Pass-Through Expenses</b>	<b><u>\$25,000</u></b>	<b><u>\$26,360</u></b>	<b><u>\$27,500</u></b>	
<b>Total Expenses</b>				
	<b><u>\$ 5,522,796</u></b>	<b><u>\$ 5,595,357</u></b>	<b><u>\$ 6,138,729</u></b>	
Depreciation	\$835,098	\$775,756	\$775,757	
<b>Net before depreciation</b>	<b>\$518,398</b>	<b>\$677,402</b>	<b>\$231,518</b>	
<b>Deposited into Pacific Tower and Property Reserve Fund</b>	<b><u>\$924,156</u></b>	<b><u>\$5,000,000</u></b>	<b><u>\$225,000</u></b>	Will also transfer any unawarded or unexpended grant funds to the Pacific Property and Tower Reserve Fund.
<b>ADJUSTED NET BEFORE DEPRECIATION</b>	<b><u>-\$405,758</u></b>	<b><u>-\$4,322,598</u></b>	<b><u>\$6,518</u></b>	Planned/Expected Change in Undesignated Net Assets
<b>Use of previous years' income</b>	<b><u>\$405,758</u></b>	<b><u>\$4,322,598</u></b>		
<b>TOTAL</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$6,518</u></b>	

12/8/2015

Pacific Hospital Preservation and Development Authority (PHPDA)

**RESOLUTION NO. 14-2015**

**WHEREAS** Article VII, Section 2 of the Charter of the Pacific Hospital Preservation and Development Authority (the "PHPDA") requires that the PHPDA Council adopt an annual operating budget;

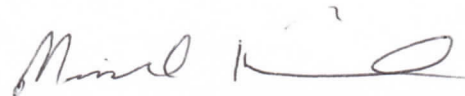
**WHEREAS** the PHPDA Finance and Planning Committees have reviewed the proposed 2016 operating budget and assumptions and have recommended adoption of the 2016 operating budget in the form attached hereto as Exhibit A;

**WHEREAS** the PHPDA Governing Council has reviewed the recommended budget in an open public meeting;

**THEREFORE, BE IT RESOLVED** that the 2016 Operating Budget is hereby adopted and approved by the PHPDA Governing Council.

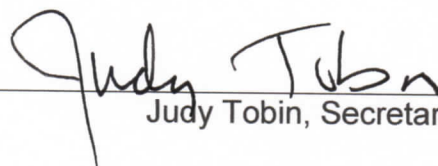
COUNCIL, PACIFIC HOSPITAL PRESERVATION & DEVELOPMENT AUTHORITY

BY:



Mike Heinisch, Chair

BY:



Judy Tobin, Secretary

Adopted by the vote of a majority of the members of the Pacific Hospital Preservation & Development Authority Governing Council, present at a meeting held on December 8, 2015 at which a quorum was present.



