

San Juan County Public Hospital District #2
Dbá Lopez Island Hospital District
Board of Commissioners
Special Board Meeting – Remote due to COVID
2021 Budget & Levy Hearings
November 11, 2020
Minutes

Commissioners Present

Commissioner Berger, Secretary
Commissioner Campbell
Commissioner Graville, President
Commissioner Greenstein
Commissioner Orcutt

Staff

Supt. Presson

Commissioners Absent

None

I. Call to Order

The meeting was called to order by the Board Chair, Commissioner Graville, at 4:30 pm. Normal protocol started the meeting with a land acknowledgement that the Commissioners are meeting on Coast Salish lands.

II. Public Hearings

Commissioner Graville explained that this is a Special Meeting to consider primarily two items: the 2021 Budget and 2021 Levy. There would also be a brief discussion on a few other items that remained outstanding from the 10/28 Regular Board meeting.

a. PUBLIC HEARING - 2021 BUDGET

- i. **2021 Budget Presentation** - Superintendent Presson presented the Revenue and Expenses on the LIHD 2021 Annual Budget (attached). As has been past practice, she continues to take a conservative approach to estimating Revenue. As limited by the RCW, the 2021 Budget assumes a 1% increase in property tax receipts over the 2020 Budget. The 1% is based on the highest lawful levy for 2020, and results in an increase of \$8,702.06, and does not include an estimate for new construction. The two other items recorded in Revenue are actually reimbursement for shared expenses, one with CWMA for HealthMatters 2.0 and the other is from Orcas Island PHD for their part of Superintendent Presson's health benefits.

Superintendent Presson went on to explain that the provider subsidies for UW Medicine and Lopez Island Physical Therapy make up a majority of the Expense items, with the

subsidy cap to the UW Clinic increasing to \$602,846, and ongoing support to LIPT increasing to \$50,000. Due to the fact that the SAO Accountability Audit with the State was moved to every other year, there was not an expense item in 2020. The audit in 2021 will cover years 2019 and 2020 at an expected cost of \$8,000. There are the usual professional services for Accounting (\$5,500), Legal (\$2,000), and Independent Contractor Agreement (\$10,000). The latter is to cover any possible support in conjunction with the strategic planning process.

It was noted the Description under Commissioner Salary should be changed to reflect the fact that the \$15,360 is the total expense should all five Commissioners take the stipend available to them. The compensation per day remains at \$128 and the total assumes 24 meetings/year for five Commissioners. Statutory payroll taxes are paid on salary items, and the cost of insurance for the Superintendent remains at \$15,600/year. This is offset by the \$6,000 in reimbursement from OIHCD that was referenced in the Revenue section. Discussion continued as to the need to revisit the contribution to health premiums next year as this has not been increased since it was offered in 2018.

Superintendent Presson continued reviewing the rest of the District administrative expenses, most of which have not been increased at all for the coming year. In 2021 there will be an election for two Board seats and the seat vacated by the retirement of Commissioner Presley. The estimated expense for the election is \$5,000. Due to the favorable rate reduction negotiated by the Finance Committee, the interest charge under Debt Service is \$10,652. This represents an interest rate savings of \$4,420 over fiscal year 2020, and over the remaining 18 years of the GO Bond the total savings to taxpayers is approximately \$44,000.

In summary, Total Revenue including starting cash is \$1,096,120. Total Expenses are estimated to be \$818,473, which creates an Ending Cash as of 12/31/21 of \$277,647. After making the annual \$150,000 contribution to the Reserve Fund, the result is an Ending Cash amount of \$127,647.

- ii. **Public Testimony** - The Board Chair asked the public if anyone would like to provide feedback or ask questions on the 2021 Budget as presented. There was no requested Public Testimony.
- iii. **Commissioner Deliberation** - there was no changes to the budget document itself. Superintendent Presson will adjust the Description for the Commissioner Salary as noted earlier.
- iv. **Budget Resolution 2020 - 03** - A Resolution to adopt the 2021 Budget was provided to the Board. This included specific allocations as follows:
 - 6531 2021 General Fund of \$1,096,120
 - 6532 2021 Reserve Fund of \$150,000

- 6534 2021 Debt Service Fund of \$28,638 (includes the annual fiscal agent fee of \$170)

President Graville read Resolution 2020 – 03, a Resolution to adopt the LIHD Fiscal Year 2021 Budget.

MOTION by Commissioner Campbell, seconded by Commissioner Berger to adopt Resolution 2020 - 03 a Resolution of the Board of Commissioners of the San Juan County Public Hospital District #2, Dba Lopez Island Hospital District, to approve and adopt the Fiscal Year 2021 Budget.

