

SAN JUAN COUNTY PUBLIC HOSPITAL DISTRICT NO. 3 (DbA ORCAS ISLAND HEALTH CARE DISTRICT)

2026 Budget

| BARS Number (subject to update prior to submission) | ITEM | 2025 Budget, Per Resolution | 2025 Forecast | 2026 Proposed Budget | Description | |
|---|-------------------------|---|------------------|----------------------------|------------------|--|
| 1 | 6541.00. 308.80.00.0000 | <i>Beginning Cash & Investment Balances</i> | \$ 921,433 | \$ 999,118 | \$ 1,046,927 | Estimated Beginning Cash for 2026 is Ending Cash as of 12-31-25 |
| 2 | INCOME | | | | | |
| 3 | 6541.00. 311.10.00.0000 | Property Tax Revenue | 1,999,910 | 1,954,289 | 3,422,844 | |
| 4 | 332.93.20.0000 | Medicare Incentive Program | 10,000 | 10,000 | 10,000 | AWPHD stipend for participating Hospital Districts. Will continue as same amount for expected future |
| 5 | 334.00.30.0000 | State Grants | 10,000 | 10,000 | - | DOH Dental Grant Program Evaluation Funds |
| 6 | 337.00.00.0000 | Miscellaneous Revenue | 11,814 | 9,845 | 10,140 | Reimbursement from IH for utilities. |
| 7 | 337.20.00.0000 | Leasehold Tax (to be received) | 1,586 | 1,728 | 1,745 | 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. Previous year + 1% |
| 8 | 337.40.00.0000 | Timber Harvest Tax - Private Land | - | 209 | - | Replaces annual property tax on timber with an excise tax based on value of timber at the time of harvest. Applies to timber harvested from any private or public lands in WA. SJC unable to estimate how much will be collected so no amount has been budgeted. |
| 9 | 362.00.00.0000 | Rents and Leases | 50 | 50 | 50 | Island Health rent payment for clinic building |
| 10 | 367.00.00.0001 | Donations from Private Sources | - | 145 | | |
| 11 | 367.00.00.0002 | Small Grant from Private Organization | - | 150 | | |
| 12 | | North Sound ACH Grant | | 50,000 | 43,000 | 2nd payment of the \$93,000 expected |
| 13 | | Dental Program Reimbursement from OICF | 287,000 | 257,984 | 257,984 | Reimbursement of Expenses |
| 14 | 389.60.00.0000 | Investment Interest LGIP | 35,706 | 73,731 | 80,432 | Balance of Cash on hand and reserve fund balances at beginning of year multiplied by 4% interest |
| 15 | | REVENUE TOTAL (not including Beginning Cash) | 2,356,066 | 2,368,132 | 3,826,195 | |
| 16 | | | | | | |
| 17 | EXPENSES | | | | | |
| 18 | 6541.00. 561.00.10.0001 | Commissioners | 46,368 | 27,209 | 30,912 | Commissioners who don't have a salary waiver are eligible for a stipend of \$161/meeting and an annual maximum of \$15,456. Confirmed three commissioners waived stipend. |
| 19 | 561.00.10.0002 | Superintendent | 173,016 | 177,740 | 182,539 | FT Superintendent. Salary + estimated %2.7 COLA. |
| 20 | 561.00.10.0003 | Administration & Records Management Specialist | 43,490 | 51,021 | 60,000 | Job title change to add more administrative responsibility to Ellen's role - 0.625 FTE expected, but with flexibility to move to 0.75 FTE if more accounting and administrative support needed |
| 21 | 561.00.10.0005 | Strategic Project Manager | | | 68,916 | 0.25 FTE starting, up to 0.5 FTE of Project Management - \$47.50 hrly w/cola increase in Sept 2026, split benefits w/ Community Health Network. INCL. Cost of Benefits & Taxes |
| 22 | 561.00.10 | Salary & Wages Total | 262,874 | 255,970 | 342,367 | |
| 23 | 6541.00. 561.00.20.0001 | FICA/Medicare/SS/PERS | 16,563 | 18,325 | 18,554 | 7.65% of Base Compensation for employees |
