

Public Hospital District #2 Board Special Meeting Agenda

OCTOBER 3, 2018
6:00 to 8:15 p.m.

Verdant Community Wellness Center
Cedar Room

- | | | | |
|----|---|---------------|------|
| 1. | Call to Order | Deana Knutsen | 6:00 |
| 2. | Interviews for Open Commissioner Seat
Henry Velman
James Distelhorst, M.D.
Adrienne Wagner
Gregg Miller, M.D. | Commissioners | 6:10 |
| 3. | Superintendent's 2019 Proposed Budget
Presentation | Staff | 7:30 |
| 4. | Public Hearing on Proposed Revenue and 2019
Budget | Deana Knutsen | 8:00 |
| 5. | Commissioner Discussion | Commissioners | 8:10 |
| 6. | Adjourn | | 8:15 |

**Public Hospital District 2, Snohomish County
2019 Draft Budget**

	A 2017	B 2018	C 2018	D 2019	E 2019	F 2019	G 2019	H 2019	I 2019	J 2019	K	L 2019
	Actual	Budget	Actual	Marketing	Programs	Admin	Kruger	Other Property	Total Budget	Incr/(Decr) from 2018	% Change	General Notes
1	Income											
2	Operating Revenues											
3	5791 - Rental Income											
4	8,683,148	8,943,635	8,943,643	-	-	-	-	9,211,944	9,211,944	268,301	3.0%	Per contract
5	1,398,732	1,287,388	1,253,295	-	-	-	1,288,017	-	1,288,017	34,722	2.8%	Per contract + CAM + LH Excise Tx (Ste 270/280 Vacant all year)
6	318,632	331,377	331,377	-	-	-	-	331,377	331,377	(0)	0.0%	Per contract
7	1,410,608	1,134,181	1,134,181	-	-	-	(13,771)	860,470	846,699	(287,482)	-25.3%	Straight-line Swedish contracts
8	53,817	53,817	53,817	-	-	-	-	53,817	53,817	-	0.0%	Per contract
9	36,241	35,648	22,602	19,800	11,800	-	-	-	31,600	8,999	39.8%	Verdant Conferences, VCWC Class Registration
10	11,901,177	11,786,046	11,738,914	19,800	11,800	-	1,274,246	10,457,608	11,763,454	24,540	0.2%	
11	Expense											
12	Operating Expenses											
13	Salaries											
14	621,541	725,220	715,142	104,510	328,049	324,694	-	-	757,252	42,110	5.9%	8 FTE's
15	46,449	54,528	53,299	7,995	25,096	23,639	-	-	56,730	3,431	6.4%	
16	22,800	30,000	21,322	-	-	30,000	-	-	30,000	8,678	40.7%	
17	690,789	809,748	789,763	112,505	353,144	378,333	-	-	843,982	54,219	6.9%	
18	Benefits											
19	5,009	18,500	39,287	-	11,250	6,250	-	-	17,500	(21,787)	-55.5%	
20	49,899	62,107	62,129	5,897	43,089	19,307	-	-	68,293	6,164	9.9%	Includes 10% increase in June
21	4,402	5,502	4,622	584	3,095	1,719	-	-	5,398	776	16.8%	Includes 10% increase in June
22	37,293	43,513	42,748	6,271	19,683	19,482	-	-	45,435	2,688	6.3%	6% of salaries
23	17,042	20,018	21,471	1,970	11,954	8,518	-	-	22,441	971	4.5%	FSA, Life Insurance
24	2,603	3,000	2,057	-	-	-	-	3,000	3,000	943	45.9%	Stevens Hospital Claims
25	16,377	16,868	17,065	-	-	-	-	17,577	17,577	512	3.0%	Stevens Hospital Claims Administration
26	1,720	3,405	2,019	238	2,546	652	-	-	3,437	1,417	70.2%	