President Graville took a roll call vote of each Commissioners. VOTE 5.0.0. MOTION CARRIED.

b. PUBLIC HEARING - 2021 LEVY

- 2021 Levy Presentation** - Superintendent Presson reviewed the 2021 Preliminary Levy Calculation provided by the County Assessor. That information is used to complete two forms required by the Department of Revenue. The Levy Certification sets forth how much the County Assessor is to collect on behalf of the District. For 2021 that will be \$888,000.

Resolution 2020 – 04 reflects the District's intent to increase the 2021 levy by the allowed 1% over what was levied in 2020. This equates to an additional \$8,702.06. This amount is exclusive of any amounts associated with new construction or rebates.

- Public Testimony** - The Board Chair asked the public if anyone would like to provide feedback or ask questions on the 2021 Levy as presented. There was no requested Public Testimony.
- Commissioner Deliberation** - The Board Chair asked any Commissioner had additional questions for Superintendent Presson. There were no questions.
- Levy Certification & Resolution**

MOTION by Commissioner Orcutt, seconded by Commissioner Greenstein to adopt the 2021 Levy Certification for the San Juan County Public Hospital District #2, Dba Lopez Island Hospital District, to approve and adopt the 2021 Levy of \$888,000. VOTE 5.0.0. MOTION CARRIED.

President Graville read Resolution 2020 – 04, a Resolution to levy a 1% increase in the regular property tax levy for 2021.

MOTION by Commissioner Orcutt, seconded by Commissioner Berger to approve Resolution 2020 – 04, a Resolution to set the 2021 Levy to be 1% over the prior year exclusive of new construction or rebates. President Graville took a roll call vote of each Commissioners. VOTE 5.0.0. MOTION CARRIED.

III. Public Comment

There was no public comment.

IV. Old Business

- a. **Health Resources and Services Administration (HRSA) Long Term Care (LTC) Planning Grant** – Commissioner Orcutt reported on the call that was held with the other two Network partners and the consultant who wrote the LTC Planning grant proposal. In summary, the one-year goal is to create the Network and determine the resources and needs on the islands. At the end, there will be a plan from which additional funding could be possible to implement. Both Commissioner Orcutt and Commissioner Greenstein, who also participated on the call, felt it was an endeavor worth participating in. Both Commissioners also agreed to continue to serve as representatives from the Board.

Superintendent Presson provided a brief update on the status of the one-year planning grant. She also reported that she was asked by the Director of Administration at PIMC and the SJC PHD #1 Superintendent to serve as the Network Director following notification that the individual proposed for that role pulled out. After several conversations with the two other Network partners and the consultant, Superintendent Presson agreed to step into that role. She felt it was workable as it was likely she'd be in all of the meetings anyway, and the heavy lifting associated with the fiscal reporting would be handled by her counterpart on SJI. After continued discussion the Board asked the Superintendent to think about it another week and come back to the 11/18 Regular meeting with a final decision.

- b. **Hospice of the NW** – Superintendent Presson shared a letter SJC PHD#1 sent to the two PHD Boards who own Hospice of the NW. LIHD is being asked to consider lending support. Commissioner Berger asked about how the services of Lopez Hospice and Home Support compare to Hospice of the NW. Commissioner Orcutt explained that they are very different and the former are volunteers and aren't able to provide medication or counseling. They also don't provide physician support, nor are they able to provide end of life support. Thus, it's a very different set of services than the robust care of Hospice of the NW.

After continued discussion the Commissioners felt they would continue to keep this as a discussion item on the Agenda and would not yet take action. Superintendent Presson would try to gather additional details from Skagit Regional Health to provide their reasons for entertaining a possible sale. Commissioner Campbell said she would like to see the Hospice of the NW budget and how services delivered to the island residents are billed. Are the services negatively impacting the budget of the organization and/or being subsidized by the other PHDs. It was also suggested that Lopez Hospice should be contacted for feedback.

V. Upcoming Meetings

The final two Regular Board meetings in 2020 are scheduled for November 18th and December 16th. Superintendent Presson reminded the Board that Debra Gussin from UWNC will be joining the 11/18 meeting. Commissioners discussed questions to ask of Debra, and everyone was asked to send additional questions to the Superintendent.

VI. Adjourn

President Graville asked if there was any further business to discuss, comments or questions from the Board.

MOVED by Commissioner Berger, seconded by Commissioner Campbell to adjourn the Special meeting at 6:05 pm. VOTE: 5:0:0. Motion Carried.

DRAFT