

**GRAYS HARBOR PUBLIC HOSPITAL DISTRICT NO. 2
SPECIAL MEETING BUDGET HEARING
November 17, 2020**

COMMISSIONERS PRESENT

Michael Bruce, District 2
Becky Walsh, District 5
Chris Thomas, District 1
David Quigg, At Large 1
Scott Dilley, At Large 2
Lynn Csernotta, District 3

OTHERS PRESENT

Tom Jensen, CEO
Niall Foley, Chief Financial Officer
Chris Majors, Marketing and Public Relations
Director
Cindy Reynolds, Executive Assistant

Members of the Public

ABSENT

Andy Bickar, District 4

CALL TO ORDER

Chairman Bruce called the Special Meeting to order at 4:01p.

BUDGET HEARING

The 2021 Budget Hearing was opened by Chairman Bruce at 4:01p.

A Budget Hearing is being held on this day, November 17, 2020, for consideration of adoption of the proposed 2021 Budget and 2021 Tax Levy of Grays Harbor Public Hospital District No. 2. Notice of this Hearing was published in the Daily World on November 05 and 14, 2020.

Resolutions

Chairman Bruce brought forward Resolution 2020-05 2020 Budget and Tax Levy, with the 2021 Budget attached.

Mr. Foley brought forward the 2021 Budget and Tax Levy of \$4,100,000 and remains within the 101% district limit. The levy allows for support of the hospital by the community.

Mr. Foley brought forward that he budgeted very conservatively for 2021.

- The majority of the budget is based on this year's extraordinary COVID-19 volume impacted trend.
- There is an expectation the pandemic will continue throughout a large portion of 2021.
- We believe most volumes will continue to be somewhat depressed throughout 2021 with a slow and gradual growth towards the end of the year as the community begins to experience economic recovery.
- It is anticipated supply chain and equipment costs will continue to be elevated through at least June of next year due to high demand and disruption in manufacturer's supply chains, along with staffing costs to provide for COVID drive through testing and screening stations at all facilities.
- As a Truven organization, FTE budget is based on volumes. The organization will work to ensure productivity goals are achieved in all departments to meet budgetary goals.
- Provision of primary care providers is a benefit and investment in our community. Although the organization is recruiting for new primary care providers, the budget does not reflect this potential increase in revenue.
- Although emergency relief funds were received in 2020, there are no additional relief funding expected until possibly after the new administration and congress are installed.

- Overall, we are in anticipation of a break even as a consolidated entity for 2020.

Mr. Foley provided additional explanation on tax levy calculations, capital projects, other expenses, salaries, and RVU's.

Chairman Bruce brought forward Resolution 2020-06 Tax Levy.

Mr. Foley reported that the regular tax levy amount in 2020 was \$3,800,000.00 and the 2021 levy amount is \$4,100,000.00, which includes estimates for new construction, increases in assessed value due to construction of alternative fuel sources, improvements to property, and increase in the assessed value of state-assessed property. There is an additional refund levy in the amount of \$6,253.18 in 2021.

Mr. Foley stated the hospital increasing its levy by 101% does not increase taxes to property owners; it increases the hospitals portion of the tax receipts already being collected by the County as assessed values grow and new construction occurs.

Chairman Bruce brought forward the Department of Revenue Levy Certification.

Mr. Foley reported this is a legal document that certifies to the County the 2021 Budget, Levy, and Refund Levy amounts. The document is required to be signed by the Board President and filed with the Department of Revenue and County Assessor.

Chairman Bruce brought forward the Hospital and Foundation Form 990s. Mr. Foley provided explanation on the hospital requirement to complete and submit the Form 990 annually to the Internal Revenue Service. The completed Form 990s were presented and reviewed by the full Commission on November 6, 2020.

Chairman Bruce added additional comment that the Board Finance Committee reviewed and discussed the draft 2021 Budget on November 13, 2020.

Public Comment

Chairman Bruce opened the Budget Hearing to members of the public. No comments were brought forward.

Chairman Bruce called for action related to the Resolutions:

ACTION: A motion was made by Commissioner Thomas, seconded by Commissioner Dilley, and unanimously carried to approve Resolution 2020-05 2021 Budget & Tax Levy.

ACTION: A motion was made by Commissioner Thomas, seconded by Commissioner Dilley, and unanimously carried to approve Resolution 2020-06 2021 Tax Levy.

ACTION: A motion was made by Commissioner Quigg, seconded by Commissioner Csernotta, and unanimously carried to approve the Levy Certification document as stated and for the document to be signed by the Board President and filed with the appropriate government entities.

Commissioner Thomas expressed thanks to Mr. Foley for the budget preparation and the extensive financial work throughout the pandemic to which Commissioner Walsh echoed. Mr. Foley expressed thanks to Ms. Paredes and Ms. Thompson for their work in preparing the budget and extensive year end documents.

ADJOURNMENT

Chairman Bruce called for final adjournment.

The Budget Hearing was officially closed at 4:55p.

APPROVED AND ADOPTED THIS 24th day of November, 2020.

ATTEST:



Cindy Reynolds
Recording Secretary



Becky Walsh
Board Secretary