

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

2020 BUDGET DRAFT - Presented November 5, 2019

BARS Number (subject to update prior to submission)	ITEM	2019 Forecast as of 9/30/19	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	\$ 473,601	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	6541.00. 311.10.00.0000	Property Tax Revenue	1,473,784	1,473,784	-	1,685,280	In 2020 the Board elected to take 75% of the Banked Capacity which is a result of the District not taking at the Highest Lawful Levy in 2019. The Revenue used in the budget is discounted 4% to account for discounts and other programs that result in less than 100% being collected. See attached 2020 Levy Calculation detail.
4	6541.00. 332.93.20.0000	Medicare Incentive Program	500	-	500		Eligible 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. 362.00.00.0000	Rents and Leases	7,200	-	7,200	-	Short-term Line of Credit for operational items assumed not to be accessed in 2020.
10	6541.00. 367.00.00.0000	Donations	32,972	-	32,972	-	Placeholder for donations received. In 2019 this represents funds from OMF wind down.
11	6541.00. 334.00.30.0000	State Grants	786	-	786	-	In 2019 Secretary of State IT grant for printer/scanner.
12		REVENUE TOTAL (not including Beginning Cash)	1,516,654	1,928,784	(412,130)	2,068,921	
13							
14			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. First half of UW's fiscal year (July thru Dec) paid in April; second half (Jan thru June) paid in October. The 2020 budget reflects an additional \$40,000 for additional staff.
16	6541.00. 561.00.41.0001	Provider Subsidy - OFHC	296,918	371,997	(75,079)	464,973	OFHC subsidy payments are paid qtrly in advance and their budget runs Oct thru Sep. The FY '20 subsidy is \$461,512, and there is a 3% increase included in the OIHCD Q4 2020 to start their FY '21.
17	6541.00. 561.00.41.0002	Provider Subsidy - OFHC After-Hours Incentive	14,500	-	14,500	14,500	Based on 2019 volume.
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	4,718	5,000	(282)	-	Cost for 2019 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)	25,000	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, and document sharing and security.
22	6541.00. 561.00.41.0050	Independ. Contractor Agreements	20,000	52,400	(32,400)	100,000	2019 includes payments to DZA for report to assess federal designations to improve reimbursement to clinics. Also incl misc. \$3,000 that might be needed for more in depth consulting expertise in chosen designation (e.g. FQHC). In 2020 this is a contingency for consultant support as the Board considers a new 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							
25		561.00.41 Professional Services Total	545,277	673,815		1,340,470	
26	6541.00. 561.00.10.0001	Commissioners	-	-	-	-	Commissioners who don't have a salary waiver are eligible for a stipend of \$128/meeting and an annual maximum of \$12,288. Assuming 36 meetings/year that would represent a budget impact of \$23,040. Currently all Commissioners have executed a salary waiver.
27	6541.00. 561.00.10.0002	Superintendent	41,641	40,000	1,641	45,000	Superintendent hired as a .5 FTE in July 2018. No increase in compensation until Sept 2019 which will run through 2020.
28	6541.00. 561.00.10.0003	Other Staff/Contracted Support	6,000	12,000	(6,000)	30,000	Support payment for Project Management support.
29		561.00.10 Salary & Wages Total	47,641	52,000		75,000	
30	6541.00. 561.00.20.0001	FICA & Medicare Tax	3,186	3,978	(792)	3,443	7.65% of Base Compensation - Superintendent only
31	6541.00. 561.00.20.0002	Dept of Labor & Industries -Worker's Comp	604	754	(150)	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	Reimbursement of \$500 to Lopez for Superintendent benefits through PEBB.
33	6541.00. 561.00.20.0009	Employment Security - Unemployment	208	260	(52)	225	.5% of salary - Superintendent only
34		561.00.20 Personnel Benefits Total	10,498	10,992		10,320	
35	6541.00. 561.00.31.0000	Office Supplies	635	500	135	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	635	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	1,211	300	911	1,200	Contracted with Website Manager @ \$1,200/year, paid annually and includes web hosting. Contract runs 10.1 through 9.30. Email support provided in NW Technology shown on Line 21.
43		561.00.42 Communication Total	1,211	400		1,300	

