

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

2019 BUDGET DRAFT

	ITEM	2018 Forecast as of 9/30/18	2019 Proposed Budget	Description
1	Beginning Cash	\$ -	\$ (582)	Estimated Beginning Cash as of 1/1/2019. Will receive actual Beg Cash from SJC Auditor in April 2019
2	INCOME			
3	Property Tax Revenue		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	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	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	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	Intergovernmental Loan - San Juan County	200,000	200,000	Assumes only half of SJC loan taken in 2018 and balance in 2019.
8	WA Fed Loan - 2018 Long Term GO Bond - funds can only be used for capital expenditures	416,359	255,000	The GO Bond, dated 10/19/18, has a two-year draw window during which only semi-annual interest payments are made. Total funds available to draw are \$800,000 and cover capital expenses. Draws are expected to cover building and equipment repairs/replacement. In 2019 that includes: roof \$80K, Painting \$25K, HVAC \$150K. First draw will also cover election costs and closing costs associated with Bond and Building as shown on Lines 60, 62, 65, as well as the purchase of a new refrigerator/freezer for the Clinic as reflected on Line 79.
9	WA Fed Line of Credit (LOC) short-term loan - subsidizes short-term	-	-	Short-term Line of Credit for operational items.
10	INCOME TOTALS	616,359	1,928,202	

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11				
12	EXPENSES			
13	Provider Subsidy - UW Medicine	337,236	221,568	UW subsidy payments are paid twice/year coinciding with property tax revenue. UW subsidy for July through December paid in April and Jan through June paid in October. The 2019 subsidy total represents Jan 1, 2019 through June 30, 2019 subsidy cap plus an allocation for the after-hours incentive. Incentive split is 60% UW/40% OFHC, based on expected volume. Subsidy paid in 2018 represents July 1, 2018 through December 31, 2018 subsidy obligation, which is assumed from OMF, and does not include any after-hours incentive. The subsidy will be prepaid, subject to conditions of escrow, to enable OMF to cease operations upon sale of the clinic building and transfer of obligation.
14	Provider Subsidy - OFHC	98,307	371,997	Amount listed per Clinical Services Agreement (CSA) plus allocation for After-Hours. In 2018 100% of after-hours incentive is allocated to OFHC. In 2019 the after-hours incentive split is 60% UW/40% OFHC, based on expected volume.
15	Provider Subsidy - Other	-	-	Placeholder for future clinical partnerships
16	Accounting Expenses	250	7,000	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	State Audit Expenses	-	5,000	Cost for annual Accountability Audit conducted by the Office of the WA State Auditor.
18	Legal Services	30,000	12,000	Ongoing legal needs associated with negotiations of the Clinical Service Agreements.
19	Technology Services	1,000	3,350	Monthly cost of \$277 for NW Technology. They support Office 365, email, Records Management requirements, Public Records Requests, and document sharing and security.
20	Independ. Contractor Agreements	10,000	52,400	Contingency for consultant support to conduct a Community Needs Assessment and/or Board development/strategic planning. Also included is \$50k for the cost of a Project Manager to oversee the Acute & After-Hours trial.
21	Promotion & Advertising	1,500	500	Advertising in Islands Weekly for Community Engagement meetings and Public Hearing on Budget and Levy in November.
22	561.00.41 Professional Services Total	478,293	673,815	

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23	Commissioners	-	-	Salary for Commissioners who don't have a salary waiver in effect.
24	Superintendent	20,769	40,000	Employed position .5FTE and no change in salary for 2019.
25	Other Staff	-	12,000	Administrative support position at .5FTE.
26	561.00.10 Salary & Wages Total	20,769	52,000	
27	FICA & Medicare Tax	1,588	3,978	7.65% of Base Compensation
28	Dept of Labor & Industries -Worker's Comp Premium	301	754	1.45% of Base Compensation
29	Medical Insurance Premium/ Employee Benefits	2,500	6,000	Set at 15% of Superintendent salary to a max of \$500/month. Applied to PEBB premium payment so not subject to payroll taxes.
30	Employment Security - Unemployment	100	260	.5% of salary under taxable payment method
31	561.00.20 Personnel Benefits Total	4,489	10,992	
32	Office Supplies	1,000	500	Largely printer ink and misc. supplies.
33	Janitorial Supplies Only	-	100	Minimal cleaning supplies needed for District Office.
34	561.00.31 Supplies Total	1,000	600	
35	Small Tools & Equipment	-	-	No additional office needs anticipated. Expected IT Grant award will fund items for office.
36	561.00.35 Small Tools & Equipment Total	-	-	
37	Postage & Shipping	-	100	Placeholder
38	Telephone & Internet	-	-	Internet service included in rent. Currently no accommodation to add a land line or fax.
39	Website/Email Services	150	300	Inmotion website hosting. Email support provided in NW Technology contract.
40	561.00.42 Communication Total	150	400	
41	Conferences and Training	175	1,050	Registration fees for Annual Supt Conf (split with Lopez PHD) and Rural Hospital Leadership Conference for Supt (split with Lopez PHD) and 2 Commissioners.
42	Travel & Accommodations	435	1,950	Hotel/other expenses for the annual Supt conf (split with Lopez PHD) & Rural Hospital Leadership Conference (2 Commissioners and Supt)
43	561.00.43 Travel Total	610	3,000	
44	Operating Rentals and Leases	4,200	8,475	District Office lease cost is \$700/month includes all utilities and internet. Also includes annual cost of PO Box.
45	561.00.45 Operating Rents & Leases Total	4,200	8,475	
46	Malpractice Insurance	-	-	

