

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

**2019 BUDGET DRAFT**

BARS Number (subject to update prior to submission)	ITEM	2018 Forecast as of 9/30/18	2018 Budget, per Resolution	Difference '18 Budget vs. '18 Actual	2019 Proposed Budget	Description
1	6541.00. 308.80.00.0000 <i>Beginning Cash</i>	\$ -	\$ -		\$ 9,905	Estimated Beginning Cash as of 1/1/2019. Will receive actual Beg Cash from SJC Auditor in April 2019
<b>INCOME</b>						
3	6531.00. 311.10.00.0000 <i>Property Tax Revenue</i>			-	<b>1,473,784</b>	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	6541.00. 332.93.20.0000 <i>Medicare Incentive Program</i>	-	-	-		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	6541.00. 337.20.00.0000 <i>Leasehold Tax</i>	-	-	-		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 <i>Timber Harvest Tax - Private Land</i>	-				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 <i>Intergovernmental Loan - San Juan County</i>	<b>200,000</b>	<b>400,000</b>		<b>200,000</b>	Assumes only half of SJC loan taken in 2018 and balance in 2019.
8	6541.00. 391.10.00.0001 <i>WA Fed Loan - 2018 Long Term GO Bond</i>	<b>416,096</b>	-	416,096	<b>255,000</b>	The GOB Bond dated 10/19/18 has a two-year draw window during which only semi-annual interest payments are made. Draws to cover roof \$80K, Painting \$25K, HVAC \$150K.
9	6541.00. 391.60.00.0001 <i>WA Fed Line of Credit (LOC) short-term loan</i>	-	-	-	-	Short-term Line of Credit for operational items assumed not to be accessed until 2023.
10	<b>INCOME TOTALS</b>	<b>616,096</b>	<b>400,000</b>	216,096	<b>1,938,689</b>	
<b>EXPENSES</b>						
13	6541.00. 561.00.41.0000 <i>Provider Subsidy - UW Medicine</i>	<b>337,236</b>	<b>137,500</b>	199,736	<b>221,568</b>	UW subsidy payments are paid twice/year coinciding with property tax revenue. UW FY July through December paid in April and Jan through June paid in October. The 2019 subsidy total represents UW FY'19 Q Q'3 & 4 in the amount of \$221,568. Cost in 2018 represents OMF's subsidy obligation from July 1, 2018 through December 31, 2018. Assumes rent will be in/out of budget so not reflected in Revenue.
14	6541.00. 561.00.41.0001 <i>Provider Subsidy - OFHC</i>	<b>98,307</b>	<b>82,500</b>	15,807	<b>371,997</b>	Amount listed per Clinical Services Agreement (CSA) plus allocation for After-Hours.
15	6541.00. 561.00.41.0002 <i>Provider Subsidy - Other</i>	-	-	-	-	Placeholder for future clinical partnerships
16	6541.00. 561.00.41.0020 <i>Accounting Expenses</i>	<b>250</b>	<b>250</b>	-	<b>7,000</b>	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	6541.00. 561.10.41.0002 <i>State Audit Expenses</i>	-	-	-	<b>5,000</b>	Cost for annual Accountability Audit conducted by the Office of the WA State Auditor.
18	6541.00. 561.00.41.0030 <i>Legal Services</i>	<b>20,000</b>	<b>20,000</b>	-	<b>12,000</b>	Ongoing legal needs associated with negotiations of the Clinical Service Agreements.
19	6541.00. 561.00.41.0040 <i>Technology Services</i>	<b>1,000</b>	<b>1,000</b>	-	<b>3,350</b>	Monthly cost of \$277 for NW Technology. They support Office 365, email, Records Management requirements, Public Records Requests, and document sharing and security.