| 24 | 561.00.20.0002 | Dept of Labor & Industries -Worker's Comp | 1,700 | 777 | 455 | \$0.13/hr for office staff and \$2.22/hr for maintenance handyman staff |
| 25 | 561.00.20.0006 | Medical Insurance Premium/ Employee Benefits | 23,928 | 30,338 | 52,325 | Cost assoc w/PEBB |
| 26 | 561.00.20.0009 | Employment Security - Unemployment | 1,299 | 512 | 1,455 | 6% of salary |
| 27 | 561.00.20.0010 | DCP - Retirement Expense | | | 7,276 | 3% match |
| 28 | 561.00.20 | Personnel Benefits Total | 43,490 | 49,951 | 80,066 | |
| 29 | 6541.00. 561.00.31.0000 | Office Supplies | 500 | 376 | 500 | Largely printer ink and misc. supplies |
| 30 | 561.00.31.0001 | Supplies for Repairs and Maintenance | 600 | 250 | 600 | Building maintenance supplies. |
| 31 | 561.00.31.0002 | Computer and Online Software | 3,600 | 3,694 | 3,630 | Zoom (\$150) & Adobe monthly fee (\$50/month), Quickbooks monthly fee (\$240/month) |
| 32 | 561.00.31.0010 | Janitorial Supplies Only | 100 | 117 | 100 | |
| 33 | 561.00.31 | Supplies Total | 4,800 | 4,437 | 4,830 | |
| 34 | 6541.00. 561.00.35.0000 | Small Tools & Equipment | 200 | - | 200 | |
| 35 | 561.00.35.0001 | Computer Hardware | 3,000 | 3,816 | 4,000 | Replacement of two surface laptops. |

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| 36 | | 561.00.35.0002 | Office Furniture & Fixtures | - | - | - | |
| 37 | | 561.00.35 Small | Tools & Equipment Total | 3,200 | 3,816 | 4,200 | |
| 38 | 6541.00. | 561.10.41.0002 | State Audit Expenses | - | 11,128 | - | State accountability audits are conducted every 3 years. Audit conducted in 2024 for 2021-2023. Annual Financial Audit will be required starting in 2027, based on increase to \$3M threshold for annual financial audit. |
| 39 | | 561.00.41.0003 | Provider Subsidy - Island Hospital (IH) as of 01/01/26 | 1,022,000 | 1,022,000 | 1,300,000 | Payment of \$600,000 to be paid January 2026, and second full payment due July 2026 (\$600,000) |
| 40 | | 561.00.41.0004 | Clinic Staff Housing Support | - | - | 50,000 | Housing Support for Licensed Medical Staff at clinic |
| 41 | | 561.00.41.0005 | Locums Staffing Support | | | 99,000 | In the event of lack of clinical providers at clinic, OIHCD will cover difference in salaries to contract locums to provide clinical services |
| | | 561.00.41.0005 | Uncompensated Care Support | | | 200,000 | Risk of medicaid/ACA unenrollment in 2026, impacts to Orcas Clinic uncompensated care |
| 42 | | 561.00.41.0020 | Accounting Expenses | 10,310 | 12,631 | 5,000 | Per diem support for accounting services |
| 43 | | 561.00.41.0030 | Legal Services | 56,250 | 54,733 | 30,000 | 2025 included contract negotiations, levy, policies review, and dental program work. Will likely not need as much assistance in 2026, although will need support for capital planning, facilities, and starting new programs. |
| 44 | | 561.00.41.0040 | Technology Services | 8,711 | 4,315 | 4,431 | Monthly cost of \$328.27 for NW Technology to support 7 licenses for Office 365, email, and document sharing and security. + 5% increase |
| 45 | | 561.00.41.0050 | Independ. Contractor Agreements | 160,000 | 84,667 | 135,000 | Architecture & Capital Planning consultant fees (\$75,000), Communications Consultant (\$10,000), lobbyists (\$30,000) and placeholder (\$20,000) |
| 46 | | 561.00.41.0060 | Promotion & Advertising | 8,000 | 7,272 | 6,000 | \$700 fee for semi-annual Island Sounder articles (\$1400), written by Chris. After-hours advertising expenses (\$4,000) |
