



Grossmont
Healthcare District

OPERATING BUDGET

For the Fiscal
Year Ending
June 30, 2023



BOARD OF DIRECTORS

President Virginia Hall, RN
Vice President Gloria A. Chadwick, RN
Secretary Robert "Bob" Ayres
Treasurer Michael Emerson, RDO
Member Randy Lenac
board@grossmonthealthcare.org



CHIEF EXECUTIVE OFFICER

Christian Wallis
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June 17, 2022

To the Honorable Board of Directors of the Grossmont Healthcare District

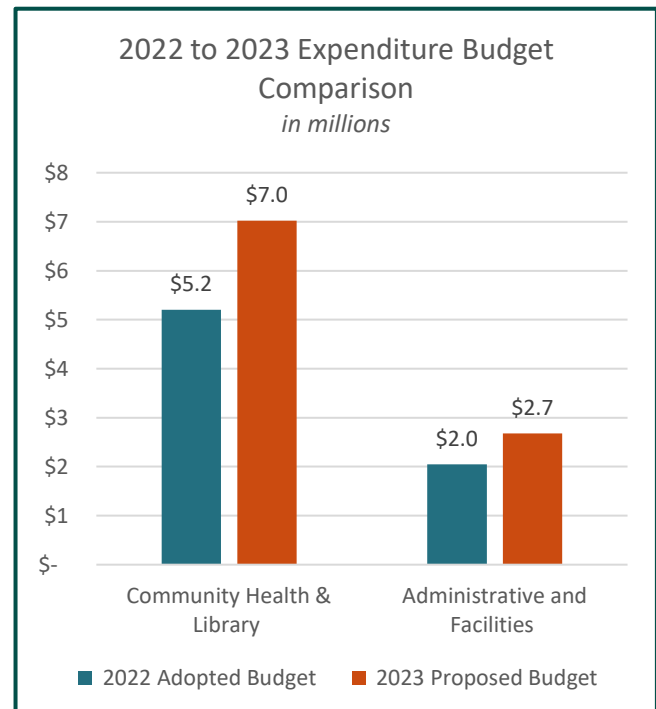
Re: The Fiscal Year Ending June 30, 2023 Budget

We are pleased to bring forward a budget that funds the directives established in our 2022-2025 Strategic Plan and continues to meet our community's healthcare needs.

	General Fund 2023 Budget			Debt Service 2023 Budget
	Community Health & Library	Administrative and Facilities	Total	
Cash and Investments at July 1, 2022	\$ -	\$ -	\$ 36,610,000	\$ 24,877,000
Revenues and Reimbursements	-	-	10,787,000	19,809,000
Expenditures	(7,021,000)	(2,678,000)	(9,699,000)	(15,826,000)
Cash and Investments at June 30, 2023			\$ 37,698,000	\$ 28,860,000

Budgeted General Fund revenues increased by \$1.1 million, 11.7%, compared to the previous year's budget. Budgeted investment in the health of our community represented in our Community Health and Library expenditure budgets increased by \$1.8 million, 34.9%, compared to the same expenditure budgets for the previous year. Our Administrative and Facilities expenditure budgets increased by \$0.7 million, 30.7%, over last year. Budgeted Debt Service Fund revenues increased by \$3.2 million, 19.5% while budgeted debt service increased by \$0.6 million, 3.9%, over last year's budget.

The budget is presented in a drill down approach. First, all funds and all departments are consolidated and shown on Page 1 after the Table of Contents. Significant variances from the prior year's budget are noted in the individual Fund and Department budgets that follow, starting with the all-departments General Fund budget, then expenditure budgets for each department (Community Health, Library, Administrative, and Facilities), followed by the Debt Service Fund budget.



This document also provides detailed budgetary information about our most valuable resource, our talent, as well as our anticipated cash position.

The District's 2022-2025 Strategic Plan provides clear direction over operational aspects of our mission to maintain and improve the physical and behavioral health of the residents of San Diego's East County. Included in our mission is our role as stewards of the public trust to preserve and protect those resources entrusted to our care.

The budget presented herein addresses our mission and funding the three priorities identified in the Strategic Plan.

GROSSMONT HEALTHCARE DISTRICT	STRATEGIC PLAN 2022-2025
<p>Priority 1: Community Health and Wellness – We will evaluate and determine the unmet needs of East San Diego County to improve the health and wellness of the communities we serve.</p> <p>Priority 2: Hospital Partnership – We will ensure accountability and oversight of the public/private partnership and evaluate collaborative opportunities that improve the health needs of the East San Diego County.</p> <p>Priority 3: Chronic Disease – We will mitigate causal factors related to preventable life-threatening diseases while helping East San Diego County residents enjoy healthier lives.</p>	

The word "expense" does not appear in this budget. It is replaced with "expenditure." Expense is recorded when incurred without regard to when the money is actually paid. An expenditure is an out flow of money. For example, the District will have an expenditure when it pays for the budgeted audio/visual equipment, but not an expense. The expense happens over the useful life of the equipment. The budget has been prepared on a cash basis so the general public can more easily understand the accounting. We hope this helps the reader tie in the change in cash (Revenues Over Expenditures), plus the beginning cash and investment balance, to arrive at our projected current position at the end of the budget year (presented on Page 11).

The enclosed budget details our commitment of resources to accomplish the goals outlined in our strategic plan and achieve our mission to maintain and improve the physical and behavioral health of the residents of San Diego's East County.

Respectfully submitted,

Christian Wallis, Chief Executive Officer



OUR MISSION

As stewards of the public trust, your Grossmont Healthcare District will preserve and protect those resources entrusted to its care.

To maintain and improve the physical and behavioral health of its constituents, we will:

- Partner with our hospital operator, Sharp HealthCare, to ensure access to state-of-the-art medical services at Grossmont Hospital for all of the residents of Grossmont Healthcare District and beyond.
- Anticipate and recognize the unmet health care needs of the communities we serve and support suitable services to the greatest extent possible consistent with available resources.



