

**San Juan County Public Hospital District No.3  
Dba Orcas Island Health Care District**

**Resolution to Adopt the SJCPHD#3 2026 Budget**

**RESOLUTION 2025 - 02**

**WHEREAS**, the District was formed by a vote of the residents of Orcas Island, Washington, during the April 24, 2018 Special Election; and

**WHEREAS**, the District requires a Budget for the year of 2026; and

**WHEREAS**, the Superintendent presented the Proposed 2026 Budget at the Regular meetings of the Board on August 27, 2025, September 24, 2025 and October, 16 2025; and

**WHEREAS**, the Board took public comment during a Public Hearing on the Proposed 2026 Budget during the Special meeting of the Board on November 6, 2025; and

**WHEREAS**, the Board has determined the cash on hand plus all anticipated revenues and did fix the appropriate amount for each expenditure line item; and

**WHEREAS**, after due consideration of the Proposed 2026 Budget and the public comments thereon, the Board desires to approve and adopt the District's 2026 Budget (Exhibit A);


**NOW, THEREFORE, BE IT RESOLVED**, that the **BOARD OF COMMISSIONERS OF THE SAN JUAN COUNTY PUBLIC HOSPITAL DISTRICT NO. 3, DBA Orcas Island Health Care District**, set the final Budget for the year 2026 as attached hereto and incorporated as if fully set forth.

**#6541 2026 GENERAL FUND BUDGET**            \$           2,961,355          

**#6544 2026 DEBT SERVICE FUND BUDGET:** \$           80,411          

**#6542 2026 RESERVE FUND BUDGET:**        \$           784,428          

**ADOPTED AND APPROVED** by the Board of Commissioners of San Juan Public Hospital District No. 3 Dba Orcas Island Health Care District at a Special meeting thereof this 6<sup>th</sup> day of November, 2025.

  
Mark Salierno (May 5, 2026 19:15:54 PDT)  
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Mark Salierno, Chair/President and Commissioner

*Chelsie Guilford*  
Chelsie Guilford (May 5, 2026 20:02:48 PDT)  
\_\_\_\_\_  
Chelsie Guilford, Secretary and Commissioner

**Exhibit A**  
**2026 Budget Document**

(See Attached)

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

2026 Budget					
BARS Number (subject to update prior to submission)	ITEM	2025 Budget, Per Resolution	2025 Forecast	2026 Proposed Budget	Description
1	Beginning Cash & Investment Balances	\$ 921,433	\$ 999,178	\$ 1,046,927	Estimated Beginning Cash for 2026 is Ending Cash as of 12-31-25
2					
<b>INCOME</b>					
3	6541.00.311.10.00.0000	Property Tax Revenue	1,954,289	3,422,844	AWPHD stipend for participating Hospital Districts. Will continue as same amount for expected future
4	332.93.20.0000	Medicare Incentive Program	10,000	10,000	DOH Dental Grant Program. Evaluation Funds
5	334.00.30.0000	State Grants	10,000	-	Reimbursement from IH for utilities.
6	337.00.00.0000	Miscellaneous Revenue	11,814	10,140	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.
7	337.20.00.0000	Leasehold Tax (to be received)	1,586	1,745	Previous year + 1%
8	337.40.00.0000	Timber Harvest Tax - Private Land	-	209	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. SJC unable to estimate how much will be collected so no amount has been budgeted.
9	362.00.00.0000	Rents and Leases	50	50	Island Health rent payment for clinic building
10	367.00.00.0001	Donations from Private Sources	-	145	
11	367.00.00.0002	Small Grant from Private Organization	-	150	
12		North Sound ACH Grant	50,000	43,000	2nd payment of the \$93,000 expected
13		Dental Program Reimbursement from OICF	287,000	257,984	Reimbursement of Expenses
14	389.60.00.0000	Investment Interest LGIP	35,706	80,432	Balance of Cash on hand and reserve fund balances at beginning of year multiplied by 4% interest
15		<b>REVENUE TOTAL (not including Beginning Cash)</b>	<b>2,356,066</b>	<b>3,826,195</b>	
16					
<b>EXPENSES</b>					
18	6541.00.561.00.10.0001	Commissioners	46,368	30,912	Commissioners who don't have a salary waiver are eligible for a stipend of \$161/meeting and an annual maximum of \$15,456. Confirmed three commissioners waived stipend.
19	561.00.10.0002	Superintendent	173,016	182,539	FT Superintendent. Salary + estimated %2.7 COLA.
20	561.00.10.0003	Administration & Records Management Specialist	43,490	60,000	Job title change to add more administrative responsibility to Ellen's role - 0.625 FTE expected, but with flexibility to move to 0.75 FTE if more accounting and administrative support needed
21	561.00.10.0005	Strategic Project Manager		68,916	0.25 FTE starting, up to 0.5 FTE of Project Management - \$47,500 hrtly w/cola increase in Sept 2026, split benefits w/ Community Health Network. INCL. Cost of Benefits & Taxes
22	561.00.10.0010	Salary & Wages Total	262,874	342,367	
23	6541.00.561.00.20.0001	FICA/Medicare/SS/PERS	16,563	18,325	7.65% of Base Compensation for employees
24	561.00.20.0002	Dept of Labor & Industries -Worker's Comp	1,700	455	\$0.13/hr for office staff and \$2.22/hr for maintenance handyman staff
25	561.00.20.0006	Medical Insurance Premium/ Employee Benefits	23,928	52,325	Cost assoc w/PEBB
26	561.00.20.0009	Employment Security - Unemployment	1,299	1,455	6% of salary
27	561.00.20.0010	DCP - Retirement Expense		7,276	3% match
28	561.00.20.0020	Personnel Benefits Total	43,490	80,066	
29	6541.00.561.00.31.0000	Office Supplies	500	500	Largely printer ink and misc. supplies
30	561.00.31.0001	Supplies for Repairs and Maintenance	600	600	Building maintenance supplies.
31	561.00.31.0002	Computer and Online Software	3,600	3,630	Zoom (\$150) & Adobe monthly fee (\$50/month). Quickbooks monthly fee (\$240/month)
32	561.00.31.0010	Janitorial Supplies Only	100	100	
33	561.00.31.0015	Supplies Total	4,800	4,830	
34	6541.00.561.00.35.0000	Small Tools & Equipment	200	200	Replacement of two surface laptops.
35	561.00.35.0001	Computer Hardware	3,000	4,000	