| 47 | | 561.00.41.0070 | DOH Dental Grant Expenses | 10,000 | - | - | |
| 48 | | 561.00.41.0071 | District Dental Expenses | 50,000 | 44,968 | 50,000 | Recommendation to continue supporting dental in 2026, Lobbyists are recommending a Proviso to the legislators to support this program in 2026. |
| 49 | | 561.00.41.0072 | OICF Dental Expenses | 287,000 | 257,984 | | Moved to grant based expenses |
| 50 | | 561.00.41.0149 | Election Services | 50,000 | 34,000 | - | |
| 51 | | 561.00.41 | Professional Services Total | 1,662,271 | 1,533,697 | 1,879,431 | |
| 52 | 6541.00. | 561.00.42.0010 | Postage & Shipping | 250 | 104 | 250 | |
| 53 | | 561.00.42.0020 | Telephone & Internet | 2,400 | 2,186 | 2,245 | Internet + Phone |
| 54 | | 561.00.42.0030 | Website/Email Services | 4,888 | 3,899 | 5,000 | Streamline increased \$1000 per year from 2024 - 2025, could expect something similar especially as they add the ADA compliance piece to their platform. |
| 55 | | 561.00.42 | Communication Total | 7,538 | 6,189 | 7,495 | |
| 56 | 6541.00. | 561.00.43.0010 | Conferences and Training | 9,500 | 5,039 | 8,000 | Registration fees for AWP/PHD Conference for Superintendent and two Commissioners (\$1500), Registration for professional conference for Superintendent (\$2500), Superintendent executive coaching (\$3000), and Admin Assistant trainings (\$1000). |
| 57 | | 561.00.43.0020 | Travel & Accommodations | 4,500 | 1,539 | 4,500 | Hotel and other expenses associated with the annual AWP/PHD Conference (\$2000), Hotel & other expenses for Superintendent public health or primary care conference (\$2000), other travel for AWP/PHD, North Sound ACH and other local region conferences and trainings (\$500) |
| 58 | | 561.00.43 | Travel Total | 14,000 | 6,578 | 12,500 | |
| 59 | 6541.00. | 561.00.45.0000 | Operating Rentals and Leases | 21,614 | 10,583 | 10,715 | District Office lease through March 2026. Based on similar searches for office space for the dental clinic, we do not expect a significant change in price if we were to move, but may want to build in a small buffer. 2025 Rent is \$871/month or \$2615/quarter, rate increased 3% in 2025, expect similar increase in 2026. Expected monthly rate of \$871/month or \$2615/quarter. Also includes annual PO Box rental @ \$155/year. |
| 60 | | 561.00.45 | Operating Rents & Leases Total | 21,614 | 10,583 | 10,715 | |
| 61 | 6541.00. | 561.00.46.0002 | Building Property & Earthquake Insurance | 21,359 | 21,359 | 21,359 | TBD - we added the dental clinic for this past year, so the price will definitely change. Should have this invoice in end of August/early September. |
| 62 | | 561.00.46.0003 | Board & Officers Insurance | 3,473 | 3,340 | 3,400 | 1.8% increase in 2025, fair to expect a similar interest in 2026. |
| 63 | | 561.00.46 | Insurance Totals | 24,831 | 24,699 | 24,759 | |
| 64 | 6541.00. | 561.00.47.0010 | Utilities - Building (EWUA, ESWD, OPALCO) | 11,814 | 12,317 | 13,549 | Running about 10% above budget as of June 2025, expect a 10% increase in 2026 as well? |
| 65 | | 561.00.47.0011 | Utilities - District Office | 1,512 | 1,632 | 1,795 | Running about 10% above budget as of June 2025, expect a 10% increase in 2026 as well? |

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| 66 | 561.00.48.0010 | Building General Maintenance & Repair | 11,000 | 4,571 | 10,000 | Door for lab, Handyman Repairs (\$6,000) |
