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San Juan County Public Hospital District No.2
Dba Lopez Island Hospital District

RESOLUTION 2020 – 03

A Resolution of the Board of Commissioners of the San Juan County Public Hospital District No. 2, Dba Lopez Island Hospital District, approving and adopting the 2021 Budget.

WHEREAS, San Juan County Public Hospital District No. 2 (the "District") was formed by a vote of the residents of Lopez Island, Washington, during the April 25, 2017 Special Election; and

WHEREAS, the District requires a Budget for the year of 2021; and

WHEREAS, the Superintendent presented the 2021 proposed Budget to the Commissioners at the Regular meeting of the Board of Commissioners on October 08, 2020; and

WHEREAS, the Board of Commissioners took public comment during a Public Hearing on the proposed 2021 Budget during their November 11, 2020 meeting; and

WHEREAS, the District has determined the cash on hand plus all anticipated revenues and did fix the appropriate amount for each expenditure line item; and

WHEREAS, after due consideration of the draft Budget and the public comments thereon, the Board of Commissioners desires to approve and adopt the 2021 Budget (Exhibit A);

NOW, THEREFORE, BE IT RESOLVED, that the BOARD OF COMMISSIONERS OF SAN JUAN COUNTY PUBLIC HOSPITAL DISTRICT NO. 2 set the final Budget for the year 2021 as attached hereto and incorporated as if fully set forth.

#6531 2021 GENERAL FUND BUDGET: $ 1,096,120

#6532 2021 RESERVE FUND BUDGET: $ 150,000

#6534 2021 DEBT SERVICE FUND BUDGET: $ 28,638

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SJCPHD #2
Resolution 2020-03
2021 Budget

APPROVED AND ADOPTED by the Board of Commissioners of San Juan County Public Hospital District No. 2, at a **Special Meeting** of the Board of Commissioners on this 11th day of November 2020, the following Commissioners being present and voting:

SAN JUAN COUNTY PUBLIC HOSPITAL DISTRICT NO. 2,
dba Lopez Island Hospital District
SAN JUAN COUNTY, WASHINGTON

DocuSigned by:
Iris Graville
DA949B2231B645C...

Iris Graville, President and Commissioner

DocuSigned by:
Albert Berger
542F71BB88D24DE...

Albert Berger, Secretary and Commissioner

DocuSigned by:
Christa Campbell
76D742545EDD473...

Christa Campbell, Commissioner

DocuSigned by:
James Orcutt
3599FCD2950A41A...

James Orcutt, Commissioner

DocuSigned by:
Steve Greenstein
D01DCA8C27CD4EC...

Steve Greenstein, Commissioner

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SJCPHD #2
Resolution 2020-03
2021 Budget

I, Albert Berger, Secretary of the Board of Commissioners of San Juan Public Hospital District No. 2 certify that the attached copy of Resolution No. 2020-03 is a true and correct copy of the original Resolution adopted November 11, 2020, as that Resolution appears in the Minute Book of the District.

DATED this 11th day of November, 2020.

DocuSigned by:
Albert Berger
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Albert Berger
Secretary

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Exhibit A
2021 Budget Document

(See Attached)

SAN JUAN COUNTY PUBLIC HOSPITAL DISTRICT NO. 2 (Dba: LOPEZ ISLAND HOSPITAL DISTRICT)