36	561.00.35.0002	Office Furniture & Fixtures	-	-	-	-	-	-	-
37	561.00.35 Small Tools & Equipment Total		3,200	3,816	4,200				State accountability audits are conducted every 3 years. Audit conducted in 2024 for 2021-2023. Annual Financial Audit will be required starting in 2027, based on increase to \$3M threshold for annual financial audit.
38	6541.00.561.10.41.0002	State Audit Expenses	-	11,128	-				Payment of \$650,000 to be paid January 2026, and second full payment due July 2026 (\$650,000)
39	561.00.41.0003	Provider Subsidy - Island Hospital (IH) as of 01/01/26	1,022,000	1,022,000	1,300,000				Housing Support for Licensed Medical Staff at clinic
40	561.00.41.0004	Clinic Staff Housing Support	-	-	50,000				In the event of lack of clinical providers at clinic, OIHCD will cover difference in salaries to contract locum to provide clinical services
41	561.00.41.0005	Locums Staffing Support			99,000				Risk of medical/ACA unenrollment in 2026, impacts to Orcas Clinic uncompensated care
42	561.00.41.0005	Uncompensated Care Support			200,000				Per diem support for accounting services
42	561.00.41.0020	Accounting Expenses	10,310	12,631	5,000				2025 included contract negotiations, levy, policies review, and dental program work. Will likely not need as much assistance in 2026, although will need support for capital planning, facilities, and starting new programs.
43	561.00.41.0030	Legal Services	56,250	54,733	30,000				Monthly cost of \$328.27 for NW Technology to support 7 licenses for Office 365, email, and document sharing and security. + 5% increase
44	561.00.41.0040	Technology Services	8,711	4,315	4,431				Architecture & Capital Planning consultant fees (\$75,000), Communications Consultant (\$10,000), lobbyists (\$30,000) and placemaker (\$20,000)
45	561.00.41.0050	Independ. Contractor Agreements	160,000	84,667	135,000				\$700 fee for semi-annual Island Sounder articles (\$1400), written by Chris. After-hours advertising expenses (\$4,000)
46	561.00.41.0060	Promotion & Advertising	8,000	7,272	6,000				Recommendation to continue supporting dental in 2026. Lobbyists are recommending a proviso to the legislators to support this program in 2026.
47	561.00.41.0070	DOH Dental Grant Expenses	10,000	-	-				Moved to grant based expenses
48	561.00.41.0071	District Dental Expenses	50,000	44,968	50,000				Internet + Phone
49	561.00.41.0072	OICF Dental Expenses	287,000	257,984	-				Streamline increased \$1000 per year from 2024 - 2025, could expect something similar especially as they add the ADA compliance piece to their platform.
50	561.00.41.0149	Election Services	50,000	34,000	-				Registration fees for AWP/PHD Conference for Superintendent and two Commissioners (\$1500), Registration for professional conference for Superintendent (\$2500), Superintendent executive coaching (\$3000), and Admin Assistant trainings (\$1000).
51	561.00.41 Professional Services Total		1,662,271	1,533,697	1,879,431				Hotel and other expenses associated with the annual AWP/PHD Conference (\$2000), Hotel & other expenses for Superintendent public health or primary care conference (\$2000), other travel for AWP/PHD, North Sound ACH and other local region conferences and trainings (\$500)
52	6541.00.561.00.42.0010	Postage & Shipping	250	104	250				District Office lease through March 2026. Based on similar searches for office space for the dental clinic, we do not expect a significant change in price if we were to move, but may want to build in a small buffer.
53	561.00.42.0020	Telephone & Internet	2,400	2,186	2,245				2025 Rent is \$871/month or \$2615/quarter, rate increased 3% in 2025, expect similar increase in 2026. Expected monthly rate of \$871/month or \$2615/quarter. Also includes annual PO Box rental @ \$155/year.
54	561.00.42.0030	Website/Email Services	4,888	3,899	5,000				TBD - we added the dental clinic for this past year, so the price will definitely change. Should have this invoice in end of August/early September.
55	561.00.42 Communication Total		7,538	6,189	7,495				1.8% increase in 2025, fair to expect a similar interest in 2026.
56	6541.00.561.00.43.0010	Conferences and Training	9,500	5,039	8,000				Running about 10% above budget as of June 2025, expect a 10% increase in 2026 as well?
57	561.00.43.0020	Travel & Accommodations	4,500	1,539	4,500				Running about 10% above budget as of June 2025, expect a 10% increase in 2026 as well?
58	561.00.43 Travel Total		14,000	6,578	12,500				Running about 10% above budget as of June 2025, expect a 10% increase in 2026 as well?
59	6541.00.561.00.45.0000	Operating Rentals and Leases	21,614	10,583	10,715				
60	561.00.45 Operating Rents & Leases Total		21,614	10,583	10,715				
61	6541.00.561.00.46.0002	Building Property & Earthquake Insurance	21,359	21,359	21,359				
62	561.00.46.0003	Board & Officers Insurance	3,473	3,340	3,400				
63	561.00.46 Insurance Totals		24,831	24,699	24,759				
64	6541.00.561.00.47.0010	Utilities - Building (EWUA, ESWD, OPALCO)	11,814	12,317	13,549				
65	561.00.47.0011	Utilities - District Office	1,512	1,632	1,795				