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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. 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 renewed November 1st and 2019-20 premium 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 & Repair	6,924	115,000	(108,076)	440,000	The 2019 budget assumed \$25K for painting and \$80K for roof and \$10K Annual Maintenance. Actual represents cost for snow/ice removal, electric to move freezer circuit, replace lighting fixtures, annual generator service, new hot water heater, and roof permit. In 2020 this includes: \$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	6541.00.561.00.48.0030 Building Other	31,155	-	31,155	100,000	2019 Includes: HVAC engineering consulting for HVAC and roof strategy (\$8,900) and Requirements document (\$19,500), \$2,400 CAD drawings, and updated energy report. For 2020 this represents shortfall in the capital projects beyond the GO Bond capacity as well as possible remodel costs if there should be a consolidation or co-location of the Clinics.
57	6541.00.561.00.48.0300 Equipment Maintenance	4,105	180,000	(175,895)	30,000	Clinic equip maintenance not building equipment. The 2019 budget included HVAC replacement that has been moved in the 2020 budget to Building General Maintenance.
58	561.00.47- 48 Building Totals	53,066	300,360		580,360	
59	6541.00.561.00.49.0000 Printing/Graphics	565	180	385	180	Cost for copies needed for large meetings or public hearings.
60	6541.00.561.00.49.0001 Meeting Expenses	115	300	(185)	300	Placeholder for meeting outside of the Firehall.
61	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.
62	6541.00.561.00.49.0010 Dues & Subscriptions	1,000	1,000	-	1,000	Association of WA Public Hospital Districts annual dues
63	6541.00.561.00.49.0050 Miscellaneous Expense	-	12,000	(12,000)	12,000	Cost for expenses unknown at this time. Could be needed to support a remodel to enable a co-location or consolidation of the two clinics. Other possibilities include purchase of MGMA database to help with salary and productivity benchmarking.
64	561.00.49 Miscellaneous Total	2,258	14,057		13,820	
65	6541.00.561.00.41.0149 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.
66	561.00.51 Intergovernmental Services Total	5,000	5,000		-	
67						
68	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.
69	592.61.84 Debt Issues Costs Total	2,500	2,500		2,500	
70	6541.00.561.10.49.0000 Property Tax Fees	136	20,401	(20,265)	136	Exempt from Property Tax (fees only) - see Leasehold Tax
71	6541.00.589.30.00.0000 Leasehold Tax	7,373	-	7,373	9,245	Based on 6,000 sq. ft @ \$.87/sq. ft used for 2019; rent of \$15,660/quarter and tax rate of 12.84%. Nov/Dec 208 paid in 2019 since building was purchased 11/1/18. In 2020 increased rent per sq. foot to \$1.00 to reflect increased market rates.
72	561., 589. Property & Leasehold Tax Total	7,509	20,401		9,381	
73	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.
74	6541.00.592.61.83.0000 Interest Payments - San Juan County Loan	11,373	9,630	1,743	-	N/A after 2019
75	6541.00.591.61.81.0001 Interest Payments - WA Fed LOC	-	-	-	-	Not expected to draw in 2020
76	6541.00.591.61.77.0001 Principal Payment - WA Fed GO Bond	-	-	-	88,475	Principal payments made annually beginning 11/2020. District has flexibility in establishing payment of principal. Once set the amortization schedule will be created.
77	6541.00.591.61.78.0000 Principal Payments - San Juan County Loan	400,000	400,000	-	-	Loan paid in full as of 11/1/19.
78	6541.00.591.61.77.0001 Principal Payments - WA Fed LOC	-	-	-	-	Not expected to draw in 2020
79	591.61.71, 77, 78, 81 & 83 Bonds/Notes/Intergov't Loans Total	430,401	432,057		108,841	
80	6541.00.594.61.64.0001 Computer Hardware	950	100	850	150	Placeholder for any additional needs for staff
81	6541.00.594.61.64.0002 Computer Software	314	500	(186)	500	Placeholder for any additional needs or licenses
82	6541.00.594.61.64.0003 Furniture & Fixtures	-	8,000	(8,000)	-	Not expecting any furniture needs in 2020
83	6541.00.594.61.64.0004 Clinic Equipment Purchase - OFHC	8,653	-	8,653	50,000	2019 reflects OFHC lab grade refrigerator and freezer and 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.
84	594.61.64 Machinery & Equipment Total	9,917	8,600		50,650	

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REVENUE, EXPENSE, ENDING CASH AND RESERVE SUMMARY							
85		Total Income	1,718,394	1,919,075	(200,681)	2,542,522	Includes Beginning Cash.
86		Total Expenses	1,144,794	1,542,113	(397,319)	2,218,999	The difference between Total Income and Total Expenses becomes Ending Cash.
87	6541.00. 508.80.00.0000	Ending Cash (not adjusted for reserve)	573,601	376,962	196,639	323,522	This budget incorporates a semi-annual reserve allocation of \$50,000, which began in 2019. Reserves are needed to plan for any future change in Clinical Service Agreements and/or other services identified, as well as protect against any unforeseen downturn in the economy. It is expected that as of November 1, 2020 the District will have accumulated \$200,000 in the Reserve Fund.
88	6541.00. 508.80.00.0000	Ending Cash (adjusted for reserve)	473,601	276,962	196,639	223,522	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.