2021 PROPOSED BUDGET

	BARS Number (subject to update prior to submission to SJC)		Item	2020 Forecast w/Actuals thru 9/30/20	2020 Budget, per Resolution	*Difference '20 Budget vs. '20 Forecast*	2021 Proposed Budget	*Difference '21 Budget vs. '20 Budget*	Description
1	6531.00.	308.80.00.0000	*Beginning Cash*	*$ 296,444*	*$ 240,458*	55,986	*$ 255,826*	*15,368*	Starting cash in 2021 is based on Ending Cash in the 2020 Forecast and is used to support District operations early in the year before April tax proceeds are received.
2						INCOME			
3	6531.00.	311.10.00.0000	Property Tax Revenue	824,392	824,392	-	833,094	*8,702*	The calculated property tax amount is discounted by 4% when estimating Revenue since not 100% of the levy is collected due to discounts, exemptions and other programs that are available to seniors and disabled persons. The Maximum Allowable Levy limits the Levy increase to 1% increase (based on the highest lawful levy from the prior year) plus amounts for estimated new construction. Since the amounts for new construction aren't yet finalized, the budget is only applying the 1% increase as determined to be $8,702.06. As of 10/01/20 amount for new construction is $6,301.56.
4	6531.00.	332.93.20.0000	Medicare Incentive Program	1,000	-	1,000		-	Expect to receive again in 2021 but not guaranteed.
5	6531.00.	337.20.00.0000	Leasehold Tax	653	-	653	-	-	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	6531.00.	398.10.00.6541	Insurance Recoveries	6,000	6,000	-	6,000	-	Premium contribution received from Orcas Island Health Care District for PEBB health benefits. Reimbursement to LIHD for remitting OIHCD's portion of Superintendent's benefit payment. Refer to Line 29 for additional detail.
7	6531.00.	369.91.00.0000	CWMA Reimbursement	875	1,200	(325)	1,200		Associated with 50% of publication costs for HealthMatters 2.0.
8	6531.00.	334.00.30.0000	State Grants	-	-	-	-		The LIHD will pursue grant opportunities yet dollar amounts are unknown at this time.
9	6531.00.	337.40.00.0000	Timber Harvest Tax - Private Land	-	-	-	-	-	There are special tax classifications for land managed as open space according to state requirements for public benefit, farm/ag and commercial timber. Actual revenue is unknown.
10		INCOME TOTALS		832,920	831,592	1,328	840,294	*8,702*	***Does NOT include Beginning Cash.***
11									
12						EXPENSES			
13	6531.00.	561.00.41.0000	Payments to UW Medicine - subsidy	547,056	547,056	-	602,846	*55,790*	The amount budgeted for FY '20 represents the final cap in the original Clinical Service Agreement (CSA). FY '21 represents UWNC's FY '21 budget cap.
14	6531.00.	561.00.41.0002	Accounting Expenses	4,277	7,500	(3,223)	5,500	*(2,000)*	Accounting services to help with 5-year Cash Flow & Reserve Analysis, and SJC fees to process warrants and payroll.
15	6531.00.	561.10.41.0002	State Audit Expenses	-	-	-	8,000	*8,000*	In 2021 represents the cost for Accountability Audit conducted by the Office of the WA State Auditor and covers the two-year period 2019-2020.
16	6531.00.	561.00.41.0003	Legal Services	-	12,000	(12,000)	2,000	*(10,000)*	Contingency fund for unknown legal needs.
17	6531.00.	561.00.41.0004	Technology Services	2,774	1,500	1,274	3,178	*1,678*	Cost associated with NW Technology contract to provide IT support and oversee Office 365.
18	6531.00.	561.00.41.0005	Independ. Contractor Agreements	-	10,000	(10,000)	10,000	-	FY '21 is a contingency for consultant support to Board development and strategic planning.
19	6531.00.	561.00.41.0006	Promotion & Advertising	1,800	500	1,300	1,800	*1,300*	Advertising in Islands' Weekly for Community Engagement meetings and Public Hearing on Budget and Levy in November. Total cost of publishing of HealthMatters 2.0 is offset by CWMA Reimbursement of 50%, amount shown on Line 7.