66	561.00.48.0010	Building General Maintenance & Repair	11,000	4,571	10,000	Door for lab, Handyman Repairs (\$6,000)
67	594.61.62.0000	Buildings & Structures (large expenses)	108,000	108,000	-	No Projects mentioned from Island Health
68	561.00.48.0020	Building Landscaping	7,054	5,541	7,244	6 months of the year require 1x visit, 6 months require 2x visits. Additionally, they do a quarterly extra maintenance costs \$400. May expect some cost of living adjustment.
69	561.00.48.0300	Equipment General Maintenance & Repair	23,600	21,797	23,600	\$2,000 for HVAC maintenance. \$800 for Generator Servicing. \$5200 Quarterly Xray maintenance.
70	561.00.47-48	Building Totals	162,980	153,858	56,188	
71	6541.00.	Printing/Graphics	1,000	223	500	Cost for copies for large meetings
72	561.00.49.0001	Meeting Expenses	1,500	-	1,500	New Provider Meet & Greet
73	561.00.49.0002	Bank Service Charge (fiscal agent fee)	200	283	200	US Bank fiscal agent fee is \$200 for the bond. Fee for payroll bank account.
74	561.00.49.0010	Dues & Subscriptions	3,200	3,500	3,500	Association of WA Public Hospital Districts annual dues.
75	561.00.49.0050	Miscellaneous Expense	30,000	12,500	30,000	Placeholder for unforeseen expenses in 2025
76	561.00.49.0060	OCRC Health Related Support	40,000	22,416	40,000	Request from OCRC to continue support in 2026
77	561.00.49.0070	Community Health Project Management	30,000	15,098		Move to employed position in 2026
78	561.00.49.0080	Community Organization Grant Proposals Process			10,000	
79	561.00.49	Miscellaneous Total	105,900	54,021	85,700	
80	6541.00.	Primary Care Services Expansion			100,000	Projects need to come back to Board for approval
81	561.00.50.0004	Primary Care Access Total	-	-	100,000	
82	6541.00.	ACH Grant Health Network Expenses	-	13,000	80,000	\$60,637 expenses towards program manager wages, \$13,000 towards consulting/facilitation, \$5,000 for convenings and convening travel/stipend expenses
83	561.00.51.0002	OICF Dental Expenses			257,984	Expect Less than 2025, as many building projects/purchases were completed in 2025
84	561.00.51	Grant Funded Expenses Total	-	13,000	337,984	
85	561.10.49.0000	Property Tax Fees	120	124	120	
86	561.10.49	Property & Leasehold Tax Total	120	124	120	
87	6541.00.	Interest Payment - WA Fed GO Bond	8,032	8,032	5,411	Interest payments due May and November 1st. Payments based on amortization schedule.
88	6541.00.	Principal Payment - WA Fed GO Bond	75,000	75,000	75,000	Principal payments made annually on Nov 1st. Based on amortization schedule set in 2021 to be paid in full 11/1/2027.
89	591.61.71, 77, 78, 81 & 83	Bonds/Notes/Intergov't Loans Total	83,032	83,032	80,411	
90	6541.00.	Clinic Equipment Purchase	10,000	20,368	15,000	1 New Exam Table (\$7,000), negative air space systems for 1 rooms (\$5000), other items TBD
91	594.61.64	Machinery & Equipment Total	10,000	20,368	15,000	
92						
93						
94		Total Revenue			3,826,195	
95		Total Expenses			3,041,767	
96		Excess Cash (Loss)			784,428	
						<b>OPERATIONS SUMMARY</b>