27	134,345	172,913	191,396	14,960	91,617	55,927	-	20,577	183,081	(8,315)	-4.3%	
28	Professional Services											
29	26,895	57,200	66,302	3,900	-	120,000	-	-	123,900	57,598	86.9%	Includes IT/AV Support, Payden & Rygel (new 85k), other
30	36,222	37,080	37,530	-	-	-	37,980	-	37,980	450	1.2%	KC
31	12,524	89,990	17,541	-	27,120	50,000	-	4,665	81,785	64,244	366.2%	Ash, Thomas & Assoc., other
32	91,505	104,485	144,856	3,485	-	120,000	-	-	123,485	(21,371)	-14.8%	Foster Pepper, Trademark Protection, Sound Publishing
33	58,861	70,000	56,292	-	-	47,000	-	-	47,000	(9,292)	-16.5%	Moss Adams, SAO
34	226,008	358,755	322,521	7,385	27,120	337,000	37,980	4,665	414,150	91,629	28.4%	
35	Other Amortization											
36	(62,030)	(62,030)	(62,030)	-	-	(62,030)	-	-	(62,030)	-	0.0%	thru 12/1/2020
37	79,277	79,277	79,277	-	-	-	79,277	-	79,277	-	0.0%	Kruger Clinic TI's
38	17,247	17,247	17,247	-	-	(62,030)	79,277	-	17,247	-	0.0%	
39	Interest Expense											
40	105,450	80,163	80,163	-	-	53,813	-	-	53,813	(26,350)	-32.9%	per schedule
41	105,450	80,163	80,163	-	-	53,813	-	-	53,813	(26,350)	-32.9%	
42	Purchased Services											
43	90,362	77,795	50,762	14,925	2,400	52,225	-	-	69,550	18,788	37.0%	Includes Parking Lot Lease, Bank Fees, Paychex, etc.
44	39,762	15,048	44,513	-	-	-	9,444	-	9,444	(35,069)	-78.8%	
45	16,804	21,120	18,659	-	21,120	-	-	-	21,120	2,462	13.2%	
46	111,801	114,303	115,823	-	-	19,000	96,297	-	115,297	(526)	-0.5%	
47	17,719	34,222	12,400	-	-	7,400	35,611	-	43,011	30,611	246.9%	Landscaping, Snow Removal, Parking Lot Sweeping
48	4,543	6,000	408	6,000	-	-	-	-	6,000	5,592	1369.5%	
49	-	15,000	4,975	10,000	-	-	-	-	10,000	5,025	101.0%	
50	22,359	23,800	23,407	29,000	-	-	-	-	29,000	5,593	23.9%	
51	13,459	13,800	6,094	1,500	-	-	-	-	1,500	(4,594)	-75.4%	
52	-	-	-	1,500	-	-	-	-	1,500	1,500	#DIV/0!	Community Event at Verdant
53	3,840	6,000	4,073	4,800	-	-	-	-	4,800	727	17.9%	
54	12,219	22,190	17,666	800	-	18,108	-	-	18,908	1,242	7.0%	Microsoft
55	332,867	349,278	298,780	68,525	23,520	96,733	141,352	-	330,130	31,350	10.5%	
56	Supplies											
57	8,199	13,340	10,422	-	1,000	8,614	-	-	9,614	(808)	-7.7%	
58	27,263	29,461	28,172	28,720	-	1,500	-	-	30,220	2,048	7.3%	Includes Canopy Newsletter, Postage Meter
59	242	600	359	210	-	400	-	-	610	251	70.1%	
60	35,704	43,401	38,953	28,930	1,000	10,514	-	-	40,444	1,491	3.8%	
61	Repairs and Maintenance											
62	5,085	10,000	18,223	-	-	7,000	-	-	7,000	(11,223)	-61.6%	
63	32,152	41,465	29,306	-	-	15,700	30,314	-	46,014	16,708	57.0%	
64	30,567	54,636	41,103	-	-	-	42,956	-	42,956	1,853	4.5%	
65	67,805	106,101	88,632	-	-	22,700	73,270	-	95,970	7,338	8.3%	

