

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	2018 Budget, per Resolution	Difference '18 Budget vs. '18 Actual	2019 Proposed Budget	Description
1 Beginning Cash	\$ -	\$ -		\$ (428)	Estimated Beginning Cash as of 1/1/2019. Will receive actual Beg Cash from SJC Auditor in April 2019
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	400,000		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	416,096	-	416,096	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.
9 WA Fed Line of Credit (LOC) short-term loan - subsidizes short-term cash flow gaps to support operational expenses	-	-	-	-	Short-term Line of Credit for operational items assumed not to be accessed until 2023.
10 INCOME TOTALS	616,096	400,000	216,096	1,928,356	
EXPENSES					
13 Provider Subsidy - UW Medicine	337,236	137,500	199,736	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	82,500	15,807	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.

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15 Provider Subsidy - Other	-	-	-	-	Placeholder for future clinical partnerships
16 Accounting Expenses	250	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	20,000	10,000	12,000	Ongoing legal needs associated with negotiations of the Clinical Service Agreements.
19 Technology Services	1,000	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	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	200	1,300	500	Advertising in Islands Weekly for Community Engagement meetings and Public Hearing on Budget and Levy in November.
22					
23 561.00.41 Professional Services Total	478,293	251,450		673,815	
24 Commissioners	-	3,876	(3,876)	-	Salary for Commissioners who don't have a salary waiver in effect.
25 Superintendent	20,769	20,769	-	40,000	Employed position .5FTE and no change in salary for 2019.
26 Other Staff	-	6,251	(6,251)	12,000	Administrative support position at .5FTE.
27 561.00.10 Salary & Wages Total	20,769	30,896		52,000	
28 FICA & Medicare Tax	1,588	2,066	(478)	3,978	7.65% of Base Compensation
29 Dept of Labor & Industries -Worker's Comp Premium	301	392	(91)	754	1.45% of Base Compensation
30 Medical Insurance Premium/ Employee Benefits	2,500	4,053	(1,553)	6,000	Applied to PEBB premium payment so not subject to payroll taxes.
31 Employment Security - Unemployment	100		100	260	.5% of salary under taxable payment method
32 561.00.20 Personnel Benefits Total	4,489	6,511		10,992	
33 Office Supplies	1,000	1,000	-	500	Largely printer ink and misc. supplies.
34 Janitorial Supplies Only	-	-	-	100	Minimal cleaning supplies needed for District Office.
35 561.00.31 Supplies Total	1,000	1,000		600	
36 Small Tools & Equipment	-	-	-	-	No additional office needs anticipated. Expected IT Grant award will fund items for office.
37 561.00.35 Small Tools & Equipment Total	-	-		-	
38 Postage & Shipping	-	-	-	100	Placeholder
39 Telephone & Internet	-	500	(500)	-	Internet service included in rent. Currently no accommodation to add a land line or fax.
40 Website/Email Services	150	500	(350)	300	Inmotion website hosting. Email support provided in NW Technology contract.
41 561.00.42 Communication Total	150	1,000		400	
42 Conferences and Training	175	-	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.

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43 Travel & Accommodations	435	700	(265)	1,950	Hotel/other expenses for the annual Supt conf (split with Lopez PHD) & Rural Hospital Leadership Conference (2 Commissioners and Supt)
44 561.00.43 Travel Total	610	700		3,000	
45 Operating Rentals and Leases	4,200	1,650	2,550	8,475	District Office lease cost is \$700/month includes all utilities and internet. Also includes annual cost of PO Box.
46 561.00.45 Operating Rents & Leases Total	4,200	1,650		8,475	
47 Malpractice Insurance	-	-	-	-	
48 Building Property & Liability Insurance	5,833	-	(5,833)	7,000	Bldg insured at \$2m/contents \$200,000. Includes allocation for renters insurance. 2018 prorated 11/1/18 - 8/31/19.
49 Board & Officers Insurance	3,000	3,000	-	3,000	Policy renews September 1, 2019.
50 561.00.46 Insurance Totals	8,833	3,000		10,000	
51 Building Utilities	69	11,300	11,231	360	Monthly Eastsound Water fee for undeveloped lot/New rate 1/2019
52 Building General Maintenance	2,000	-	(2,000)	115,000	Building Painting \$25K, Roof \$80K, General \$10K
53 Building Landscaping	-	-	-	5,000	Grounds Maintenance based on OMF 2017 financials
54 Equipment Maintenance	7,509	-	(7,509)	180,000	2018 - New refrigerator/2019 Based on UW 2018 invoice to OMF. \$150K HVAC Replacement
55 561.00.47- 48 Building Totals	9,578	11,300	1,722	300,360	
56 Printing/Graphics	200	200	-	180	Cost for copies needed for large meetings or public hearings.
57 Meeting Expenses	150	150	-	300	Placeholder in the event a meeting location needs to be changed from OIFR.
58 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.
59 Dues & Subscriptions	700	700	-	1,000	Association of WA Public Hospital Districts annual dues
60 Miscellaneous Expense	19,909	7,000	12,909	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.
61 561.00.49 Miscellaneous Total	20,959	8,050		14,057	
62 Election Services	29,000	12,000	17,000	5,000	One Board seat up for re-election in 2019 in General Election and estimated share based on report from SJC Election Office.
63 561.00.51 Intergovernmental Services Total	29,000	12,000		5,000	
64 LOC Underutilization Fee		-	-	2,500	
65 Debt Issue Costs	12,500	-	12,500	-	Bond Legal Council/Bank fees.
66 592.61.84 Debt Issues Costs Total	12,500	-		2,500	
67 Property Tax			-	20,401	Based on valuation of \$144,510 & \$1,151,480.
68 Property Tax Total	-	-		20,401	
69 Interest Payment - WA Fed GO Bond	1,238		1,238	20,366	
70 Interest Payments - San Juan County Loan			-	9,630	
71 Interest Payments - WA Fed LOC	-		-	-	
72 Principal Payment - WA Fed GO Bond	-		-	-	Principal payments made annually beginning 11/2020
73 Principal Payments - San Juan County Loan			-	400,000	
74 Principal Payments - WA Fed LOC			-	-	
75 591.61.71, 77, 78, 81 & 83 Bonds, Notes & Intergov't Loans	1,238	-		429,996	

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76 Computer Hardware	7,700	7,700	-	100	Placeholder for monitor and wireless keyboard
77 Computer Software	-	-	-	500	Placeholder for any additional needs.
78 Furniture & Fixtures	-	-	-	8,000	Includes estimate for curtains in exam rooms to increase privacy.
79 Clinic Equipment	17,205	21,668	4,463	-	Included in building purchase is \$2,205 2018 YTD equip maintenance PLUS \$15,000 equip reserve through 12.31.18. 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.
80 594.61.64 Machinery & Equipment Total	24,905	29,368		8,600	
81	<i>Total Income</i>	616,096	400,000	216,096	1,928,356
82	<i>Total Expenses</i>	616,524	356,925	259,599	1,540,196
83	Ending Cash (not adjusted for reserve)	(428)	43,075		388,160
84	Ending Cash (2019 adjusted for reserve)			288,160	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.