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20	6541.00. 561.00.41.0050	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	6541.00. 561.00.41.0060	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	6541.00.				-		
23	<b>561.00.41 Professional Services Total</b>		<b>468,293</b>	<b>251,450</b>		<b>673,815</b>	
24	6541.00. 561.00.10.0001	Commissioners	-	3,876	(3,876)	-	Salary for Commissioners who don't have a salary waiver in effect.
25	6541.00. 561.00.10.0002	Superintendent	20,769	20,769	-	40,000	Employed position .5FTE and no change in salary for 2019.
26	6541.00. 561.00.10.0003	Other Staff	-	6,251	(6,251)	12,000	Administrative support position at .5FTE.
27	<b>561.00.10 Salary &amp; Wages Total</b>		<b>20,769</b>	<b>30,896</b>		<b>52,000</b>	
28	6541.00. 561.00.20.0001	FICA & Medicare Tax	1,588	2,066	(478)	3,978	7.65% of Base Compensation
29	6541.00. 561.00.20.0002	Dept of Labor & Industries -Worker's Comp Premium	301	392	(91)	754	1.45% of Base Compensation
30	6541.00. 561.00.20.0006	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	6541.00. 561.00.20.0009	Employment Security - Unemployment	100		100	260	.5% of salary under taxable payment method
32	<b>561.00.20 Personnel Benefits Total</b>		<b>4,489</b>	<b>6,511</b>		<b>10,992</b>	
33	6541.00. 561.00.31.0000	Office Supplies	1,000	1,000	-	500	Largely printer ink and misc. supplies.
34	6541.00. 561.00.31.0010	Janitorial Supplies Only	-	-	-	100	Minimal cleaning supplies needed for District Office.
35	<b>561.00.31 Supplies Total</b>		<b>1,000</b>	<b>1,000</b>		<b>600</b>	
36	6541.00. 561.00.35.0000	Small Tools & Equipment	-	-	-	-	Placeholder for any additional office needs.
37	<b>561.00.35 Small Tools &amp; Equipment Total</b>		<b>-</b>	<b>-</b>		<b>-</b>	
38	6541.00. 561.00.42.0010	Postage & Shipping	-	-	-	100	Placeholder
39	6541.00. 561.00.42.0020	Telephone & Internet	-	500	(500)	-	Phone and internet service included in rent.
40	6541.00. 561.00.42.0030	Website/Email Services	150	500	(350)	300	Inmotion website hosting. Email support provided in NW Technology contract.
41	<b>561.00.42 Communication Total</b>		<b>150</b>	<b>1,000</b>		<b>400</b>	
42	6541.00. 561.00.43.0010	Conferences and Training	175	-	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.
43	6541.00. 561.00.43.0020	Travel & Accommodations	435	700	(265)	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.
44	<b>561.00.43 Travel Total</b>		<b>610</b>	<b>700</b>		<b>3,000</b>	
45	6541.00. 561.00.45.0000	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	<b>561.00.45 Operating Rents &amp; Leases Total</b>		<b>4,200</b>	<b>1,650</b>		<b>8,475</b>	
47	6541.00. 561.00.46.0001	Malpractice Insurance	-	-	-	-	
48	6541.00. 561.00.46.0002	Building Property & Liability Insurance	5,500	-	(5,500)	5,500	
49	6541.00. 561.00.46.0003	Board & Officers Insurance	3,000	3,000	-	3,000	Policy renews September 1, 2019.
50	<b>561.00.46 Insurance Totals</b>		<b>8,500</b>	<b>3,000</b>		<b>8,500</b>	
51	6541.00. 561.00.47.0010	Building Utilities	69	11,300	11,231	360	Monthly Eastsound Water fee for undeveloped lot/New rate 1/2019
52	6541.00. 561.00.48.0010	Building General Maintenance	2,000	-	(2,000)	115,000	Building Painting \$25K, Roof \$80K, General \$10K
53	6541.00. 561.00.48.0020	Building Landscaping	-	-	-	5,000	Grounds Maintenance based on OMF 2017 financials