(Left to Right): Randy Lenac, Gloria Chadwick, CEO Christian Wallis, Virginia Hall, Michael Emerson, Bob Ayres

BOARD OF DIRECTORS

President	Virginia Hall, RN
Vice President	Gloria A. Chadwick, RN
Secretary	Robert "Bob" Ayres
Treasurer	Michael Emerson, RDO
Member	Randy Lenac

Budget for the Year Ending June 30, 2023

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Grossmont Healthcare District
 Operating Budget
 For Fiscal Year Ending June 30, 2023

Consolidated - All Funds

	Actual Year Ended June 30, 2021	Budget Year Ending June 30, 2022	Projected Year Ending June 30, 2022	Budget Year Ending June 30, 2023	Estimated Year Ending June 30, 2024
Revenues					
Property Taxes - General Fund	\$ 9,176,898	\$ 8,933,964	\$ 9,641,000	\$ 9,898,000	\$ 10,180,000
Property Taxes - Debt Service Fund	18,109,116	16,512,480	19,063,000	19,635,000	20,224,000
Briercrest Lease Revenue	52,500	90,000	91,000	93,000	95,000
Investment Earnings - General Fund	105,932	360,000	98,000	500,000	500,000
Investment Earnings - Debt Service	4,202	66,000	168,000	174,000	202,000
Cogen Lease Revenue	1,240,494	-	-	-	-
Grants	886,981	-	-	-	-
Other Income	10,632	115,000	115,000	115,000	-
Total Revenues	29,586,755	26,077,444	29,176,000	30,415,000	31,201,000
Expenditures					
Salaries and Wages	1,118,675	1,086,432	1,055,000	1,265,000	1,357,000
Employee Benefits	626,155	524,268	707,000	822,000	873,000
Professional Development	-	27,024	-	76,000	76,000
Dues, Meetings, and Memberships	56,188	43,992	52,000	80,000	84,000
Legal	139,726	66,000	216,000	110,000	114,000
Contract Services	156,443	109,504	227,000	388,000	335,000
Security	11,626	6,600	5,000	24,000	26,000
Technology	158,536	107,280	149,000	365,000	326,000
Grossmont Hospital Support	2,628,000	1,000,000	3,628,000	4,000,000	1,000,000
Grants	1,295,659	2,709,650	1,560,000	1,371,000	1,413,000
Scholarships	163,850	210,350	103,000	249,000	257,000
Events	5,282	200,000	10,000	75,000	78,000
Sponsorships	27,887	619,380	37,000	92,000	95,000
Library Resources	30,960	38,976	34,000	39,000	41,000
Supplies	59,572	55,020	41,000	146,000	152,000
Utilities	60,055	53,364	77,000	79,000	81,000
Maintenance and Repair	44,791	61,404	51,000	61,000	65,000
Equipment Rental	20,368	20,520	24,000	19,000	21,000
Capital Improvements/Acquisitions	13,017	20,000	17,000	350,000	20,000
Insurance	-	69,000	59,000	68,000	72,000
Principle Debt Payments (Prop G)	4,670,000	5,695,000	5,695,000	6,795,000	5,814,000
Interest Debt Payments (Prop G)	9,789,569	9,530,488	9,230,000	9,031,000	10,952,000
Miscellaneous	41,878	57,600	21,000	20,000	21,000
Total Expenditures	21,118,237	22,311,852	22,998,000	25,525,000	23,273,000
Revenues Over Expenditures	\$ 8,468,518	\$ 3,765,592	\$ 6,178,000	\$ 4,890,000	\$ 7,928,000

Grossmont Healthcare District is a public agency founded in 1952 that supports health-related programs and services in East San Diego County. Grossmont Hospital was built with taxpayer funds and opened for business in 1955. In 1991, the District leased the hospital to Sharp Healthcare. Now the District maintains hospital oversight and addresses unmet healthcare needs and supports the healthcare safety net in the East Region. Since 1996, the board of directors has awarded over \$65 million in grants and sponsorships to local nonprofit partners serving residents living within District boundaries. The District also operates the Herrick Community Health Care Library, a public library specializing in consumer health information and programming, both onsite and online.

Grossmont Healthcare District
 General Fund Operating Budget
 For the Fiscal Year Ending June 30, 2023

General Fund - All Departments

	Actual Year Ended June 30, 2021	Budget Year Ending June 30, 2022	Projected Year Ending June 30, 2022	Budget Year Ending June 30, 2023	Estimated Year Ending June 30, 2024
Revenues					
Property Taxes	\$ 9,176,898	\$ 8,933,964	\$ 9,641,000	\$ 9,898,000	\$ 10,180,000
Briercrest Lease Revenue	52,500	90,000	91,000	93,000	95,000
Investment Earnings	105,932	360,000	98,000	500,000	500,000
Cogen Lease Revenue	1,240,494	-	-	-	-
Grants	886,981	-	-	-	-
Other Income	10,632	115,000	115,000	115,000	-
Total Revenues	11,473,437	9,498,964	9,945,000	10,606,000	10,775,000
Expenditures					
Salaries and Wages	1,118,675	1,086,432	1,055,000	1,265,000	1,357,000
Employee Benefits	626,155	524,268	707,000	822,000	873,000
Professional Development	-	27,024	-	76,000	76,000
Dues, Meetings, and Memberships	56,188	43,992	52,000	80,000	84,000
Legal	139,726	66,000	216,000	110,000	114,000
Contract Services	156,443	109,504	219,000	388,000	335,000
Security	11,626	6,600	5,000	24,000	26,000
Technology	158,536	107,280	149,000	365,000	326,000
Grossmont Hospital Support	2,628,000	1,000,000	3,628,000	4,000,000	1,000,000
Grants	1,295,659	2,709,650	1,560,000	1,371,000	1,413,000
Scholarships	163,850	210,350	103,000	249,000	257,000
Events	5,282	200,000	10,000	75,000	78,000
Sponsorships	27,887	619,380	37,000	92,000	95,000
Library Resources	30,960	38,976	34,000	39,000	41,000
Supplies	59,572	55,020	41,000	146,000	152,000
Utilities	60,055	53,364	77,000	79,000	81,000
Maintenance and Repair	44,791	61,404	51,000	61,000	65,000
Equipment Rental	20,368	20,520	24,000	19,000	21,000
Capital Improvements/Acquisitions	13,017	20,000	17,000	350,000	20,000
Insurance	-	69,000	59,000	68,000	72,000
Miscellaneous	41,878	57,600	21,000	20,000	21,000
Total Expenditures	6,658,668	7,086,364	8,065,000	9,699,000	6,507,000
Revenues Over Expenditures	\$ 4,814,769	\$ 2,412,600	\$ 1,880,000	\$ 907,000	\$ 4,268,000

The District maintains two funds: a General Fund and a Debt Service Fund. The Debt Service Fund description and budget is presented on page 7. The General Fund is the primary operating fund and accounts for all financial resources of the District, other than those related to debt service. The General Fund is made up of four departments: Community Health, Library, Administration, and Facilities. Community Health and Library are external functions that provide services to our residents. Administration and Facilities are internal functions that in part safeguard assets, maintain internal controls, and ensure regulatory compliance.

