

SAN JUAN COUNTY PUBLIC HOSPITAL DISTRICT NO. 3 (DBA ORCAS ISLAND HEALTH CARE DISTRICT)								
2020 BUDGET DRAFT - Presented October 2, 2019								
BARS Number (subject to update prior to submission)	ITEM		2019 Forecast as of 8/31/19	2019 Budget, per Resolution	Difference '19 Budget vs. '19 Forecast	2020 Proposed Budget	Description	
1	6541.00.	308.80.00.0000	Beginning Cash	\$ 201,740	\$ (9,709)	\$ 211,449	\$ 513,416	Estimated Beginning Cash for 2020 is Ending Cash as of 12-31-19. Will receive actual Beg Cash from SJC Auditor in April 2020.
2	INCOME							
3	6531.00.	311.10.00.0000	Property Tax Revenue	1,473,784	1,473,784	-	1,509,057	The 2020 Levy is limited to a 1% increase (\$15,352) over the prior year Levy plus amounts associated with new construction (\$20,535), plus any banked capacity. The OHCD's banked capacity is \$239,398. The Revenue used in the budget is discounted 4% to account for amounts not collected due to senior programs and other programs that result in less than 100% of Property Tax revenue collected. The preliminary 2019 Total Assessed Value (AV) is used in preparing the 2020 Budget Revenue (see 2020 Preliminary Levy Information for calculations). Total AV is estimated to be \$2,691,666,921, or a 14% increase over the 2018 AV of \$2,361,833,735. The 2019 actual mileage rate was \$.6488/1,000. Based on the estimate, the 2020 mileage rate w/o using banked capacity is estimated to be \$.5837/1,000 or \$.6726/1,000 if capacity is used.
4	6541.00.	332.93.20.0000	Medicare Incentive Program	500	-	500	-	Expect to receive as a member of AWAPHD associated with the work of the Accountable Communities of Health. This is expected to continue through 2021 but not guaranteed.
5	6541.00.	337.20.00.0000	Leasehold Tax	1,411	-	1,411	-	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	(200,000)	-	Budget assumed half of SJC loan would be taken in 2019; however, the full amount was drawn in 2018 so no revenue associated with SJC was received in 2019.
8	6541.00.	391.10.00.0001	WA Fed Loan - 2018 Long Term GO Bond	-	255,000	(255,000)	383,641	The \$800,000 General Obligation Bond's two-year draw window closes November 1, 2020. One draw of \$416,359 taken in Q4 2018. These are the remaining funds available.
9	6541.00.		Rents and Leases	7,200	-	7,200	-	Short-term Line of Credit for operational items assumed not to be accessed until 2023.
10	6541.00.		Misc. Revenue	32,800	-	32,800	-	Placeholder for any small amounts of revenue received. In 2019 this represents funds from OMF wind down.
11	6541.00.		Grants	786	-	786	-	In 2019 Secretary of State IT grant for printer/scanner.
12			REVENUE TOTAL (not including Beginning Cash)	1,516,481	1,928,784	(412,303)	1,892,698	
13	EXPENSES							
15	6541.00.	561.00.41.0000	Provider Subsidy - UW Medicine	192,224	221,568	(29,344)	723,601	UW subsidy payments are paid twice/year coinciding with property tax revenue. UW FY July through December paid in April; Jan through June paid in October. The 2020 there is an additional \$40,000 in addition to the Budget for additional staff
16	6541.00.	561.00.41.0001	Provider Subsidy - OFHC	263,847	371,997	(108,150)	461,512	Amount listed per OFHC budget v3
17	6541.00.	561.00.41.0002	Provider Subsidy - OFHC After-Hours Incentive	14,500	-	14,500	14,500	Based on 2019 actuals
18	6541.00.	561.00.41.0020	Accounting Expenses	825	7,000	(6,175)	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.
19	6541.00.	561.10.41.0002	State Audit Expenses	4,717	5,000	(283)	-	Cost for annual Accountability Audit conducted by the Office of the WA State Auditor. Next audit schedule for 2021.
20	6541.00.	561.00.41.0030	Legal Services	10,968	12,000	(1,032)	12,000	Ongoing legal needs associated with negotiations of the Clinical Service Agreements. Could be higher if any changes in structure result from Consultant's work.
21	6541.00.	561.00.41.0040	Technology Services	3,362	3,350	12	3,396	Monthly cost of \$283 for NW Technology. They support Office 365, email, Records Management requirements, Public Records Requests, and document sharing and security.
22	6541.00.	561.00.41.0050	Independ. Contractor Agreements	36,000	52,400	(16,400)	50,000	In 2019 includes payments to DZA for assessing federal designations to improve reimbursement to clinics, and Hargis Engineering to create Requirement Document to be included in HVAC and Roof RFP. In 2020 this is a contingency for consultant support as the Board considers the right clinic structure.