SAN JUAN COUNTY PUBLIC HOSPITAL DISTRICT NO. 2 (Dba: LOPEZ ISLAND HOSPITAL DISTRICT)

2021 PROPOSED BUDGET

	BARS Number (subject to update prior to submission to SJC)		Item	2020 Forecast w/Actuals thru 9/30/20	2020 Budget, per Resolution	*Difference '20 Budget vs. '20 Forecast*	2021 Proposed Budget	*Difference '21 Budget vs. '20 Budget*	Description
20	6531.00.	561.00.41.0007	Physical Therapy Contract	36,886	37,892	(1,006)	50,000	*12,108*	As outlined in the Lopez Island Physical Therapy Clinical Services Agreement (CSA), the total amount for support over the 3-year term, 2017-2020, is $70,000. An additional $30,000 was approved for 2020, and the FY '21 Budget assumes a $50,000 annual subsidy payment.
21		561.00.41 Professional Services Total		592,793	616,448	(23,655)	683,324	*66,876*	
22	6531.00.	561.00.10.0001	Commissioners	9,728	15,360	(5,632)	15,360	-	Salary for four Commissioners who don't have a salary waiver in effect. Rate of compensation is set at $128/meeting.
23	6531.00.	561.00.10.0002	Superintendent	39,000	39,000	-	40,950	*1,950*	5% approved salary increase in 2021 and no change in benefits allowance.
24		561.00.10 Salary & Wages Total		48,728	54,360	(5,632)	56,310	*1,950*	
25	6531.00.	561.00.20.0001	FICA & Medicare Tax	3,728	4,156	(428)	4,308	*152*	7.65% of Base Compensation
26			WA Paid Family Medical Leave	73	84		84		.15% of Gross Wages
27	6531.00.	561.00.20.0002	Dept of Labor & Industries	168	204	(36)	216	*12*	$.15 rate/hour. Supt 80 hrs and Comm hrs will vary.
28	6531.00.	561.00.20.0006	Medical Insurance Premium	15,600	15,600	-	15,600	-	Total Medical Insurance Premium includes $6,000 to be reimbursed by Orcas Island Health Care District (see Line 6).
29		561.00.20 Personnel Benefits Total		19,569	20,044	(464)	20,208	*164*	
30	6531.00.	561.00.31.0000	Office Supplies	326	500	(174)	500	-	Largely printer ink and misc. supplies.
31	6531.00.	561.00.31.0010	Janitorial Supplies Only	-	100	(100)	100	-	Minimal cleaning supplies needed for District Office.
32		561.00.31 Supplies Total		326	600	(274)	600	-	
33	6531.00.	561.00.35.0000	Small Tools & Equipment	-	525	(525)	525	-	Placeholder for any additional office needs.
34		561.00.35 Small Tools & Equipment Total		-	525	(525)	525	-	
35	6531.00.	561.00.42.0010	Postage & Shipping	429	750	(321)	750	-	Estimate for any community mailing.
36	6531.00.	561.00.42.0020	Telephone & Internet	1,200	1,200	-	1,200	-	Phone and internet service totals $100/month.
37	6531.00.	561.00.42.0030	Website/Email Services	1,110	760	350	760	-	In 2020 new Web Manager contract in place to manage and host WordPress site. FY '20 included website migration and upgrade, with monthly service as of July. Annual contract $720.
38		561.00.42 Communication Total		2,739	2,710	29	2,710	-	
39	6531.00.	561.00.43.0020	Travel	500	7,575	(7,075)	7,575	-	Annual AWAPHD Superintendent Training (split with OIHCD) & Rural Hospital Leadership Conferences for Commissioners and Superintendent. Also ferry cost. Cancelled in 2020 due to COVID.
40		561.00.43 Travel Total		500	7,575	(7,075)	7,575	-	
41	6531.00.	561.00.45.0000	Operating Rentals and Leases	4,275	4,275	-	4,275	-	District Office lease: $350/month, and $75/year for PO Box.
42		561.00.45 Operating Rents & Leases Total		4,275	4,275	-	4,275	-	
43	6531.00.	561.00.46.0002	Property & Liability Insurance	-	-	-	-	-	Combined policy (see Line 44).
44	6531.00.	561.00.46.0003	Board & Officers Insurance	2,352	2,445	(93)	2,423	*(22)*	Policy renews in May; assume 3% renewal increase.
45		561.00.46 Insurance Premiums & Recoveries Total		2,352	2,445	(93)	2,423	*(22)*	
46	6531.00.	561.00.49.0000	Printing/Graphics	1,861	2,550	(689)	2,550	-	HealthMatters 2.0 expense is offset w/reimbursement from CWMA (Line 7).
47	6531.00.	561.00.49.0001	Meeting Expenses	-	90	(90)	90	-	Placeholder for any additional office needs.
48	6531.00.	561.00.49.0002	Bank Service Charge	-	-	-	-	-	
49	6531.00.	561.00.49.0010	Dues & Subscriptions	1,095	1,095	-	1,095	-	Association of WA PHDs dues and any other for FY '21.
50	6531.00.	561.00.49.0020	Subscriptions & Publication	-	100	(100)	100	-	Placeholder if District will conduct another communuity survey using SurveyMonkey.
51	6531.00.	561.00.49.0030	Conferences and Training	150	2,250	(2,100)	2,250	-	Annual AWAPHD Superintendent Conference & Rural Hospital Leadership Conference. Superintendent conf split w/ OIHCD. Cancelled in 2020 due to COVID.
52		561.00.49 Miscellaneous Total		3,106	6,085	(2,979)	6,085	-	