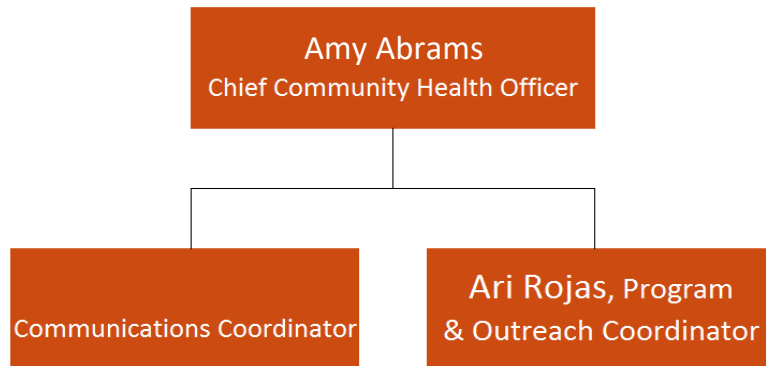
The \$1.1 million, 11.7%, increase in revenues from 2022 to 2023 budget is due to a conservative estimate for increased property values last year. Property tax revenue is assumed to increase by 3% based on historical trends. The District also anticipates increased investment earnings from the engagement of an investment advisory firm to manage the District's portfolio.

	Actual Year Ended June 30, 2021	Budget Year Ending June 30, 2022	Projected Year Ending June 30, 2022	Budget Year Ending June 30, 2023	Estimated Year Ending June 30, 2024
Salaries and Wages	\$ -	\$ -	\$ 175,000	\$ 256,000	\$ 275,000
Benefits - Employees	-	-	56,000	103,000	109,000
Professional Development	-	-	-	14,000	14,000
Dues, Meetings, and Memberships	-	-	-	16,000	17,000
Contract Services	-	-	19,000	89,000	92,000
Technology/Platforms	-	-	-	22,000	23,000
Grants - Community Health Care	1,238,874	709,650	1,560,000	1,371,000	1,413,000
Grants - Miscellaneous	-	2,000,000	-	-	-
Grossmont HF Grants	2,628,000	1,000,000	2,628,000	1,000,000	1,000,000
Grossmont HF Matching Grant	-	-	1,000,000	3,000,000	-
Scholarships	163,850	210,350	103,000	249,000	257,000
Events	5,282	200,000	10,000	75,000	78,000
Sponsorships and Support	-	600,000	37,000	92,000	95,000
Supplies and Branded Items	-	-	-	88,000	91,000
Total Expenditures	\$ 4,036,006	\$ 4,720,000	\$ 5,588,000	\$ 6,375,000	\$ 3,464,000

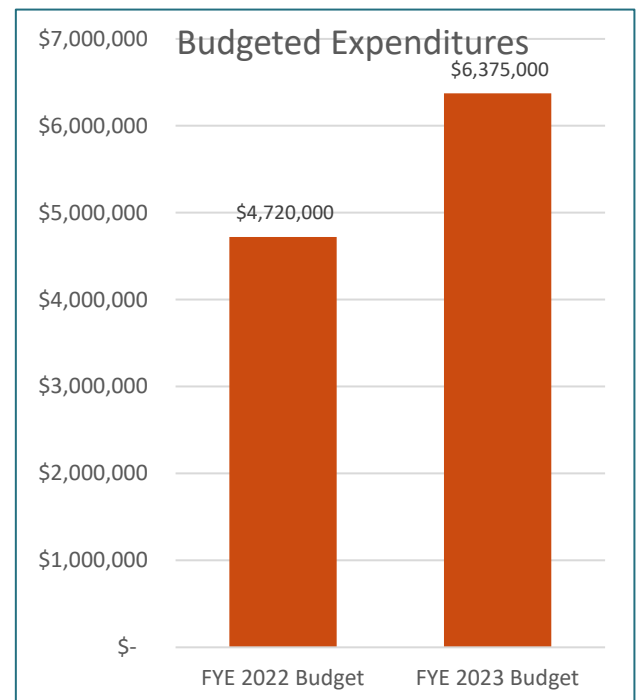
The District has awarded scores of millions of dollars in grants, sponsorships, and scholarships since the Community Grants Program began in 1996. Those public monies have benefited community-based healthcare organizations, government agencies and Grossmont Hospital.

The FY 22-23 budget for community healthcare is \$6,375,000, a \$1.7 million, 35.1%, increase from FY 21-22. This increase is attributed to the \$4 million matching grant for the Sharp Grossmont Hospital neurological center, \$1 million being paid in FY 21-22, with the remaining \$3 million anticipated to be paid in the budget year. Miscellaneous grants of \$2 million awarded to the Grossmont Hospital Foundation through the IGT program are not budgeted for FY 22-23. Salaries, wages, and employee benefits were budgeted and accounted for in the administrative department in previous years.

Grants, sponsorships, and scholarships are approved by the Board through a committee process.



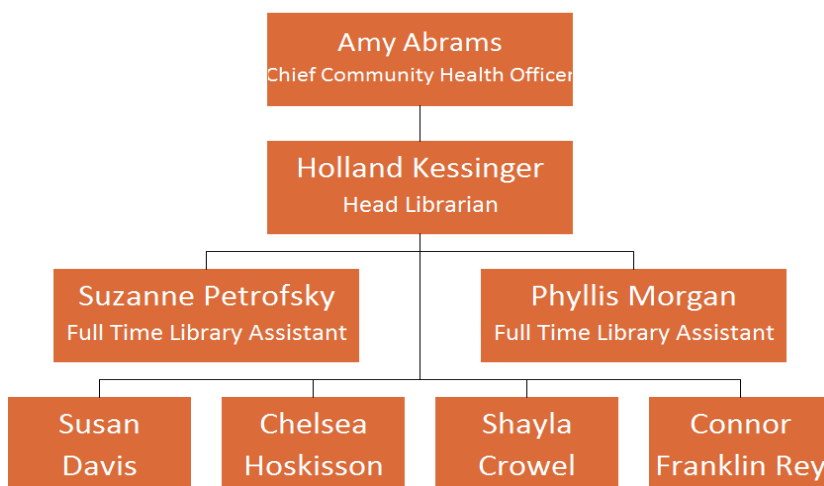
Full-Time Equivalent Staffing (FTEs)	
Chief Community Health Officer	0.7
Communications Coordinator	1.0
Programs & Outreach Coordinator	1.0
Total Department FTEs	2.7