Public Hospital District 2, Snohomish County

2019 Draft Budget

		A	B	C	D	E	F	G	H	I	J	K	L
		2017	2018	2018	2019	2019	2019	2019	2019	2019	2019		2019
		Actual	Budget	Actual	Marketing	Programs	Admin	Kruger	Other Property	Total Budget	Incr/(Decr) from 2018	% Change	General Notes
66	Insurance	-	-	-	-	-	-	-	-	-	-	-	-
67	6910 - Insurance	35,862	37,391	39,077	-	-	15,651	22,313	5,739	43,703	4,625	11.8%	Includes annual increase
68	Total Insurance	35,862	37,391	39,077	-	-	15,651	22,313	5,739	43,703	4,625	11.8%	
69	Utilities	-	-	-	-	-	-	-	-	-	-	-	-
70	6510 - Electricity	96,283	101,802	84,892	-	-	14,905	83,232	-	98,137	13,245	15.6%	
71	6540 - Water/Sewer	21,770	19,710	24,788	-	-	5,500	19,763	-	25,263	474	1.9%	
72	6550 - Garbage	20,164	22,117	20,543	-	-	3,430	18,048	-	21,478	935	4.6%	
73	6560 - Natural Gas	690	707	651	-	-	650	-	-	650	(1)	-0.1%	
74	6570 - Telephone/Internet	9,797	12,673	11,112	605	605	9,915	-	-	11,125	13	0.1%	
75	6580 - Security Monitoring	10,155	10,446	11,050	-	-	3,696	8,172	-	11,868	818	7.4%	
76	Total Utilities	158,860	167,456	153,035	605	605	38,096	129,215	-	168,520	15,485	10.1%	
77	Taxes	-	-	-	-	-	-	-	-	-	-	-	-
78	6820 - License and Tax	291	25	25	-	-	25	-	-	25	-	0.0%	
79	6821 - Leasehold Taxes	89,170	79,080	79,529	-	-	-	40,595	37,707	78,302	(1,227)	-1.5%	Tax on KC & VV Lease Revenue
80	6825 - B&O Tax	9,963	10,015	10,069	147	177	-	-	9,684	10,008	(61)	-0.6%	Tax on Hospital Assets and VHCC, VCWC Class Revenue
81	Total Taxes	99,424	89,120	89,623	147	177	25	40,595	47,391	88,335	(1,288)	-1.4%	
82	Other Expenses	-	-	-	-	-	-	-	-	-	-	-	-
83	6451 - Computer Expenses	12,091	20,000	47,015	1,537	1,500	17,000	-	-	20,037	(26,978)	-57.4%	Includes PRR Software, QB renewal, other
84	6829 - Meals and Entertainment	2,461	3,600	4,163	-	600	3,000	-	-	3,600	(563)	-13.5%	
85	6830 - Dues and Memberships	3,398	8,089	9,712	1,514	75	6,864	-	-	8,453	(1,259)	-13.0%	GFOA, AWP, Archbright, Chambers, etc.
86	6840 - Travel and Meetings	7,303	11,550	10,259	300	3,000	8,000	-	-	11,300	1,041	10.1%	Includes staff retreat/training, mileage, hotel, airfare, etc.
87	6841 - Commissioner Education	10,296	12,000	3,224	-	-	12,000	-	-	12,000	8,776	272.2%	Board Retreat
88	6842 - Prof Dev Registration/Tuition	9,588	12,000	3,844	2,905	7,000	6,000	-	-	15,905	12,061	313.7%	
89	6860 - Superintendent Discretionary	500	-	-	-	-	-	-	-	-	-	#DIV/0!	
90	6990 - Miscellaneous Expense	918	5,000	984	-	-	5,000	-	-	5,000	4,016	408.3%	
91	Total Other Expenses	46,554	72,239	79,201	6,256	12,175	57,864	-	-	76,295	(2,906)	-3.7%	
92	Total Operating Expense	1,950,916	2,303,811	2,188,390	239,312	509,358	1,004,626	524,001	78,372	2,355,669	167,279	7.6%	
93	Programs	-	-	-	-	-	-	-	-	-	-	-	-
94	7100 - Community Programs-External (Grants)	5,180,122	6,900,000	5,980,932	-	6,600,000	-	-	-	6,600,000	619,068	10.4%	
95	7200 - Superintendent Discretionary Fund	16,834	50,000	11,250	-	50,000	-	-	-	50,000	38,750	344.4%	
96	7300 - Community Programs-Internal	-	-	-	-	-	-	-	-	-	-	#DIV/0!	
97	7301 - Conferences & Forums	53,367	57,000	52,382	39,000	8,300	-	-	-	47,300	(5,082)	-9.7%	
98	7302 - Needs Assessment & Eval	220	20,000	-	-	22,400	-	-	-	22,400	22,400	#DIV/0!	
99	7303 - Nutrition & Physical Activity (NEW)	-	-	30,825	-	101,980	-	-	-	101,980	71,155	230.8%	
100	7304 - Behavioral Health (NEW)	81,445	129,400	30,825	-	28,500	-	-	-	28,500	(2,325)	-7.5%	Formerly catch all for internal programs - Now 4 separate accounts
