

SAN JUAN COUNTY PUBLIC HOSPITAL DISTRICT NO. 3 (DbA ORCAS ISLAND HEALTH CARE DISTRICT)

2019 BUDGET DRAFT

| BARS Number (subject to update prior to submission) | | ITEM | 2018 Adjusted actuals as of 9/30/18 | 2018 Budget, per Resolution | Difference '18 Budget vs. '18 Actual | 2019 Proposed Budget | Difference '19 Budget vs. '18 Budget | Description |
|---|----------|----------------|--|-----------------------------|--------------------------------------|----------------------|--------------------------------------|---|
| 1 | 6541.00. | 308.80.00.0000 | Beginning Cash | \$ - | \$ - | \$ 66,119 | \$ - | Estimated Beginning Cash 1/1/2018-NONE. Included 2018 Ending Cash based on Adjusted Budget. Will receive actual Beg Cash from SJC Auditor in April 2019 |
| INCOME | | | | | | | | |
| 3 | 6531.00. | 311.10.00.0000 | Property Tax Revenue | | | 1,473,784 | 1,473,784 | preparing the 2019 Budget Revenue. It is estimated to be \$2,361,833,735, which is discounted 4% to account for amounts that aren't collected. The balance is subject to the anticipated |
| 4 | 6541.00. | 332.93.20.0000 | Medicare Incentive Program | - | - | | - | Expect to receive as a member of AWAPHD associated with the work of the Accountable Communities of Health. In 2018 members received an allocation equal to their annual dues. This is expected to continue through 2021 but not guaranteed. |
| 5 | 6541.00. | 337.20.00.0000 | Leasehold Tax | - | - | | - | Applies in lieu of property tax when persons or businesses lease or occupy publicly-owned real or personal property. SJC unable to estimate how much will be collected on an annual basis. |
| 6 | 6541.00. | 337.40.00.0000 | Timber Harvest Tax - Private Land | - | | | - | Replaces annual property tax on timber with an excise tax based on value of timber at the time of harvest. Applies to timber harvested from any private or public lands in WA. |
| 7 | 6541.00. | 391.80.18.2019 | Intergovernmental Loan - San Juan County | 200,000 | 400,000 | 200,000 | | Assumes only half of SJC loan taken in 2018 and balance in 2019. |
| 8 | 6541.00. | 391.10.00.0001 | WA Fed Loan - 2018 Long Term GO Bond | 416,096 | - | 270,000 | - | The General Obligation Bond is scheduled to close on October 19, 2018 and there is a two-year draw window during which only semi-annual interest payments are made. |
| 9 | 6541.00. | 391.60.00.0001 | WA Fed Line of Credit (LOC) short-term loan | - | - | - | - | Short-term Line of Credit for operational items assumed not to be accessed until 2023. |
| 10 | | | INCOME TOTALS | 616,096 | 400,000 | 2,009,903 | | |
| EXPENSES | | | | | | | | |
| 13 | 6541.00. | 561.00.41.0000 | Provider Subsidy - UW Medicine | 337,236 | 137,500 | 579,083 | 441,583 | Amount listed per Clinical Services Agreement PLUS \$50,000 for After-Hours Trial Project Manager for 2019. Cost in 2018 represents OMF's subsidy obligation from July1, 2018 through December 31, 2018. |
| 14 | 6541.00. | 561.00.41.0001 | Provider Subsidy - OFHC | 82,500 | 82,500 | 371,997 | 289,497 | Amount listed per Clinical Services Agreement (CSA) plus allocation for After-Hours trial in 2019. |
| 15 | 6541.00. | 561.00.41.0002 | Provider Subsidy - Other | - | - | - | - | Placeholder for future clinical partnerships |
