

San Juan County Public Hospital District #2: Lopez Island Hospital District
Board of Commissioners
Special Board Meeting – 2019 Budget & Levy
November 8, 2018
Minutes

Commissioners Present

Commissioner Berger
Commissioner Campbell
Commissioner Graville
Commissioner Orcutt
Commissioner Presley

Staff

Supt. Presson

Commissioners Absent

None

I. Call to Order

The meeting was called to order by the Board Chair, Commissioner Campbell, at 5:30 pm.

II. Public Hearings

Commissioner Campbell explained that the format of the meeting would be more formal and that this is a Special Meeting to consider two items: the 2019 Budget and Levy.

- a. **2019 Budget** – Superintendent Presson walked through the Draft 2019 Budget document. She explained that the District uses the cash basis method of accounting which is less complex and easier to administer. There are two types of transactions captured which are cash inflows and outflows. Cash inflows are recorded when revenue is received and outflows are recorded when cash is paid out.

The first section of the budget document captures Revenue. There is a beginning cash amount for 2019 which is the rest of the ending cash balance in 2018. This amount is necessary to carry the District through the first four months of the new year until such time as April property tax proceeds are received. The 2018 preliminary total assessed value was reported as \$1,136,440,525, which is approximately 2.2% higher than the figure used to determine the 2018 levy. District Revenue is calculated using the total assessed value times the levy rate per \$1,000 of assessed value. Since 100% of property taxes aren't collected due to various programs available to seniors and the disabled, the revenue expected is discounted by 4%. There is also a maximum 1% increase on the amount a levy can be increased from the prior year. As a result of these factors, the Revenue from property tax used in the 2019 budget is \$816,230. There is a \$6,000 item that is associated with reimbursement from the Orcas Island Health Care District specific

to health insurance premium payments for the shared Superintendent. The District will not be taking on any additional debt in 2019.

Superintendent Presson went through the Expense items with the largest being the payments to UW Medicine and the Lopez Island PT practice. There are also payments budgeted to various professional services such as accounting and legal. There's an allocation for an independent contractor should the District need support in conducting a community survey or needs assessment. The next section covered expenses associated with wages, benefits and payroll taxes. The costs associated with the District office and insurance follows. Two Commissioner seats are up for election in 2019 and there is an allocation for that expense. The District is able to pay off the San Juan County and CWMA loans in 2018 so the only debt service in 2019 will be for the General Obligation Bond.

The budget spread sheet closes with total Revenue of \$1,032,684 and total Expenses of \$735,659. After a Reserve allocation of \$150,000, the 2019 Ending Cash becomes \$147,025.

When Superintendent Presson ended her presentation, Commissioner Campbell asked the Commissioners if they had any initial questions. Commissioner Berger shared that the District will begin funding a reserve account in 2019 with allocations made in May and November in the amount of \$75,000. This is an important step to make sure the District is able to handle unforeseen changes down the road. Commissioner Presley shared her respect for building a healthy reserve. Hearing nothing further she opened the floor to Public Testimony. Hearing none, Commissioner Campbell closed the Public Testimony subject to the right to re-open.

Commissioner Campbell asked the Commissioners if they had questions at this point. Hearing none, Commissioner Campbell closed deliberations and read Resolution 2018-09, a Resolution of the Board of Commissioners of the San Juan County Public Hospital District #2 approving and adopting the 2019 Budget.

The amount per Fund listed as:

#6531 2019 GENERAL FUND BUDGET: \$ 1,032,684

#6532 2019 RESERVE FUND BUDGET: \$ 150,000

#6534 2019 DEBT SERVICE FUND BUDGET: \$ 27,900

Commissioner took a roll call and Resolution 2018-09 was unanimously adopted by a 5:0 vote.

- b. **2019 Levy** – Commissioner Campbell indicated that the process to consider the 2019 Levy will be the same as the Budget. Superintendent Presson walked through the Levy Certification which sets the maximum amount the Assessor can levy. As explained during the Budget discussion, the preliminary total assessed value provided by the Assessor's office for 2018 was used to determine the maximum levy.

In addition to the Levy Certification there is a Levy Resolution 2018-10. This form lists the maximum levy for 2018 and the District's intent to increase the levy by the 1% cap.

Commissioner Campbell asked the Board if there were any initial questions about the Levy Certification or Resolution. Hearing none, she opened up the Public Testimony. Being there were no members of the public interested in providing testimony, Commissioner Campbell closed public testimony reserving the right to re-open.

Commissioner Campbell asked if the Commissioners had additional questions. Hearing none, Commissioner Campbell closed deliberations and the public hearing.

A motion was made by Commissioner Presley, seconded by Commissioner Berger and unanimously approved to adopt the 2019 Levy Certification. Motion passed 5:0.

Commissioner Campbell read Resolution 2018-10, a Resolution to levy an increase in the regular property tax levy for 2019. The dollar amount of the increase over the actual levy amount from the previous year shall be \$8,336.62 which is a percentage increase of 1 percent from the previous year. A roll call was taken and Resolution 2018-10 was unanimously adopted by a 5:0 vote.

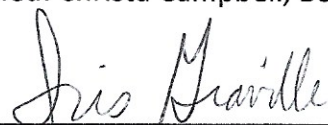
III. Upcoming Meetings

A list of upcoming meets was included on the Agenda.

IV. Adjourn

Commissioner Campbell asked if there was any further business to discuss, comments or questions from the Board. Hearing none she adjourned the meeting at 6:03 pm.


Signed: Christa Campbell, Board President


Attest: Iris Graville, District Secretary