23	6541.00.	561.00.41.0060	Promotion & Advertising	1,762	500	1,262	2,000	Advertising in The Sounder for Community Engagement meetings and articles. Also includes Legal Posting requirements for Public Hearing on Budget and Levy in November.
24	6541.00.							
25			561.00.41 Professional Services Total	528,205	673,815		1,274,009	
26	6541.00.	561.00.10.0001	Commissioners	-	-	-	-	Salary for Commissioners who don't have a salary waiver. Commissioners are eligible for a stipend of \$128/meeting and an annual maximum of \$12,288. Currently all Commissioners have executed a salary waiver.
27	6541.00.	561.00.10.0002	Superintendent	41,666	40,000	1,666	45,000	Employed position .5FTE
28	6541.00.	561.00.10.0003	Other Staff	6,000	12,000	(6,000)	13,000	Support payment for Project Management consulting
29			561.00.10 Salary & Wages Total	47,666	52,000		58,000	
30	6541.00.	561.00.20.0001	FICA & Medicare Tax	3,014	3,978	(964)	3,443	7.65% of Base Compensation - Superintendent only
31	6541.00.	561.00.20.0002	Dept of Labor & Industries -Worker's Comp	691	754	(63)	653	1.45% of Base Compensation - Superintendent only
32	6541.00.	561.00.20.0006	Medical Insurance Premium/ Employee Benefits	6,500	6,000	500	6,000	Reimburses Lopez Island PHD for % of Superintendent benefits through PEBB, max \$500.
33	6541.00.	561.00.20.0009	Employment Security - Unemployment	238	260	(22)	225	.5% of salary - Superintendent only
34			561.00.20 Personnel Benefits Total	10,444	10,992		10,320	
35	6541.00.	561.00.31.0000	Office Supplies	633	500	133	500	Largely printer ink and misc. supplies.
36	6541.00.	561.00.31.0010	Janitorial Supplies Only	-	100	(100)	100	Largely included in District Office lease.
37			561.00.31 Supplies Total	633	600		600	
38	6541.00.	561.00.35.0000	Small Tools & Equipment	-	-	-	100	Placeholder for any additional office needs.
39			561.00.35 Small Tools & Equipment Total	-	-		100	
40	6541.00.	561.00.42.0010	Postage & Shipping	-	100	(100)	100	Placeholder for any mailings.
41	6541.00.	561.00.42.0020	Telephone & Internet	-	-	-	-	Phone and internet service included in rent.
42	6541.00.	561.00.42.0030	Website/Email Services	311	300	11	1,400	Inmotion website hosting renews 5/20 for 2 years at \$191.76. In 2020 consider engaging Website Manager @ \$100/mo. Email support provided in NW Technology contract.
43			561.00.42 Communication Total	311	400		1,500	

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44	6541.00.561.00.43.0010	Conferences and Training	875	1,050	(175)	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.
45	6541.00.561.00.43.0020	Travel & Accommodations	582	1,950	(1,368)	1,950	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.
46	561.00.43	Travel Total	1,457	3,000		3,000	
47	6541.00.561.00.45.0000	Operating Rentals and Leases	9,176	8,475	701	8,475	District Office lease cost is \$700/month includes all utilities and internet. TBD if we can extend lease beyond lease term ending March 2020. Also includes annual cost of PO Box rental @ \$75/year.
48	561.00.45	Operating Rents & Leases Total	9,176	8,475		8,475	
49	6541.00.561.00.46.0001	Malpractice Insurance	-	-	-	-	Included in Clinic budgets
50	6541.00.561.00.46.0002	Building Property & Earthquake Insurance	15,878	6,856	9,022	11,742	Added earthquake to property policy in the amount of \$5,360 for 12 mos., pro-rated for 10 mos at \$4,478 and paid in Jan 2019. That resulted in a higher than normal premium reflected in 2019. Policy renews November 1st and renewal is \$11,400. Assumes a 3% premium increase in November 2020.
51	6541.00.561.00.46.0003	Board & Officers Insurance	2,370	3,000	(630)	2,440	Policy renews September 1, 2020 and assumes a 3% increase.
52	561.00.46	Insurance Totals	18,248	9,856		14,182	
53	6541.00.561.00.47.0010	Building Utilities	882	360	522	360	Annual payment for EWUA vacant parcel. In 2019 there was a one-time membership transfer fee paid on each parcel which resulted in the higher expense.
54	6541.00.561.00.48.0010	Building General Maintenance	16,079	115,000	(98,921)	440,000	\$15K in Annual Maintenance, \$25K for painting, \$250K HVAC, \$150K roof all TBD.
55	6541.00.561.00.48.0020	Building Landscaping	10,000	5,000	5,000	10,000	Used 2019 actuals. 2020 could be lower given extensive cleanup done in 2019.