| 16 | 6541.00. | 561.00.41.0020 | Accounting Expenses | 250 | 250 | 7,000 | 6,750 | Accounting services to help with annual reporting, reserve and cash flow analysis. Also includes SJC fees to process warrants and payroll, and estimated cost of \$4,000 for clinic audits. |
| 17 | 6541.00. | 561.10.41.0002 | State Audit Expenses | - | - | 5,000 | 5,000 | Cost for annual Accountability Audit conducted by the Office of the WA State Auditor. |
| 18 | 6541.00. | 561.00.41.0030 | Legal Services | 20,000 | 20,000 | 6,000 | (14,000) | Ongoing legal needs associated with negotiations of the Clinical Service Agreements. |
| 19 | 6541.00. | 561.00.41.0040 | Technology Services | 1,000 | 1,000 | 600 | (400) | Ongoing contract with NW Technology to support Records Management requirements, Public Records Requests, and document sharing and security. |
| 20 | 6541.00. | 561.00.41.0050 | Independ. Contractor Agreements | 10,000 | 10,000 | 2,400 | (7,600) | Contingency for consultant support to conduct a Community Needs Assessment and/or Board development/strategic planning. |
| 21 | 6541.00. | 561.00.41.0060 | Promotion & Advertising | 1,500 | 200 | 500 | 300 | Advertising in Islands Weekly for Community Engagement meetings and Public Hearing on Budget and Levy in November. |
| 22 | 6541.00. | | | | | | | |
| 23 | | | 561.00.41 Professional Services Total | 452,486 | 251,450 | 972,580 | | |
| 24 | 6541.00. | 561.00.10.0001 | Commissioners | - | 3,876 | - | - | Salary for Commissioners who don't have a salary waiver in effect. |
| 25 | 6541.00. | 561.00.10.0002 | Superintendent | 20,769 | 20,769 | 40,000 | 19,231 | Employed position .5FTE and no change in salary for 2019. |

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|---|------------------------|---|-----------------------------|--------------------------------------|----------------------|--------------------------------------|-------------|---|
| 26 | 6541.00.561.00.10.0003 | Other Staff | - | 6,251 | (6,251) | 12,000 | 5,749 | Administrative support position at .5FTE. |
| 27 | 6541.00.561.00.10 | Salary & Wages Total | 20,769 | 30,896 | | 52,000 | | |
| 28 | 6541.00.561.00.20.0001 | FICA & Medicare Tax | 1,588 | 2,066 | (478) | 3,978 | 1,912 | 7.65% of Base Compensation |
| 29 | 6541.00.561.00.20.0002 | Dept of Labor & Industries -Worker's Comp Premium | 301 | 392 | (91) | 754 | 362 | 1.45% of Base Compensation |
| 30 | 6541.00.561.00.20.0006 | Medical Insurance Premium/ Employee Benefits | 2,500 | 4,053 | (1,553) | 6,000 | 1,947 | Set at 15% of Superintendent salary to a max of \$500/month. Applied to PEBB premium payment so not subject to payroll taxes. |
| 31 | 6541.00.561.00.20.0009 | Employment Security - Unemployment | 100 | | 100 | 260 | 260 | .5% of salary under taxable payment method |
| 32 | 6541.00.561.00.20 | Personnel Benefits Total | 4,489 | 6,511 | | 10,992 | | |
| 33 | 6541.00.561.00.31.0000 | Office Supplies | 1,000 | 1,000 | - | 500 | (500) | Largely printer ink and misc. supplies. |
| 34 | 6541.00.561.00.31.0010 | Janitorial Supplies Only | - | - | - | 100 | 100 | Minimal cleaning supplies needed for District Office. |
| 35 | 6541.00.561.00.31 | Supplies Total | 1,000 | 1,000 | | 600 | | |
| 36 | 6541.00.561.00.35.0000 | Small Tools & Equipment | - | - | - | - | - | Placeholder for any additional office needs. |