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47 Building Property & Liability Insurance	6,250	7,500	Bldg insured at \$2m/contents \$400,000 for cost of \$7,200. Includes allocation for renters insurance. 2018 prorated 11/1/18 - 8/31/19.
48 Board & Officers Insurance	3,000	3,000	Policy renews September 1, 2019.
49 561.00.46 Insurance Totals	9,250	10,500	
50 Building Utilities	69	360	Monthly Eastsound Water fee for undeveloped lot/New rate 1/2019
51 Building General Maintenance	2,000	115,000	Building Painting \$25K, Roof \$80K, General \$10K
52 Building Landscaping	-	5,000	Grounds Maintenance based on OMF 2017 financials
53 Equipment Maintenance	17,205	180,000	In 2018 expenses include \$2,205 YTD equip maintenance PLUS \$15,000 equip reserve through 12.31.18. In 2019 expense represents expected \$150K HVAC replacement.
54 561.00.47- 48 Building Totals	19,274	300,360	
55 Printing/Graphics	200	180	Cost for copies needed for large meetings or public hearings.
56 Meeting Expenses	150	300	Placeholder in the event a meeting location needs to be changed from OIFR.
57 Bank Service Charge		577	Fiscal Agent fee for ongoing administration of loans. In 2019 this includes a partial payment from 2018 of \$113 for each loan.
58 Dues & Subscriptions	700	1,000	Association of WA Public Hospital Districts annual dues
59 Miscellaneous Expense	19,909	12,000	In 2018 this includes: \$12,909 building closing costs/\$7,000 misc. associated with building purchase. 2019 includes a contingency amount for unknowns and is based on \$1,000/mo.
60 561.00.49 Miscellaneous Total	20,959	14,057	
61 Election Services	29,000	5,000	One Board seat up for re-election in 2019 in General Election and estimated share based on report from SJC Election Office.
62 561.00.51 Intergovernmental Services Total	29,000	5,000	
63 LOC Underutilization Fee		2,500	
64 Debt Issue Costs	12,500	-	Bond Legal Council/Bank fees.
65 592.61.84 Debt Issues Costs Total	12,500	2,500	
66 Property Tax		20,401	Based on valuation of \$144,510 & \$1,151,480.
67 Property Tax Total	-	20,401	
68 Interest Payment - WA Fed GO Bond	1,238	22,427	
69 Interest Payments - San Juan County Loan		9,630	
70 Interest Payments - WA Fed LOC	-	-	

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71 Principal Payment - WA Fed GO Bond	-	-	Principal payments made annually beginning 11/2020
72 Principal Payments - San Juan County Loan		400,000	
73 Principal Payments - WA Fed LOC		-	
74 591.61.71, 77, 78, 81 & 83 Bonds, Notes & Intergov't Loans	1,238	432,057	
75 Computer Hardware	7,700	100	Placeholder for monitor and wireless keyboard
76 Computer Software	-	500	Placeholder for any additional needs.
77 Furniture & Fixtures	-	8,000	Includes estimate for curtains in exam rooms to increase privacy.
78 Clinic Equipment	7,509	-	In 2018 expense is related to a new refrigerator for the UW Clinic. 2019 Based on UW 2018 invoice to OMF. Based on the equipment inventory list prepared by UW, they have not identified the purchase of any new or replacement equipment in 2019. In the event there is an unexpected need, funds will be taken from the operating budget or, if significant, will be funded with the GO Bond. Equipment maintenance is captured on Line 54.
79 594.61.64 Machinery & Equipment Total	15,209	8,600	
80	<i>Total Income</i>	616,359	1,928,202
81	<i>Total Expenses</i>	616,941	1,542,757
82	Ending Cash (not adjusted for reserve)	(582)	385,445
83	Ending Cash (2019 adjusted for reserve)	285,445	Budget includes a semi-annual reserve allocation of \$50,000 beginning Q'2 2019. Reserve needed to plan for any future change in Clinical Service Agreements, expansion of after-hours services and/or other services identified in anticipated community needs assessment. Also protects against any unforeseen downturn in the economy.