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54	6541.00. 561.00.48.0300 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	6541.00. 561.00.49.0000 Printing/Graphics	200	200	-	180	Cost for copies needed for large meetings or public hearings.
57	6541.00. 561.00.49.0001 Meeting Expenses	150	150	-	300	Placeholder in the event a meeting location needs to be changed from OIFR.
58	6541.00. 561.00.49.0002 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	6541.00. 561.00.49.0010 Dues & Subscriptions	700	700	-	1,000	Association of WA Public Hospital Districts annual dues
60	6541.00. 561.00.49.0050 Miscellaneous Expense	19,909	7,000	12,909	13,200	2018-\$12,909 building closing costs/\$7,000 misc in 2018 associated with building purchase. 2019-Contingency for unknown
61	561.00.49 Miscellaneous Total	20,959	8,050		15,257	
62	6541.00. 561.00.51.0000 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	6541.00. 592.61.84.0000 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	6541.00. Property Tax			-	20,401	Based on valuation of \$144,510 & \$1,151,480.
68	Property Tax Total	-	-		20,401	
69	6541.00. 592.61.83.2037 Interest Payment - WA Fed GO Bond	1,238		1,238	20,366	
70	6541.00. 592.61.83.0000 Interest Payments - San Juan County Loan			-	9,630	
71	6541.00. 591.61.81.0001 Interest Payments - WA Fed LOC	-		-	-	
72	6541.00. 591.61.77.0001 Principal Payment - WA Fed GO Bond	-	-	-	-	Principal payments made annually beginning 11/2020
73	6541.00. 591.61.78.0000 Principal Payments - San Juan County Loan		-	-	400,000	
74	6541.00. 591.61.77.0001 Principal Payments - WA Fed LOC		-	-	-	
75	591.61.71, 77, 78, 81 & 83 Bonds, Notes & Intergov't Loans	1,238			429,996	
76	6541.00. 594.61.64.0001 Computer Hardware	7,700	7,700	-	100	Placeholder for monitor and wireless keyboard
77	6541.00. 594.61.64.0002 Computer Software	-	-	-	500	Placeholder for any additional needs.
78	6541.00. 594.61.64.0003 Furniture & Fixtures	-	-	-	1,000	
79	6541.00. 594.61.64.0004 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.
80	594.61.64 Machinery & Equipment Total	24,905	29,368		1,600	
81		<b>Total Income</b>	<b>616,096</b>	<b>400,000</b>	<b>216,096</b>	<b>1,938,689</b>
82		<b>Total Expenses</b>	<b>606,191</b>	<b>356,925</b>	<b>249,266</b>	<b>1,532,896</b>
83	6541.00. 508.80.00.0000 Ending Cash (not adjusted for reserve)	9,905	43,075		405,793	
84	6541.00. 508.80.00.0000 Ending Cash (2019 adjusted for reserve)				355,793	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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85						
##	<b>Category</b>	<b>As a % of Revenue Adjusted FY 18</b>	<b>As a % of Revenue Budgeted FY 18</b>		<b>As a % of Revenue Proposed FY 19</b>	
##	UW Medicine/OFHC Subsidy Payments				30.6%	
##	Administration				6.9%	
##	Debt Service				22.2%	
##	Building & Equipment (Maint/Tax/Insurance)				16.8%	
##	Ending Cash				20.9%	
##	Reserve				3%	
##						
##	<b>Category</b>	<b>Adjusted FY 18</b>	<b>Budgeted FY 18</b>		<b>Proposed FY 19</b>	
##	UW Medicine/OFHC Subsidy Payments				\$593,565	
##	Administration				\$133,074	
##	Debt Service				\$429,996	
##	Building & Equipment (Maint/Tax/Insurance)				\$326,261	
##	Ending Cash				\$405,793	
##	Reserve				\$50,000	
##	<b>TOTAL EXPENSES</b>	<b>\$0</b>	<b>0</b>		<b>1,938,689</b>	