

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

PRELIMINARY 2023 DRAFT BUDGET CREATED 9-26-2022

BARS Number (subject to update prior to submission)		ITEM	2022 Budget, Per Resolution	2022 Forecast	2023 Draft Budget	Description
1	6541.00.308.80.00.0000	Beginning Cash	\$ 1,153,177	\$ 1,248,435	\$ 1,159,618	Estimated Beginning Cash for 2023 is Ending Cash as of 12-31-22
INCOME						
3	6541.00.311.10.00.0000	Property Tax Revenue	1,901,902	1,902,963	1,948,036	The 2023 Property Tax is based on numbers provided by the Assessor in the 2023 Preliminary Assessment and represents the maximum the District could raise and represents a 1.0% increase over the 2022 Actual Levy.
4	6541.00.332.93.20.0000	Medicare Incentive Program	-	4,999	-	Eligible to receive as a member of AWAPHD associated with the work of the Accountable Communities of Health. This is not expected to continue in 2023.
5	6541.00.337.00.00.0000	Miscellaneous Revenue	-	10,839	12,000	Discontinued in 2021. Rename Misc Revenue in 23
6	6541.00.337.00.00.6531	Reimbursed Expenses	250	-	-	Funds received as part of the interlocal joint purchasing items, includes shared software (Zoom, DocuSign). Arrangement discontinued in 2021.
7	6541.00.337.20.00.0000	Leasehold Tax (to be received)	1,930	1,911	1,687	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.
8	6541.00.337.40.00.0000	Timber Harvest Tax - Private Land	-	86	-	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	6541.00.369.91.00.0093	OPALCO Credits	-	2,972	-	These are credits associated with energy upgrades to building. None expected in 2023
10	6541.00.362.00.00.0000	Rents and Leases	-	88	50	Added \$50 for building lease to IH. 5-year budget needs to be corrected as well.
11	6541.00.367.00.00.0001	Donations from Private Sources	-	15	-	See budget note
12	6541.00.367.00.00.0002	Small Grant from Private Organization	-	4,000	-	None anticipated in 2023. May change to include Medicare pass thru from AWPHD. (Line 7) This was grant from AWPHD for Strategic Planning.
13	6541.00.334.00.30.0000	State Grants	-	-	-	
14		REVENUE TOTAL (not including Beginning Cash)	1,904,082	1,927,872	1,961,773	
EXPENSES						
17	6541.00.561.00.41.0003	Provider Subsidy - Island Hospital (IH) as of 4/1/21	1,835,243	1,293,202	1,022,000	Payment of \$511,000 to be paid 1/15/23, and second full payment due July 1, 2023 (\$511,000) for January through June 2023.
18	6541.00.561.00.41.0020	Accounting Expenses	7,500	2,024	7,500	Accounting services to help with annual reporting, reserve and cash flow analysis. Also includes SJC fees to process warrants and payroll.
19	6541.00.561.10.41.0002	State Audit Expenses	-	8,906	-	State accountability audits are conducted every 2-3 years. When revenues exceed \$2,000,000 we will need a state financial audit as well. Audit will be conducted in 2023 but billed in 2024 so we should not budget anything for 2023. 5 year projections should be adjusted accordingly.
20	6541.00.561.00.41.0030	Legal Services	30,000	27,191	30,000	Placeholder for legal support associated with preparation of RFPs, review of policies, and other possible negotiations.
21	6541.00.561.00.41.0040	Technology Services	3,950	6,661	4,148	Monthly cost of \$328.27 for NW Technology to support 7 licenses for Office 365, email, and document sharing and security.
22	6541.00.561.00.41.0050	Independ. Contractor Agreements	35,000	38,032	20,000	Placeholder for grant writer, newsletter graphic artist or other consultants.
23	6541.00.561.00.41.0060	Promotion & Advertising	3,500	4,567	7,000	Assumes monthly advertising and public information articles in The Sounder. Also includes Legal Posting requirements for Public Hearing on Budget and Levy in November.
24						
25		561.00.41 Professional Services Total	1,915,193	1,380,583	1,090,648	
26	6541.00.561.00.10.0001	Commissioners	4,608	8,789	7,000	Commissioners who don't have a salary waiver are eligible for a stipend of \$128/meeting and an annual maximum of \$12,288. Confirmed at least one Commissioner will take some of the stipend in 2023.
27	6541.00.561.00.10.0002	Superintendent	115,000	125,908	120,000	Assumes move to FT Superintendent @ 120K/yr.
28	6541.00.561.00.10.0003	Other Staff/Contracted Support	3,000	21,506	31,200	HT Admin Asst @ \$31,200.