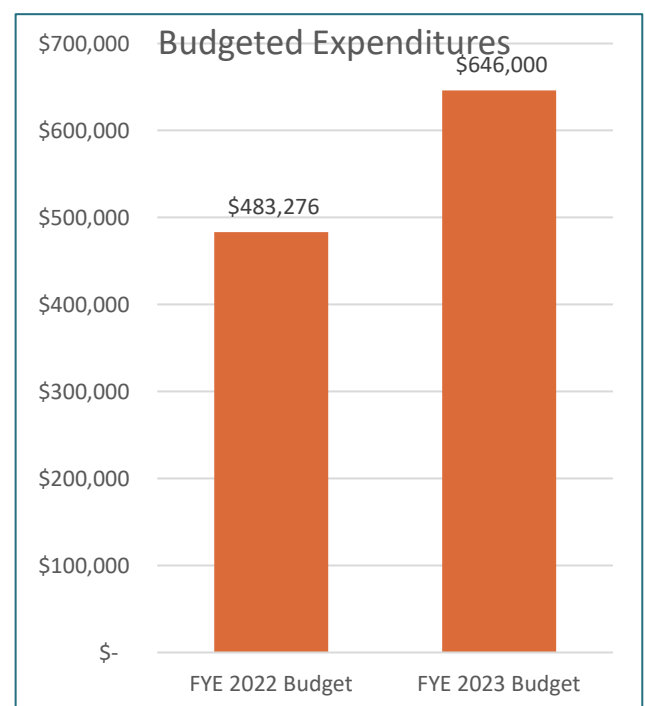
	Actual Year Ended June 30, 2021	Budget Year Ending June 30, 2022	Projected Year Ending June 30, 2022	Budget Year Ending June 30, 2023	Estimated Year Ending June 30, 2024
Salaries and Wages	\$ 231,236	\$ 250,824	\$ 245,000	\$ 287,000	\$ 311,000
Benefits - Employees	96,308	112,884	121,000	184,000	204,000
Professional Development	-	-	-	27,000	27,000
Dues, Meetings, and Memberships	737	3,264	2,000	1,000	2,000
Contract Services	8,144	24,204	12,000	52,000	21,000
Private Security	-	-	-	16,000	17,000
Technology	21,620	26,784	11,000	23,000	24,000
Print Resources	13,908	14,520	10,000	15,000	16,000
Electronic Resources	17,052	24,456	24,000	24,000	25,000
Supplies and Office Expenses	8,001	17,220	5,000	15,000	16,000
Equipment Rental	4,522	9,120	4,000	2,000	3,000
Miscellaneous	2,425	-	2,000	-	-
Total Expenditures	\$ 403,953	\$ 483,276	\$ 436,000	\$ 646,000	\$ 666,000

The Dr. William C. Herrick Community Health Care Library (Library) is a free public library specializing in health-related materials. The Library, operated by the Grossmont Healthcare District, provides resources and services to meet the health information needs of the District's residents.

Budgeted expenditures are \$163,000, 33.7%, more than the prior year. Salaries, wages, and employee benefits are budgeted \$107,000 more than the previous year's budget due to the new position of Chief Community Healthcare Officer, cost-of-living and salary adjustments, and the assumption of being fully staffed during the budget year. Contract Services includes redevelopment of the Library's web-site for \$32,000. The remaining difference is in budgeted professional development and private security for when the Library is open Tuesday and Thursday nights and Saturdays.

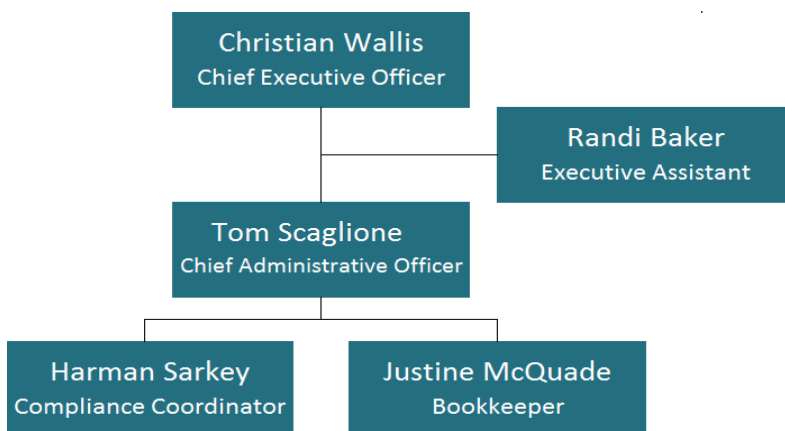


Full-Time Equivalent Staffing (FTEs)	
Chief Community Health Officer	0.3
Head Librarian	1.0
Fulltime Assistant Librarians	2.0
Part-Time Assistant Librarians (4)	2.0
Total Department FTEs	5.3

