

January 28, 2011

A special meeting of the Board of Commissioners of Whidbey Island Public Hospital District was called to order by President Tarrant at 2:30 pm. Present were President Tarrant; Commissioner Wallin, Commissioner Case, Commissioner Cammermeyer; Commissioner Zaveruha; Chief Executive Officer, Tom Tomasino; Chief Financial Officer, Joe Vessey; Chief Operating Officer, Hank Hanigan; and Chief Nursing Officer, John Bitting. Reporter Nathan Whalen of the Whidbey News Times attended as did community member and hospital employee, Laura Tarasoff.

Hospital Expansion Project Education Update

Commissioner Tarrant stated that there is new information regarding assessed valuations for the District and she wanted all the Commissioners to be aware of how that affects communication with the public on the expansion project. Joe Vessey presented information to demonstrate how the recent decline in assessed valuations in the district will affect the bond. He presented information showing the Maintenance & Operations Levy and how changes in the assessed valuation impact the corresponding levy rate. When values increase the levy rate per thousand decreases, but when values decrease the levy rate per thousand increases. There is a common misconception amongst taxpayers that if their assessed valuation goes down then their taxes go down, however that is only true if their valuation decreases more than the average valuation. Mr. Vessey stated that the EMS levy is based on the same principles except that the levy rate is capped at 50 cents per thousand by state law. In 2011 the assessed valuations in the District decreased by 11% but instead of the rate per thousand increasing by 11% to offset that, the rate per thousand will only increase to the 50 cent cap. That means in this case the individual taxes for the EMS levy will decrease as will the amount that hospital will receive. Mr. Vessey stated that the voted bond functions like the maintenance and operations levy except the levy rate is determined by the principle and interest payment needed to service the debt. In December, based on projections made for interest rates and the assessed valuations in 2011, it had been determined that the rate per thousand would be 30 cents for a 50 million dollar bond. However, those projections were based on a decline in assessed valuations of 6% not the actual 11% that was reported to us by the Island County Assessor's Office this month. In addition, interest rates have risen unexpectedly based on speculation in the Wall Street Journal about defaults in the municipal market. As a result of both of these factors the new rate per thousand is projected to be 34 cents; however, the actual increase in property tax per household is only a few dollars at most depending upon the value of an individual home. Tom Tomasino stated that he will be changing his community presentations to reflect this change in the rate. He also plans to revisit community groups that he has already met with to give them this new information. There was discussion about the total levy rate for the District in comparison to other hospital districts in the area and discussion about the actual dollar amount that individuals will pay each year in support of the bond. President Tarrant encouraged the Commissioners to attend the presentations if they had not done so already.

Leadership Retreat Update

Tom Tomasino reported that the Leadership Retreat that was scheduled for February 11th has been postponed because we are still waiting on a report from a consultant about the South Whidbey Clinic. When we receive this information the retreat will be rescheduled.

There being no further business President Tarrant called for a motion to adjourn at 3:15 pm. Commissioner Wallin made a motion, seconded by Commissioner Cammermeyer, to adjourn the meeting. Motion carried.