56	6541.00.561.00.48.0300	Equipment Maintenance	4,105	180,000	(175,895)	30,000	Clinic equip maintenance. 2019 budget included HVAC replacement that will be done in 2020 and moved to Building General Maintenance.
57	561.00.47- 48	Building Totals	31,066	300,360		480,360	
58	6541.00.561.00.49.0000	Printing/Graphics	580	180	400	180	Cost for copies needed for large meetings or public hearings.
59	6541.00.561.00.49.0001	Meeting Expenses	115	300	(185)	300	Placeholder for meeting outside of the Firehall.
60	6541.00.561.00.49.0002	Bank Service Charge	578	577	1	340	US Bank fiscal agent fee is \$170 for the Note and Bond and is paid annually in October. 2019 was the first payment and includes amount due since inception in 2018.
61	6541.00.561.00.49.0010	Dues & Subscriptions	1,000	1,000	-	1,000	Association of WA Public Hospital Districts annual dues
62	6541.00.561.00.49.0050	Miscellaneous Expense	-	12,000	(12,000)	12,000	Cost for permits associated with building work and other unknowns.
63	561.00.49	Miscellaneous Total	2,273	14,057		13,820	
64	6541.00.561.00.51.0000	Election Services	5,000	5,000	-	-	One Board seat up for re-election in 2019 in General Election and estimated share based on report from SJC Election Office. Next election costs will be incurred in 2021.
65	561.00.51	Intergovernmental Services Total	5,000	5,000		-	
66							
67	6541.00.592.61.84.0000	Debt Issue Costs	2,500	2,500	-	2,500	This is the WA Fed Line of Credit underutilization fee which is billed annually in November. LOC may be needed for roof, HVAC, painting which might result no fee being due.
68	592.61.84	Debt Issues Costs Total	2,500	2,500		2,500	
69	561.10.49.0000	Property Tax Fees	136	20,401	(20,265)	136	Exempt from Property Tax (fees only) - see Leasehold Tax
70	6541.00.589.30.00.0000	Leasehold Tax	7,373	-	7,373	9,245	Based on 6,000 sq. ft @ \$.87/sq. ft market rent of \$15,660/quarter; tax rate of 12.84%. Q'4 208 paid in 2019 and only represents Nov-Dec since building was purchased 11/1/18. In 2020 increased rent per sq. foot to \$1.00 to reflect increased market rates.
71	589.30.00	Property & Leasehold Tax Total	7,509	20,401		9,381	
72	6541.00.592.61.83.2037	Interest Payment - WA Fed GO Bond	19,028	22,427	(3,399)	20,366	Once final draw is taken an amortization schedule will be created to identify payments over the term of the bond.
73	6541.00.592.61.83.0000	Interest Payments - San Juan County Loan	11,373	9,630	1,743	-	N/A after 2019
74	6541.00.591.61.81.0001	Interest Payments - WA Fed LOC	-	-	-	-	Not expected to draw in 2020.
75	6541.00.591.61.77.0001	Principal Payment - WA Fed GO Bond	-	-	-	15,000	Principal payments made annually beginning 11/2020
76	6541.00.591.61.78.0000	Principal Payments - San Juan County Loan	400,000	400,000	-	-	N/A after 2019
77	6541.00.591.61.77.0001	Principal Payments - WA Fed LOC	-	-	-	-	Not expected to draw in 2020.
78	591.61.71, 77, 78, 81 & 83	Bonds, Notes & Intergov't Loans	430,401	432,057		35,366	
79	6541.00.594.61.64.0001	Computer Hardware	950	100	850	150	Placeholder for any additional needs for staff
80	6541.00.594.61.64.0002	Computer Software	314	500	(186)	500	Placeholder for any additional needs or licenses
81	6541.00.594.61.64.0003	Furniture & Fixtures	-	8,000	(8,000)	-	Not expecting any furniture needs in 2020
82	6541.00.594.61.64.0004	Clinic Equipment Purchase - OFHC	8,653	-	8,653	50,000	2019 reflects OFHC lab grade refrigerator and freezer; vaccines to re-engage vaccine program purchased. In 2020, UW Medicine Orcas Clinic could include: exam tables, privacy curtains, procedure chair, replacement cushions. OFHC items TBD.
83	594.61.64	Machinery & Equipment Total	9,917	8,600		50,650	
84		Total Income	1,718,221	1,919,075	(200,854)	2,406,113	
85		Total Expenses	1,104,806	1,542,113	(437,307)	1,962,263	
86	6541.00.508.80.00.0000	Ending Cash (not adjusted for reserve)	613,416	376,962	236,454	443,850	
87	6541.00.508.80.00.0000	Ending Cash (adjusted for reserve)	513,416	276,962	236,454	343,850	Budgets includes 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, as well as protect against any unforeseen downturn in the economy.

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