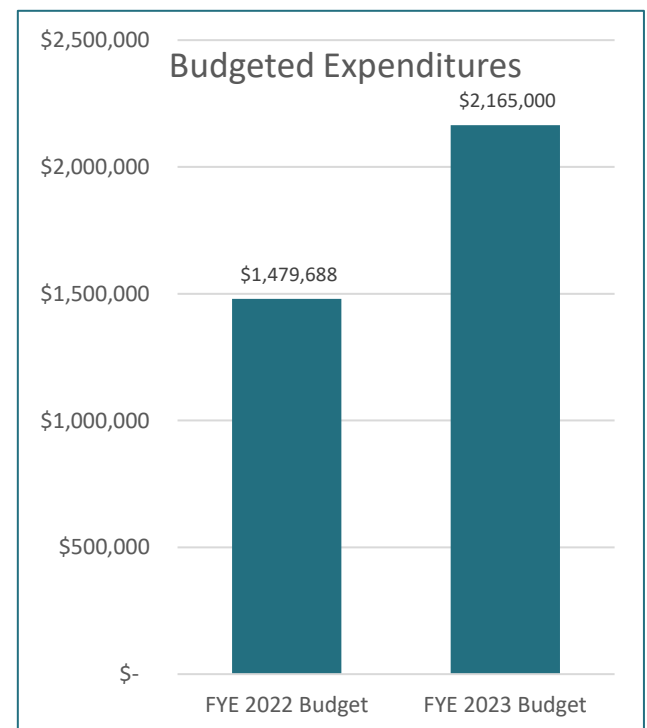


	Actual Year Ended June 30, 2021	Budget Year Ending June 30, 2022	Projected Year Ending June 30, 2022	Budget Year Ending June 30, 2023	Estimated Year Ending June 30, 2024
Salaries and Wages	\$ 887,439	\$ 770,016	\$ 602,000	\$ 722,000	\$ 771,000
Benefits - Employees	448,035	369,240	336,000	354,000	372,000
Benefits - Retirees	78,291	-	178,000	181,000	188,000
Professional Development	-	27,024	-	35,000	35,000
Dues, Meetings, and Memberships	55,451	40,728	50,000	63,000	65,000
Legal	139,726	66,000	216,000	110,000	114,000
Contract Services	140,319	80,500	188,000	247,000	222,000
Technology	25,530	-	121,000	320,000	279,000
Grants	56,785	-	-	-	-
Sponsorships	27,887	19,380	-	-	-
Supplies and Office Expenses	51,571	37,800	36,000	38,000	40,000
Rental	15,846	11,400	20,000	17,000	18,000
Insurance	-	-	50,000	58,000	61,000
Miscellaneous	39,453	57,600	19,000	20,000	21,000
Total Expenditures	\$ 1,966,333	\$ 1,479,688	\$ 1,816,000	\$ 2,165,000	\$ 2,186,000

The Administrative Department is responsible for the District’s day-to-day operations. Expenditures are not directly tied to a specific function, but rather related to the District as a whole. Budgeted FY 22-23 administrative expenditures of \$2,165,000, show an increase of \$685,000, or 46.3%, compared to the FY 21-22 budget. Retiree health benefits were not budgeted in the previous year and are budgeted at \$181,000 for FY 22-23. Technology was budgeted and accounted for in the Facilities Department in prior years and is \$320,000 in the FY 22-23 budget, which includes an approved contract for a technology assessment and strategic plan, software, services, equipment, and IT security. Contract Services increase by \$167,000 over the prior year's budget and includes increased audit fees, provisions for the new contract with the District's Investment advisory firm, a hospital lease contingency reserve study, and an independent compensation and classification study. The Administrative budget also includes the estimated cost of liability insurance which was previously budgeted and accounted for in the Facilities Department.



Full-Time Equivalent Staffing (FTEs)	
Chief Executive Officer	1.0
Executive Assistant	1.0
Chief Administrative Officer	1.0
Bookkeeper	1.0
Compliance Officer	1.0
Total Department FTEs	5.0

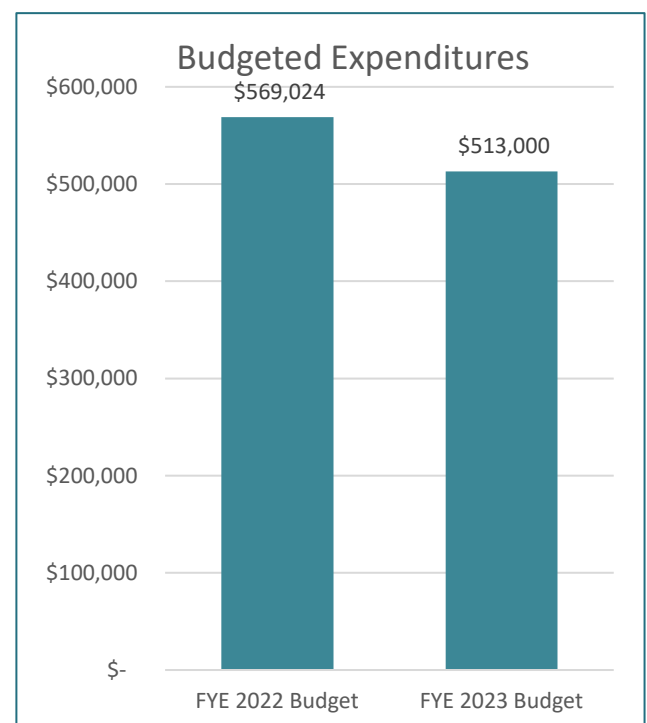


	Actual Year Ended June 30, 2021	Budget Year Ending June 30, 2022	Projected Year Ending June 30, 2022	Budget Year Ending June 30, 2023	Estimated Year Ending June 30, 2024
Salaries and Wages	\$ -	\$ 65,592	\$ 33,000	\$ -	\$ -
Benefits - Employees	3,521	42,144	16,000	-	-
Contract Services	7,980	4,800	-	-	-
Technology	111,386	80,496	17,000	-	-
Security	11,626	6,600	5,000	8,000	9,000
Maintenance and Repairs - Interior	21,217	5,004	35,000	45,000	48,000
Maintenance and Repairs - Exterior	23,574	56,400	16,000	16,000	17,000
Supplies	-	-	-	5,000	5,000
Utilities	60,055	53,364	77,000	79,000	81,000
Capital Improvements & Acquisitions	13,017	20,000	17,000	350,000	20,000
Insurance	-	69,000	9,000	10,000	11,000
Depreciation	-	165,624	-	-	-
Total Expenditures	\$ 252,376	\$ 569,024	\$ 225,000	\$ 513,000	\$ 191,000

The Facility Department is the cost center for the operation and maintenance of all District facilities and land. Facility expenditures are not directly tied to a specific function, but rather related to the District as a whole. The FY 22-23 budget reflects a \$56,000, 9.8%, decrease from the prior year budget. The most significant variances from the prior year budget include an increase of \$330,000 in capital acquisitions for audio/visual upgrades, new flooring throughout District facilities, card reader access for employee and public entrances, EV car charging stations, and other unforeseen replacement needs. The overall decrease in budgeted expenditures is attributable to several factors including a \$166,000 decrease in depreciation which is not a cash base expenditure and therefore not included in this year's budget. The District has not backfilled the staff position of Facilities Coordinator accounting for a \$108,000 budget decrease. In prior years, technology-related expenditures were recorded in facilities but are now accounted for within the departments benefiting from technology-related resources, or the Administrative department if the benefit is pervasive, accounting for a \$81,000 decrease from the prior year budget.