101	7305 - VOA 211	78,646	81,005	67,504	-	81,005	-	-	-	81,005	13,501	20.0%	
102	7306 - Multicultural Health Programs	17,596	49,000	39,271	-	73,050	-	-	-	73,050	33,779	86.0%	
103	7307 - Diabetes Prevention Program	-	28,900	13,548	-	21,450	-	-	-	21,450	7,902	58.3%	
104	7308 - Social Worker Case Mngmt (NEW)	-	-	124	-	6,000	-	-	-	6,000	5,876	4751.2%	
105	7309 - Health Screenings & Education (NEW)	-	-	-	-	4,500	-	-	-	4,500	4,500	#DIV/0!	
106	7310 - Provider Training & CME (NEW)	-	-	-	-	14,000	-	-	-	14,000	14,000	#DIV/0!	
107	7400 - One-time Events	42,000	40,000	22,000	-	-	-	-	-	-	(22,000)	-100.0%	Roll into 7100 Grants
108	7500 - Building Healthy Communities Fund	-	-	47,500	-	3,220,917	-	-	-	3,220,917	3,173,417	6680.9%	
109	7600 - Co-funding Opportunities (NEW)	-	-	-	-	100,000	-	-	-	100,000	100,000	#DIV/0!	
110	7700 - CHART (NEW)	-	-	-	-	75,000	-	-	-	75,000	75,000	#DIV/0!	
111	Total Program Expense	5,470,229	7,355,305	6,296,160	39,000	10,407,102	-	-	-	10,446,102	4,149,942	65.9%	
112	Net Ordinary Income	4,480,032	2,126,930	3,254,364	(258,512)	(10,904,660)	(1,004,626)	750,245	10,379,236	(1,038,317)	(4,292,681)	-131.9%	
113	Non Operating Revenue (Expense)	-	-	-	-	-	-	-	-	-	-	-	-
114	8030 - 2003 GO Tax Levy	(100)	-	97	-	-	-	-	-	-	(97)	-100.0%	
115	5020 - M&O Tax Levy	2,265,191	2,317,754	2,318,359	-	-	2,376,932	-	-	2,376,932	58,573	2.5%	1% annual increase (\$23,144.67) + \$31,742.80 in new construction + \$7578 in refunds
116	5030 - Unrealized G/L on Investment	(355,428)	-	(623,122)	-	-	-	-	-	-	623,122	-100.0%	
117	5781 - Investment Income	661,072	500,000	923,441	-	-	500,000	-	-	500,000	(423,441)	-45.9%	
118	4035 - MI/CPE Payment	2,431,671	-	(23,919)	-	-	-	-	-	-	23,919	-100.0%	
119	5500 - Other Income (Expense)	360,924	-	33,150	-	-	25,000	-	-	25,000	(8,150)	-24.6%	NSACH
120	Total Non Operating Revenue (Expense)	5,363,331	2,817,754	2,628,006	-	-	2,901,932	-	-	2,901,932	273,926	10.4%	
121	Earnings before Depreciation	9,843,363	4,944,683	5,882,370	(258,512)	(10,904,660)	1,897,306	750,245	10,379,236	1,863,615	(4,018,755)	-68.3%	
122	Depreciation	-	-	-	-	-	-	-	-	-	-	-	-
123	6710 - Depr - Land Improvements	80,447	9,309	9,309	-	-	2,484	5,960	596	9,041	(269)	-2.9%	per schedule
124	6720 - Depr - Building	1,464,648	1,395,341	1,395,709	-	-	91,392	388,276	790,422	1,270,090	(125,619)	-9.0%	per schedule
125	6730 - Depr - Fixed Equipment	374,859	366,984	366,984	-	-	43,086	2,300	304,120	349,506	(17,478)	-4.8%	per schedule
126	6740 - Depr - Major Equipment	217,083	175,489	175,504	-	-	18,327	2,209	97,801	118,338	(57,166)	-32.6%	per schedule
127	6750 - Depr - Minor Equipment	15,217	10,309	10,309	-	-	2,619	569	3,397	6,585	(3,724)	-36.1%	per schedule
128	Total Depreciation	2,152,253	1,957,432	1,957,815	-	-	157,909	399,315	1,196,336	1,753,560	(204,255)	-10.4%	
129	Net Income	7,691,110	2,987,252	3,924,555	(258,512)	(10,904,660)	1,739,397	350,931	9,182,900	110,055	(3,814,500)	-97.2%	

**Public Hospital District 2, Snohomish County
2019 Draft Capital Budget**

10/2/2018

1	Verdant Community Wellness Center	
2	Wall Repairs/Paint/Chair rail	5,000
3	Community Art Install	15,000
4	Total VCWC	<u>20,000</u>
5	Kruger Medical Office Building	
6	HVAC Replacement	70,000
7	Tenant TI Ste 270/280	98,500
8	Total Kruger Clinic	<u>168,500</u>
9	Total Capital Improvements	<u>188,500</u>