29		561.00.10 Salary & Wages Total	122,608	156,203	158,200	
30	6541.00.561.00.20.0001	FICA/Medicare/SS/PERS	1,667	9,924	4,127	In 2023 11.7% of Base Compensation for employees (but not superintendent coinciding with move to PERS)
31	6541.00.561.00.20.0002	Dept of Labor & Industries -Worker's Comp	1,668	742	2,192	1.45% of Base Compensation
32	6541.00.561.00.20.0003	Retirement	11,788	5,979	12,300	PERS is 10.25% of salary
33	6541.00.561.00.20.0006	Medical Insurance Premium/ Employee Benefits	15,456	15,823	23,283	Cost assoc w/PEBB
34	6541.00.561.00.20.0009	Employment Security - Unemployment	613	317	10,620	.5% of salary
35	6541.00.561.00.20.0010	Deferred Compensation	5,750	2,917	-	
36		561.00.20 Personnel Benefits Total	36,942	35,702	52,522	
37	6541.00.561.00.31.0000	Office Supplies	500	2,142	500	Largely printer ink and misc. supplies
38	6541.00.561.00.31.0001	Supplies for Repairs and Maintenance	-	598	600	Building maintenance supplies @ Island Hdwre.
39	6541.00.561.00.31.0010	Janitorial Supplies Only	100	80	100	Cleaning supplies for District Office.
40		561.00.31 Supplies Total	600	2,820	1,200	
41	6541.00.561.00.35.0000	Small Tools & Equipment	100	92	300	Placeholder for any additional office needs Microwave
42		561.00.35 Small Tools & Equipment Total	100	92	300	
43	6541.00.561.00.42.0010	Postage & Shipping	100	230	250	Placeholder for any mailings.
44	6541.00.561.00.42.0020	Telephone & Internet	960	2,197	2,400	Internet (Rock Island) + Phone (T-Mobile)
45	6541.00.561.00.42.0030	Website/Email Services	1,200	1,166	1,260	Website Manager & hosting @ \$1,200/year, paid annually. Email support provided in NW Technology shown on Line 24.
46		561.00.42 Communication Total	2,260	3,593	3,910	
47	6541.00.561.00.43.0010	Conferences and Training	1,400	46	1,500	Registration fees for Annual Superintendent conference and Rural Hospital Leadership Conference for Superintendent and two Commissioners.
48	6541.00.561.00.43.0020	Travel & Accommodations	1,950	-	2,000	Hotel and other expenses associated with the annual AWAPHD Superintendent Training & Rural Hospital Leadership Conferences, budgeted for two Commissioners and Superintendent. TBD as events were previously cancelled.
49		561.00.43 Travel Total	3,350	46	3,500	
50	6541.00.561.00.45.0000	Operating Rentals and Leases	9,092	9,000	9,092	District Office lease effective March 2021 through March 2026. Rent is \$750/month not including OPALCO. Also includes annual PO Box rental @ \$155/year.
51		561.00.45 Operating Rents & Leases Total	9,092	9,000	9,092	
52	6541.00.561.00.46.0002	Building Property & Earthquake Insurance	11,318	11,318	15,000	Policy renews November 1st and assumed 5% increase for 2022 + estimated amt for earthquake coverage.
53	6541.00.561.00.46.0003	Board & Officers Insurance	2,894	5,924	3,121	September 1st renewal; paid lump sum. Assumes a 5% increase.
54		561.00.46 Insurance Totals	14,212	17,242	18,121	
55	6541.00.561.00.47.0010	Utilities - Building (EWUA, ESWD, OPALCO)	10,440	10,230	11,000	Based on most recent 3 months, estimates for 2022 are: OPALCO (\$650), ESWD (\$113), EWUA (\$130) = 900/mo.update x 12
56	6541.00.561.00.47.0011	Utilities - District Office	1,020	1,418	1,368	OPALCO estimated at an average of \$114/mo.
57	6541.00.561.00.48.0010	Building General Maintenance & Repair	10,000	52,454	135,000	FY 2023 budget includes: 90% of \$45K for exam room remodel, + possible agreement to pay portion of \$25K for increased clinic storage, \$1,000 HVAC maintenance, \$2,000 for new water heater; Alarm Monitoring (1,200) and Pest (1,100) contracts. Estimate for: generator replacement, road repair (\$10K), restriping parking lot, handyman repairs.
58	6541.00.594.61.62.0000	Buildings & Structures (large expenses)	-	-	-	Possible future building expansion.
59	6541.00.561.00.48.0020	Building Landscaping	12,750	12,194	14,400	Accounts for an increase in hourly rate from \$45 to \$50/hr.