## Exhibit A

PHPDA 2016 Operating Budget

<u>Income/revenues</u>	<u>2015 Budget</u>	<u>2015 Projected</u>	<u>2016 Budget</u>	<u>Comments</u>
<b>RENTAL REVENUES</b>				
Dept. of Commerce Lease	\$2,538,348	\$2,538,348	\$2,614,499	3% increase per lease
WRC North Lot Lease	\$219,468	\$220,784	\$223,416	
PacMed Lease	\$891,520	\$904,134	\$945,624	Increased in June 2015; No further adjustments before end of lease in 2021
<b>Total Rental Revenues</b>	<b>\$3,649,336</b>	<b>\$3,663,266</b>	<b>\$3,783,539</b>	
<b>Income/revenues</b>				
<b>OTHER REVENUE</b>				
Tower Operating reimbursement from PMC	\$647,603	\$632,603	\$703,810	Tower Operating and Quarters electricity
N Lot Operating reimbursement	\$2,400	\$2,400	\$2,400	Quarterly invoices for driveway and gardener work
Quarters building insurance reimbursement from PMC	\$16,500	\$17,000	\$18,000	
Operating reimbursement from DOC	\$1,643,130	\$1,815,130	\$1,796,398	Tower Operating
Project Management fee	\$48,225	\$40,000	\$13,600	Decrease expected in 2016, as construction is decreasing
Interest earnings	\$9,000	\$16,000	\$15,000	
Other income		\$60,000	\$10,000	Income from costs for assisting Commerce's gap funding
<b>Total Other Revenue</b>	<b>\$2,366,858</b>	<b>\$2,583,133</b>	<b>\$2,559,208</b>	
<b>Tax re-imbusement</b>				
Property Tax	\$25,000	\$26,360	\$27,500	
<b>Total Tax Reimbursement</b>	<b>\$25,000</b>	<b>\$26,360</b>	<b>\$27,500</b>	
<b>Total Rev/Income</b>	<b>\$6,041,194</b>	<b>\$6,272,759</b>	<b>\$6,370,247</b>	
<b>Expense</b>				
<b>Professional services</b>				
External audit	\$22,000	\$22,600	\$22,000	Small portion of 2015 reimbursed by tenants
State audit	\$0	\$0	\$9,500	Bi-annual audit in Fall 2016
Legal	\$100,000	\$150,000	\$85,000	2015 includes significant reimbursed cost; expect lower reimburseable cost in 2016
Accounting	\$18,000	\$19,000	\$18,500	
Payroll services (ADP)	\$1,875	\$1,900	\$1,950	
Real Estate Professional Advisors	\$55,000	\$55,000	\$40,000	2015 includes significant reimbursed cost; expect lower reimburseable cost in 2016
Government Relations Consultant	\$7,000	\$2,000	\$3,000	
<b>Total professional services</b>	<b>\$203,875</b>	<b>\$250,500</b>	<b>\$179,950</b>	
<b>Expense</b>				
<b>Consultants</b>				
Communications Consultant	\$10,000	\$1,200	\$5,000	
IT support	\$8,000	\$7,500	\$8,000	
Graphic Design	\$1,400	\$1,200	\$1,300	

PHPDA 2016 Operating Budget

Website Developer	\$1,000	\$500	\$500	
<b>Total consultants</b>	<b>\$20,400</b>	<b>\$10,400</b>	<b>\$14,800</b>	
<b>Expense</b>	<b>2015 Budget</b>	<b>2015 Projected</b>	<b>2016 Budget</b>	<b>Comments</b>
<b>Operations</b>				
<b>Salaries &amp; Benefits</b>				
Executive Director	\$113,300	\$113,300	\$116,699	Based on historic increase of 3% annually; will be finalized after annual performance review
Other staff salaries	\$152,290	\$145,827	\$160,580	Includes step increases, pending satisfactory performance reviews
<b>Total Salaries</b>	<b>\$265,590</b>	<b>\$259,127</b>	<b>\$277,279</b>	
Health insurance	\$20,800	\$19,596	\$21,600	
Dental insurance	\$2,130	\$2,320	\$3,120	
403(b) contributions (3% of salary)	\$7,968	\$7,774	\$8,318	
L&I insurance	\$1,350	\$1,170	\$1,280	
Social security/Medicare	\$20,318	\$19,823	\$21,212	
Life and disability insurance	\$5,540	\$6,120	\$6,900	
Other benefits	\$2,970	\$2,916	\$3,600	
<b>Total Salaries &amp; Ben</b>	<b>\$326,665</b>	<b>\$318,846</b>	<b>\$343,309</b>	
<b>Expense</b>	<b>2015 Budget</b>	<b>2015 Projected</b>	<b>2016 Budget</b>	<b>Comments</b>
<b>Operating</b>				
Tower Insurance	\$235,000	\$225,000	\$225,000	
Quarters Insurance	\$16,500	\$17,000	\$18,000	
Tower Operating	\$2,036,110	\$2,283,110	\$2,241,228	Includes Quarters electricity, N Lot operating costs
Small Equipment	\$5,000	\$5,500	\$4,000	Fewer large purchases expected in 2016
Grant Software and Licensing	\$4,250	\$4,650	\$4,800	
Supplies	\$5,000	\$7,500	\$7,500	
Quarters 2 Repairs & maintenance	\$8,000	\$7,500	\$8,000	
Printing & Publicity	\$2,500	\$3,000	\$3,500	
Postage	\$3,200	\$1,000	\$1,500	
Telephone	\$3,500	\$4,000	\$4,200	Additional phone line added April 2015
Internet service	\$1,400	\$1,300	\$1,500	
Meals/Catering	\$3,500	\$4,500	\$5,200	Includes estimates for annual grantee meeting
Travel + parking	\$500	\$450	\$2,500	Previously included travel to conferences in Prof. Development; Travel now here, just fees in Prof. Development
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