| 37 | 6541.00.561.00.35 | Small Tools & Equipment Total | - | - | | - | | |
| 38 | 6541.00.561.00.42.0010 | Postage & Shipping | - | - | - | 100 | 100 | |
| 39 | 6541.00.561.00.42.0020 | Telephone & Internet | - | 500 | (500) | 1,800 | 1,300 | Phone and internet service included in rent. |
| 40 | 6541.00.561.00.42.0030 | Website/Email Services | 150 | 500 | (350) | 300 | (200) | Inmotion website hosting. Email support provided in NW Technology contract. |
| 41 | 6541.00.561.00.42 | Communication Total | 150 | 1,000 | | 2,200 | | |
| 42 | 6541.00.561.00.43.0010 | Conferences and Training | 175 | - | 175 | 1,050 | 1,050 | Registration fees for Annual Superintendent conference (split with Lopez PHD) and Rural Hospital Leadership Conference for Superintendent (split with Lopez PHD) and two Commissioners. |
| 43 | 6541.00.561.00.43.0020 | Travel & Accommodations | 435 | 700 | (265) | 1,950 | 1,250 | Hotel and other expenses associated with the annual AWAPHD Superintendent Training (split with Lopez PHD) & Rural Hospital Leadership Conferences, budgeted for two Commissioners and Superintendent. |
| 44 | 6541.00.561.00.43 | Travel Total | 610 | 700 | | 3,000 | | |
| 45 | 6541.00.561.00.45.0000 | Operating Rentals and Leases | 4,200 | 1,650 | 2,550 | 8,475 | 6,825 | District Office lease cost is \$700/month includes all utilities and internet. Also includes annual cost of PO Box. |
| 46 | 6541.00.561.00.45 | Operating Rents & Leases Total | 4,200 | 1,650 | | 8,475 | | |
| 47 | 6541.00.561.00.46.0001 | Malpractice Insurance | - | - | - | - | - | |
| 48 | 6541.00.561.00.46.0002 | Building Property & Liability Insurance | - | - | - | 5,500 | 5,500 | |
| 49 | 6541.00.561.00.46.0003 | Board & Officers Insurance | 3,000 | 3,000 | - | 3,000 | - | Policy renews September 1, 2019. |
| 50 | 6541.00.561.00.46 | Insurance Totals | 3,000 | 3,000 | | 8,500 | | |
| 51 | 6541.00.561.00.47.0010 | Building Utilities | - | 11,300 | 11,300 | 1,200 | (10,100) | |
| 52 | 6541.00.561.00.48.0010 | Building General Maintenance | - | - | - | 10,000 | 10,000 | |
| 53 | 6541.00.561.00.48.0020 | Building Landscaping | - | - | - | - | - | |
| 54 | 6541.00.561.00.48.0300 | Equipment Maintenance | - | - | - | 30,000 | 30,000 | |
| 55 | 6541.00.561.00.47- 48 | Building Totals | - | 11,300 | 11,300 | 41,200 | 29,900 | |
| 56 | 6541.00.561.00.49.0000 | Printing/Graphics | 200 | 200 | - | 180 | (20) | Cost for copies needed for large meetings or public hearings. |
| 57 | 6541.00.561.00.49.0001 | Meeting Expenses | 150 | 150 | - | 300 | 150 | Placeholder in the event a meeting location needs to be changed from OIFR. |
| 58 | 6541.00.561.00.49.0002 | Bank Service Charge | - | - | - | - | - | |
| 59 | 6541.00.561.00.49.0010 | Dues & Subscriptions | 700 | 700 | - | 1,000 | 300 | Association of WA Public Hospital Districts annual dues |
| 60 | 6541.00.561.00.49.0050 | Miscellaneous Expense | 7,000 | 7,000 | - | 13,200 | 6,200 | Includes \$1,200 Misc. Admin |
| 61 | 6541.00.561.00.49 | Miscellaneous Total | 8,050 | 8,050 | | 14,680 | | |
| 62 | 6541.00.561.00.51.0000 | Election Services | 29,000 | 12,000 | 17,000 | 5,000 | (7,000) | One Board seat up for re-election in 2019 in General Election and estimated share based on report from SJC Election Office. |