	SAN JUAN COUNTY PUBLIC HOSPITAL DISTRICT NO. 2 (Dba: LOPEZ ISLAND HOSPITAL DISTRICT)								
	2021 PROPOSED BUDGET								
	BARS Number (subject to update prior to submission to SJC)		Item	2020 Forecast w/Actuals thru 9/30/20	2020 Budget, per Resolution	*Difference '20 Budget vs. '20 Forecast*	2021 Proposed Budget	*Difference '21 Budget vs. '20 Budget*	Description
53	6531.00.	561.00.51.0000	Election Services	2,178	-	2,178	5,000	*5,000*	Two seats up for re-election in 2021, plus term vacated by Commissioner Presley. 2019 Election cost billed in early 2020.
54		561.00.41.0149	Intergovernmental Services Total	2,178	-	2,178	5,000	*5,000*	
55	6531	592.61.89.0000	Debt Issue Costs	5,170	170	5,000	170	-	US Bank Fiscal Agent fee of $170 due in October. FY '20 includes estimated cost for GO Bond refinance of $5,000.
56		592.61.84	Debt Issues Costs Total	5,170	170	5,000	170	-	
57	6534.00.	592.61.81.0000	Interest Payments on CWMA Loan	-	-	-	-	-	Paid in full as of 12.07.18 with final GO Bond draw.
58	6534.00.	592.61.83.2037	Interest Payment-Islanders GO Bond	13,166	15,072	(1,906)	10,652	*(4,420)*	Original GO Bond: 4.35% interest rate; 20-year term matures December 2037. Islanders' confirmed rate reduction to 3.25% retro to 6/1/20 with no other change in terms or bank fees. Amounts reflect revised amortization schedule.
59	6534.00.	592.61.83.0000	Interest Payments -San Juan County Loan	-	-	-	-	-	Paid in full as of 9.03.18 with first and second GO Bond draws.
60	6534.00.	591.61.81.0001	Interest Payments - Islanders Bank LOC	-	-	-	-	-	Never accessed LOC and this loan is closed.
61	6534.00.	591.61.77.0000	Principal Payments on CWMA Loan	-	-	-	-	-	Paid off as of 12.07.18 with final GO Bond draw.
62	6534.00.	591.61.77.0001	Principal Payment-Islanders Bank GO Bond	17,526	15,620	1,906	17,816	*2,196*	Made once a year in December.
63	6534.00.	591.61.78.0000	Principal Payments -San Juan County Loan	-	-	-	-	-	Loan paid in full as of 9.03.18 w/first 2 GO Bond draws.
64	6534.00.	591.61.77.0001	Principal Payments - Islanders Bank ST Loan	-	-	-	-	-	Short term loan never needed for 2017 start-up expenses.
65		591.61.71, 77, 78, 81 & 83	Bonds, Notes & Intergov't Loans	30,692	30,692	0	28,468	*(2,224)*	
66	6531.00.	594.61.64.0001	Computer Hardware	-	-	-	-	-	
67	6531.00.	594.61.64.0002	Computer Software	11,110	10,870	240	300	*(10,570)*	BoardDocs will be terminated as of 1.1.21. NW Technology provides tech and email support. This also captures expense reimbursement to OICD for 50% of annual Zoom and DocuSign licenses.
68	6531.00.	594.61.64.0003	Furniture & Fixtures	-	1,000	1,000	500	*(500)*	Placeholder for any additional office needs.
69		594.61.64	Machinery & Equipment Total	11,110	11,870	1,240	800	*(11,070)*	
70			***Total Income***	***1,129,364***	***1,072,050***	*57,314*	***1,096,120***	*24,070*	Cash basis accounting method records income when cash is received and expenses are recorded when cash is paid out. The County requires a balanced budget meaning Annual Revenue equals Annual Expense **plus** Ending Cash. This total includes Beginning Cash.
71			***Total Expenses***	***723,538***	***757,799***	*(34,261)*	***818,473***	*60,674*	Operating Expenses **plus** Debt Service. Some of the larger expenses in the FY '21 budget include increases in UW and LIPT subsidies, an election expense and a State Audit expense.