The District has invested in LED parking lot lighting in an effort to curtail spiking energy costs.

There are no FTE's in the Facilities Department. Facility-related services are provided through maintenance and repair contracts.

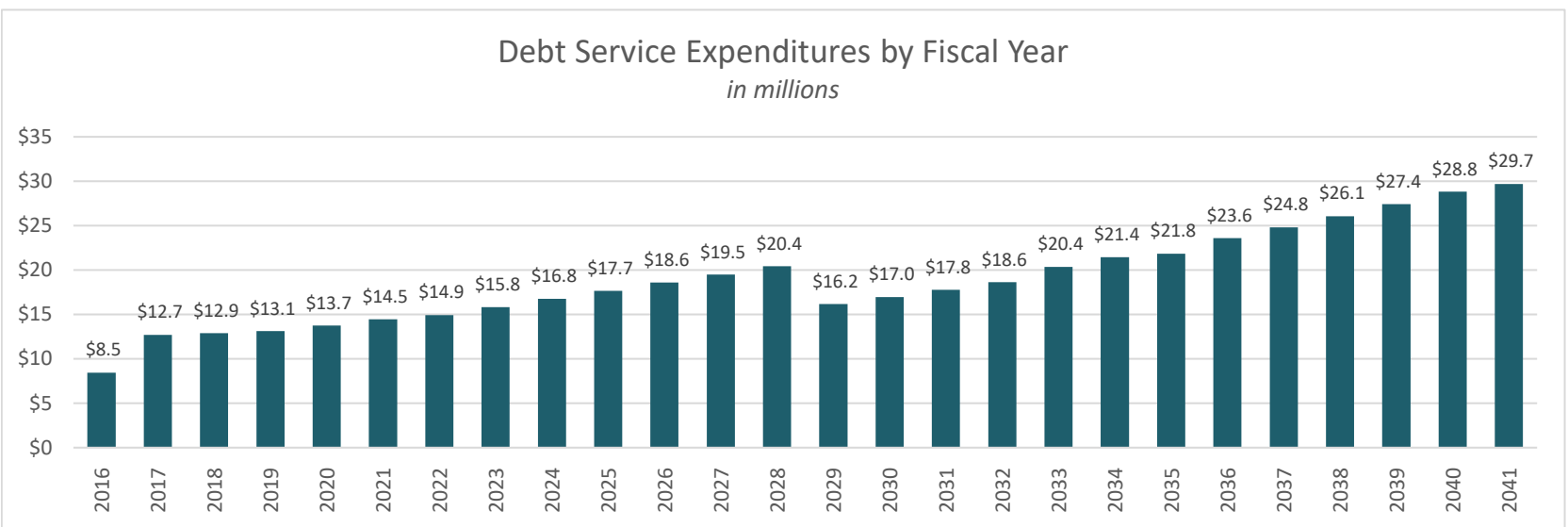


	Actual Year Ended June 30, 2021	Budget Year Ending June 30, 2022	Projected Year Ending June 30, 2022	Budget Year Ending June 30, 2023	Estimated Year Ending June 30, 2024
Revenues					
Property Taxes	\$ 18,109,116	\$ 16,512,480	\$ 19,063,000	\$ 19,635,000	\$ 20,224,000
Investment Earnings	4,202	66,000	168,000	174,000	202,000
Total Revenues	18,113,318	16,578,480	19,231,000	19,809,000	20,426,000
Expenditures					
Contract Services	-	-	8,000	-	-
Principle Debt Payments	4,670,000	5,695,000	5,695,000	6,795,000	5,814,000
Interest Debt Payments	9,789,569	9,530,488	9,230,000	9,031,000	10,952,000
Total Expenditures	14,459,569	15,225,488	14,933,000	15,826,000	16,766,000
Revenues Over Expenditures	\$ 3,653,749	\$ 1,352,992	\$ 4,298,000	\$ 3,983,000	\$ 3,660,000

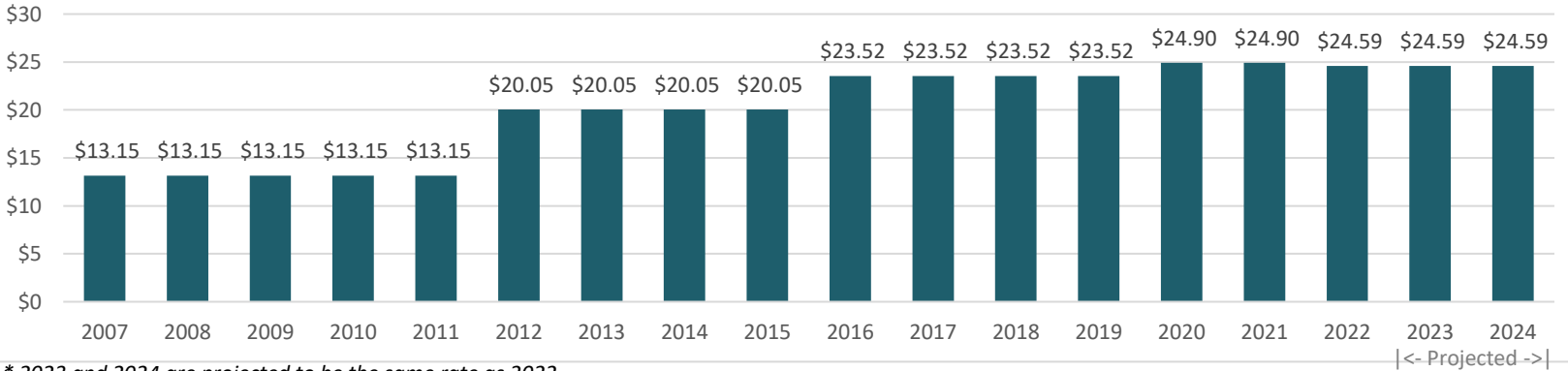
In 2006, voters approved Proposition G, a \$247 million bond measure that funded capital infrastructure improvements at Grossmont Hospital. The District submits a rate per \$100,000 of assessed property value within the District's boundaries August of each year for a special tax assessment to repay the bonds with interest (debt service). The current rate is \$24.59 per \$100,000 of assessed value and is assumed to be the same for FY 2023 and FY 2024.