| 63 | 6541.00.561.00.51 | Intergovernmental Services Total | 29,000 | 12,000 | | 5,000 | | |
| 64 | 6541.00.592.61.84.0000 | Debt Issue Costs | - | - | - | - | - | |
| 65 | 6541.00.592.61.84 | Debt Issues Costs Total | - | - | | - | | |
| 66 | 6541.00. | Property Tax | - | - | - | 20,401 | - | Based on valuation of \$144,510 & \$1,151,480. |
| 67 | 6541.00. | Property Tax Total | - | - | | 20,401 | | |

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| 68 | 6541.00.592.61.83.2037 | 1,238 | | 1,238 | 20,366 | - | |
| 69 | 6541.00.592.61.83.0000 | | | - | 9,630 | - | |
| 70 | 6541.00.591.61.81.0001 | - | | - | - | - | |
| 71 | 6541.00.591.61.77.0001 | - | - | - | - | - | Principal payments made annually beginning 11/2020 |
| 72 | 6541.00.591.61.78.0000 | | | - | 400,000 | - | |
| 73 | 6541.00.591.61.77.0001 | | | - | - | - | |
| 74 | 591.61.71, 77, 78, 81 & 83 Bonds, Notes & Intergov't Loans | 1,238 | - | | 429,996 | | |
| 75 | 6541.00.594.61.64.0001 | 7,700 | 7,700 | - | 100 | (7,600) | |
| 76 | 6541.00.594.61.64.0002 | - | - | - | 1,000 | 1,000 | Placeholder for any additional needs. |
| 77 | 6541.00.594.61.64.0003 | - | - | - | 500 | 500 | |
| 78 | 6541.00.594.61.64.0004 | 17,205 | 21,668 | 4,463 | | (21,668) | Included in building purchase - \$2,205 2018 YTD maintenance PLUS \$15,000 equip reserve through 12.31.18. |
| 79 | 594.61.64 Machinery & Equipment Total | 24,905 | 29,368 | | 1,600 | | |
| 80 | | Total Income | 616,096 | 400,000 | 216,096 | 2,009,903 | |
| 81 | | Total Expenses | 549,897 | 356,925 | 192,972 | 1,571,224 | |
| 82 | 6541.00.508.80.00.0000 | Ending Cash (not adjusted for reserve) | 66,199 | 43,075 | | 438,679 | |
| 83 | 6541.00.508.80.00.0000 | Ending Cash (2019 adjusted for reserve) | | | | 388,679 | Budgets for a semi-annual reserve allocation of \$50,000 beginning Q'4 2019. Reserve needed to plan for any future change in Clinical Service Agreements and/or other services identified in anticipated community needs assessment. |

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|---|------|--|---|---|---|--------------------------------------|--------------------|
| | | | | | | | |
| 84 | | Less Cost to Purchase Building/Equipment | 354441 | | | | |
| 85 | | Adjusted Ending Cash | (288,242) | | | | |
| 86 | | Category | As a % of Revenue Adjusted FY 18 | As a % of Revenue Budgeted FY 18 | As a % of Revenue Proposed FY 19 | | |
| 87 | | | | | | | |
| 88 | | UW Medicine/OFHC Subsidy Payments | | | 47.3% | | |
| 89 | | Administration | | | 6.1% | | |
| 90 | | Debt Service | | | 21.4% | | |
| 91 | | Building & Equipment (Maint/Tax/Insurance) | | | 3.3% | | |
| 92 | | Ending Cash | | | 19.3% | | |
| 93 | | Reserve | | | 2% | | |
| 94 | | | | | | | |
| 95 | | Category | Adjusted FY 18 | Budgeted FY 18 | Proposed FY 19 | | |
| 96 | | | | | | | |
| 97 | | UW Medicine/OFHC Subsidy Payments | | | \$951,080 | | |
| 98 | | Administration | | | \$123,047 | | |
| 99 | | Debt Service | | | \$429,996 | | |
| | | Building & Equipment (Maint/Tax/Insurance) | | | \$67,101 | | |
| ## | | Ending Cash | | | \$388,679 | | |
| ## | | Reserve | | | \$50,000 | | |
| ## | | TOTAL EXPENSES | \$0 | 0 | 2,009,903 | \$0 | \$2,009,903 |
| | | | | | | | |
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| | | | | | | | |