60	6541.00.	561.00.48.0030	Building Other	1,000	800	29,000	Misc. Architect fees (@ \$25K) & Capital Improvement plan (@\$3K).
61	6541.00.	561.00.48.0300	Equipment General Maintenance & Repair	48,000	38,400	48,000	Using current Preventive Maintenance costs, per inventory spread sheet. IH reviewing and will provide updates.
62		561.00.47- 48	Building Totals	83,210	115,496	238,768	
63	6541.00.	561.00.49.0000	Printing/Graphics	750	686	3,000	Cost for copies needed for large meetings or public hearings.4 newsletters /year.
64	6541.00.	561.00.49.0001	Meeting Expenses	500	400	500	Placeholder for meetings that include food and/or rental fee.
65	6541.00.	561.00.49.0002	Bank Service Charge (fiscal agent fee)	340	282	340	US Bank fiscal agent fee is \$170 each for the Note and Bond, paid annually in October to US Bank.
66	6541.00.	561.00.49.0010	Dues & Subscriptions	1,250	1,543	1,500	Association of WA Public Hospital Districts annual dues.
67	6541.00.	561.00.49.0050	Miscellaneous Expense	35,000	28,025	15,000	Placeholder for unforeseen expenses in 2023.
68		561.00.49	Miscellaneous Total	37,840	30,936	20,340	
69	6541.00.	561.00.41.0149	Election Services	-	4,342	-	Elections occur in odd years but expense paid in even years.@ \$2500/commissioner elected.
70		561.00.51	Intergovernmental Services Total	-	4,342	-	
71	6541.00.	561.10.49.0000	Property Tax Fees	136	134	135	Exempt from Property Tax (fees only) - see Leasehold Tax
72	6541.00.	589.30.00.0000	Leasehold Tax (to be paid)	9,245	6,945	45	No change in rent calculation proposed for 2023.Adjusted as per DOR filings. Rent charged is now \$50/year
73		561., 589.	Property & Leasehold Tax Total	9,381	7,079	180	
74	6541.00.	592.61.83.2037	Interest Payment - WA Fed GO Bond	19,842	19,635	15,333	Interest payments due May and November 1st. Payments based on amortization schedule set in 2021 - 2027.
75	6541.00.	591.61.77.0001	Principal Payment - WA Fed GO Bond	125,000	125,000	100,000	Principal payments made annually on Nov 1st. Based on amortization schedule set in 2021 to be paid in full 11/1/2027.
76		591.61.71, 77, 78, 81 & 83	Bonds/Notes/Intergov't Loans Total	144,842	144,635	115,333	
77	6541.00.	594.61.64.0001	Computer Hardware	-	402	3,500	Replace Admin Asst surface Pro in 2023 and 1 Commissioner laptop plus second monitor for superintendent and assistant.
78	6541.00.	594.61.64.0002	Computer Software	650	520	650	Zoom & DocuSign annual subscriptions. Also includes Smartsheet.
79	6541.00.	594.61.64.0003	Furniture & Fixtures	-	-	500	Anticipate addition of 2nd work station.
80	6541.00.	594.61.64.0004	Clinic Equipment Purchase	10,000	8,000	30,000	Placeholder pending equipment replacement list from IH, New procedure chair @ \$9K and furnishing 2 new exam rooms for \$17K.
81		594.61.64	Machinery & Equipment Total	10,650	8,922	34,650	
82							
83	REVENUE, EXPENSE, ENDING CASH, AND CLINIC EQUIPMENT SUMMARY						
84			Total Income	3,057,259	3,176,307	3,121,397	Includes Property Tax Revenue AND Beginning Cash.
85			Total Expenses	2,390,279	1,916,690	1,746,764	Includes cost of Debt Service. The difference between Total Income and Total Expenses becomes Ending Cash on Line 92.
86	6541.00.	508.80.00.0000	Ending Cash (not adjusted for reserve)	666,980	1,259,618	1,374,627	Ending cash is the only source of funds to support District expenditures for the first part of the fiscal year until Property Tax Revenue is received in April and then again in October.
87	6541.00.	508.80.00.0000	Ending Cash (adjusted for reserve)	566,980	1,159,618	1,274,627	Beginning with the 2019 budget development process, the Board established a required annual reserve funding level of \$100,000 ("the required minimum level") and has directed this amount be appropriated to the Reserve Fund. The target fund balance for the Reserve Fund is equal to the greater of the forecasted need or 30% of the prior years' general fund income, exclusive of debt funding. The budget assumes a \$50,000 semi-annual allocation to the Reserve Fund in May and November. As of 12/31/22 the Reserve Fund balance will be \$643,868, or 22% of 2021 Property Tax Revenue