| 67 | 594.61.62.0000 | Buildings & Structures (large expenses) | 108,000 | 108,000 | - | No Projects mentioned from Island Health |
| 68 | 561.00.48.0020 | Building Landscaping | 7,054 | 5,541 | 7,244 | 6 months of the year require 1x visit, 6 months require 2x visits. Additionally, they do a quarterly extra maintenance costs \$400. May expect some cost of living adjustment. |
| 69 | 561.00.48.0300 | Equipment General Maintenance & Repair | 23,600 | 21,797 | 23,600 | \$2,000 for HVAC maintenance. \$800 for Generator Servicing. \$5200 Quarterly Xray maintenance. |
| 70 | 561.00.47- 48 | Building Totals | 162,980 | 153,858 | 56,188 | |
| 71 | 6541.00. 561.00.49.0000 | Printing/Graphics | 1,000 | 223 | 500 | Cost for copies for large meetings |
| 72 | 561.00.49.0001 | Meeting Expenses | 1,500 | - | 1,500 | New Provider Meet & Greets |
| 73 | 561.00.49.0002 | Bank Service Charge (fiscal agent fee) | 200 | 283 | 200 | US Bank fiscal agent fee is \$200 for the bond. Fee for payroll bank account. |
| 74 | 561.00.49.0010 | Dues & Subscriptions | 3,200 | 3,500 | 3,500 | Association of WA Public Hospital Districts annual dues. |
| 75 | 561.00.49.0050 | Miscellaneous Expense | 30,000 | 12,500 | 30,000 | Placeholder for unforeseen expenses in 2025 |
| 76 | 561.00.49.0060 | OCRC Health Related Support | 40,000 | 22,416 | 40,000 | Request from OCRC to continue support in 2026 |
| 77 | 561.00.49.0070 | Community Health Project Management | 30,000 | 15,098 | | Move to employed position in 2026 |
| 78 | 561.00.49.0080 | Community Organization Grant Proposals Process | | | 10,000 | |
| 79 | 561.00.49 | Miscellaneous Total | 105,900 | 54,021 | 85,700 | |
| 80 | 6541.00. 561.00.50.0004 | Primary Care Services Expansion | | | 100,000 | Projects need to come back to Board for approval |
| 81 | 561.00.50 | Community Health & Primary Care Access Total | - | - | 100,000 | |
| 82 | 6541.00. 561.00.51.0001 | ACH Grant Health Network Expenses | - | 13,000 | 80,000 | \$60,637 expenses towards program manager wages, \$13,000 towards consulting/facilitation, \$5,000 for convenings and convening travel/stipend expenses |
| 83 | 561.00.51.0002 | OICF Dental Expenses | | | 257,984 | Expect Less than 2025, as many building projects/purchases were completed in 2025 |
| 84 | 561.00.51 | Grant Funded Expenses Total | - | 13,000 | 337,984 | |
| 85 | 6541.00. 561.10.49.0000 | Property Tax Fees | 120 | 124 | 120 | |
| 86 | 561.10.49 | Property & Leasehold Tax Total | 120 | 124 | 120 | |
| 87 | 6541.00. 592.61.83.2037 | Interest Payment - WA Fed GO Bond | 8,032 | 8,032 | 5,411 | Interest payments due May and November 1st. Payments based on amortization schedule. |
| 88 | 6541.00. 591.61.77.0001 | Principal Payment - WA Fed GO Bond | 75,000 | 75,000 | 75,000 | Principal payments made annually on Nov 1st. Based on amortization schedule set in 2021 to be paid in full 11/1/2027. |
| 89 | 591.61.71, 77, 78, 81 & 83 | Bonds/Notes/Intergov't Loans Total | 83,032 | 83,032 | 80,411 | |
| 90 | 6541.00. 594.61.64.0004 | Clinic Equipment Purchase | 10,000 | 20,368 | 15,000 | 1 New Exam Table (\$7,000), negative air space systems for 1 rooms (\$5000), other items TBD |
| 91 | 594.61.64 | Machinery & Equipment Total | 10,000 | 20,368 | 15,000 | |
| 92 | | | | | | |
| 93 | | | | | | |
| | | | | | | OPERATIONS SUMMARY |
| 94 | | Total Revenue | | | 3,826,195 | |
| 95 | | Total Expenses | | | 3,041,767 | |
| 96 | | Excess Cash (Loss) | | | 784,428 | |