The bonds were issued in phases known as "series". Most of the 2011 Series B bonds were refunded with the issuance of 2015 Series D bonds, and the remaining 2011 Series B being refunded with the 2021 Series E bond proceeds. The amounts and timing of the issuances were as follows:

Series	Original Issue Balance	Principal Balance as of:					
		June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025	June 30, 2026	June 30, 2027
2007A	\$ 85,627,076	\$ 23,597,076	\$ 23,597,076	\$ 21,618,285	\$ 19,595,853	\$ 17,540,301	\$ 15,448,424
2011B	136,860,000	-	-	-	-	-	-
2015C	24,510,000	21,700,000	19,600,000	16,820,000	13,300,000	9,310,000	4,885,000
2015D	200,490,000	186,820,000	182,125,000	181,070,000	179,960,000	178,455,000	175,945,000
2021E	11,670,000	11,670,000	11,670,000	11,670,000	11,670,000	11,670,000	10,990,000
Total		\$ 243,787,076	\$ 236,992,076	\$ 231,178,285	\$ 224,525,853	\$ 216,975,301	\$ 207,268,424



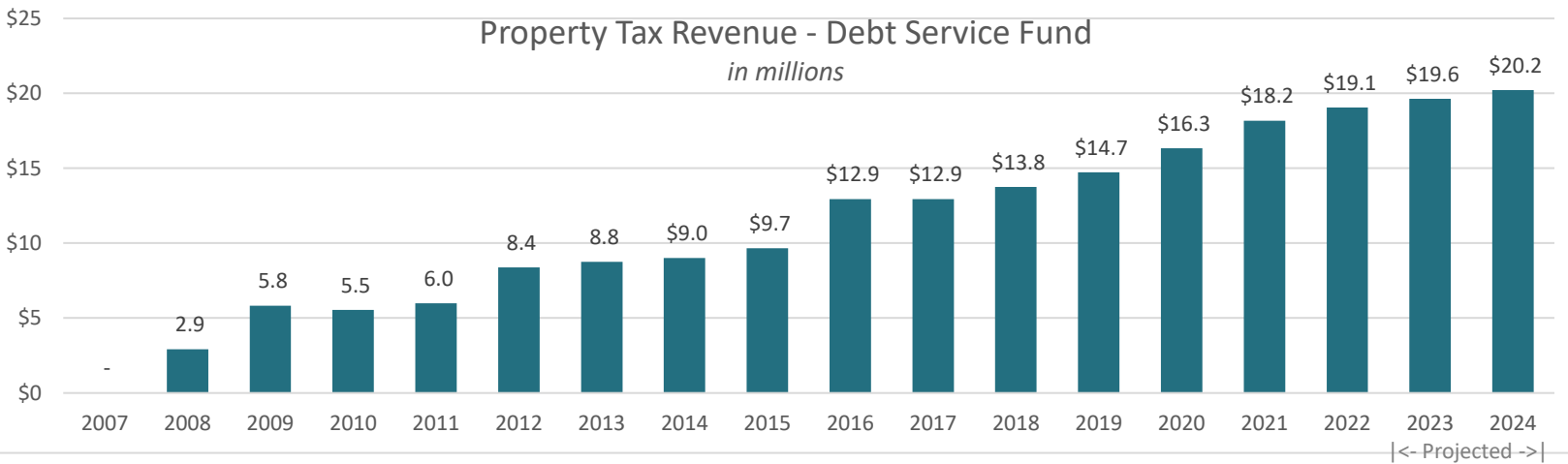
Prop G Property Tax Rate per \$100,000 of Assessed Value