SAN JUAN COUNTY PUBLIC HOSPITAL DISTRICT NO. 2 (Dba: LOPEZ ISLAND HOSPITAL DISTRICT)

2021 PROPOSED BUDGET

	BARS Number (subject to update prior to submission to SJC)		Item	2020 Forecast w/Actuals thru 9/30/20	2020 Budget, per Resolution	*Difference '20 Budget vs. '20 Forecast*	2021 Proposed Budget	*Difference '21 Budget vs. '20 Budget*	Description
72	6531.00.	508.80.00.0000	Ending Cash (not adjusted for reserve)	405,826	314,251	91,575	277,647	*(36,604)*	This is the Beginning Cash for the start of the 2021 Fiscal Year and is needed to fund Expenses until Property Tax revenue is received.
73	6531.00.	508.80.00.0000	Ending Cash (adjusted for reserve)	255,826	164,251	91,575	127,647	*(36,604)*	Budget includes a semi-annual allocation to the Reserve Fund of $75,000 or $150,000/year. Contributions will be made in May/Nov to plan for: (1) any future change in UW Medicine contract; (2) other services identified in anticipated community needs assessment: (3) possibility of early payoff of GO Bond; and (4) contingency if there was an economic downturn that impacted Revenue or other unforeseen events. As of 12/31/21 reserve balance expected to be $450,000. There needs to be a reserve of funds in the General Fund to carry the District from Nov through March in between times when property taxes are paid. This represents approx. 13% of expected annual revenue.
74									
75									
76			**Category**		As a % of Revenue Budgeted FY 20		As a % of Revenue Proposed FY 21		
77									
78			**UW Medicine/LIPT Subsidy Payments**		55.1%		60.8%		
79			**Administration** (without indep contractor/audit/election)		12.4%		10.6%		
80			**Debt Service**		2.9%		2.7%		
81			**Ending Cash**		15.5%		11.9%		
82			**Reserve**		14.1%		14.0%		
83					100%		100%		
84									
85			**Category**		Budget FY '20		Proposed FY '21		
86									
87			**UW Medicine/LIPT Subsidy Payments**		$584,948		$652,846	*$67,898*	
88			**Administration** (without indep contractor/audit/election)		$132,159		$114,159	*-$18,000*	
89			**Debt Service**		$30,692		$28,468	*-$2,224*	
90			**Ending Cash**		$164,251		$127,647	*-$36,604*	
91			**Reserve**		$150,000		$150,000	*$0*	
92			**TOTAL EXPENSES**		1,062,050		1,073,120	*$11,070*	