* 2023 and 2024 are projected to be the same rate as 2022

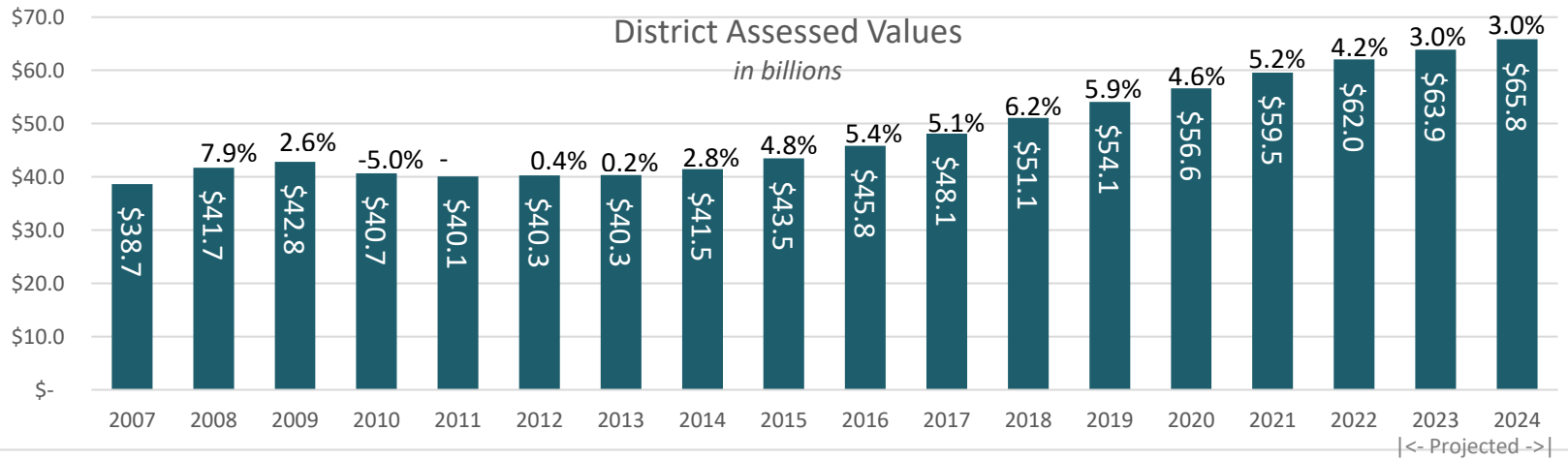
|<- Projected ->

Property Tax Revenue - Debt Service Fund
in millions



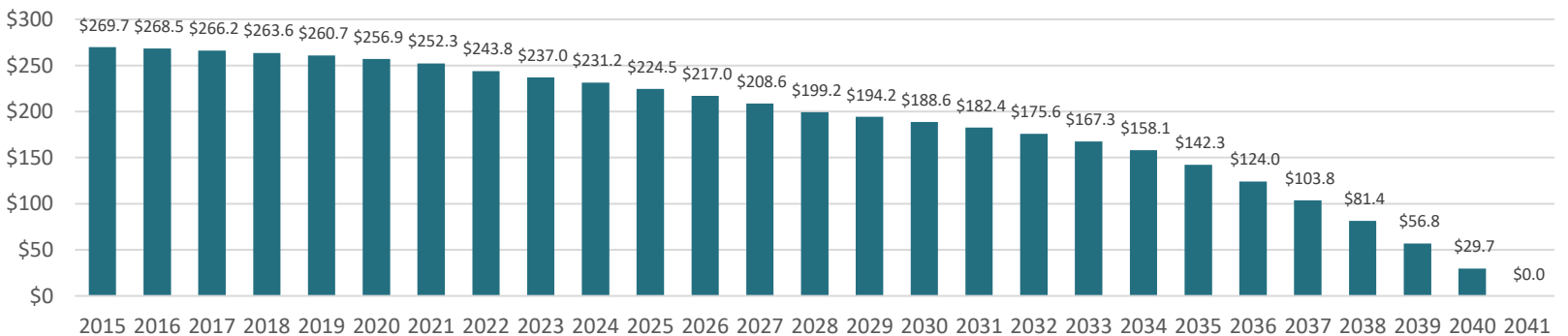
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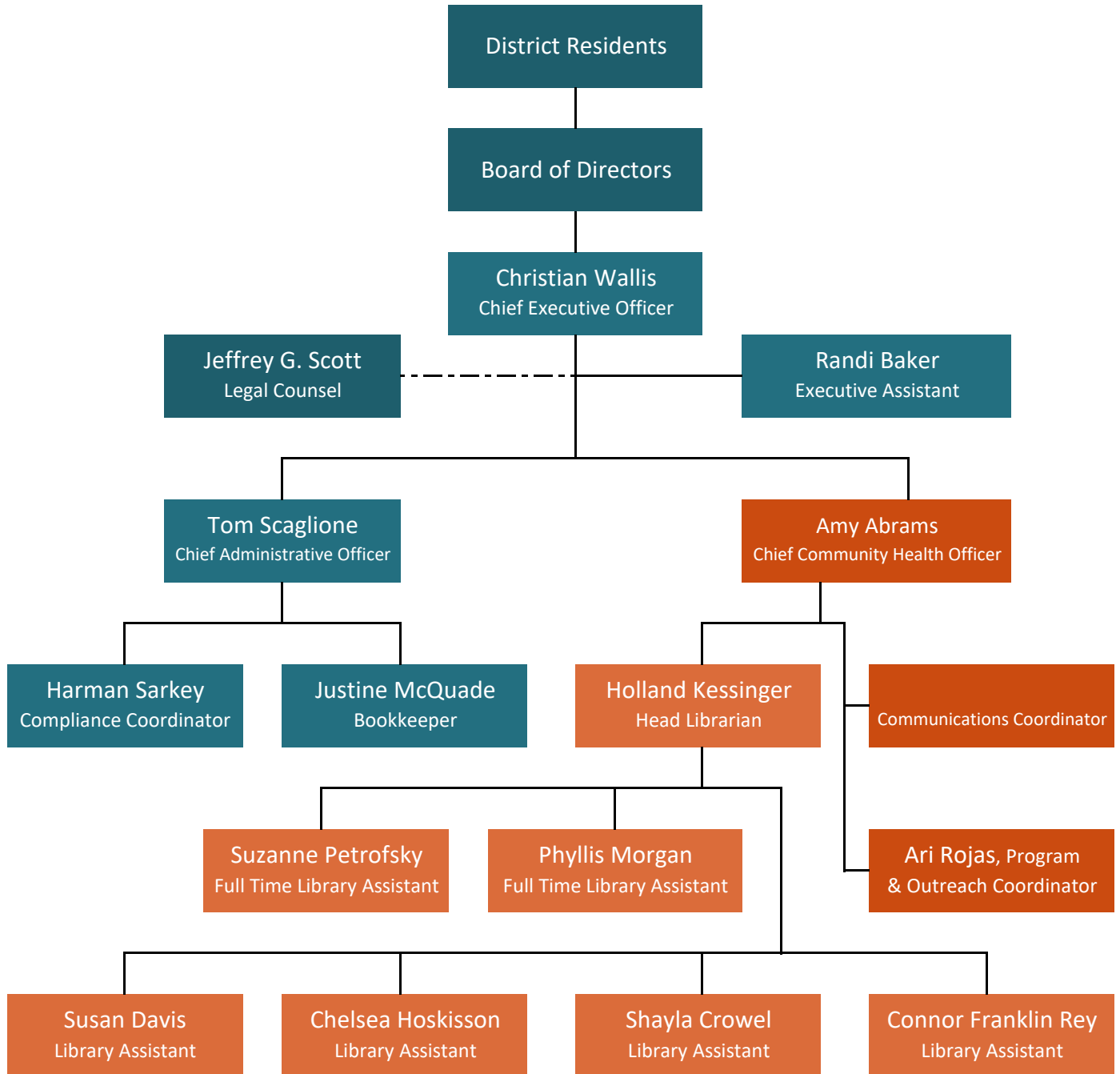
District Assessed Values
in billions



|<- Projected ->

Principal Balance
in millions





- - - - The District contracts for general legal counsel.

Grossmont Healthcare District
 Operating Budget
 For the Fiscal Year Ending June 30, 2023

Salaries and Benefits Budget

	Actual Year Ended June 30, 2021	Budget Year Ending June 30, 2022	Projected Year Ending June 30, 2022	Budget Request Year Ending June 30, 2023	Estimated Year Ending June 30, 2024
Salaries and Wages					
Governance	\$ 44,014	\$ -	\$ 47,000	\$ 49,000	\$ 51,000
Administrative	843,425	770,016	555,000	673,000	720,000
Community Health	-	-	175,000	256,000	275,000
Library	107,236	250,824	245,000	287,000	311,000
Facilities	-	65,592	33,000	-	-
Total	\$ 994,675	\$ 1,086,432	\$ 1,055,000	\$ 1,265,000	\$ 1,357,000
Employee and Retiree Benefits					
Retirement	\$ 126,926		\$ 111,000	\$ 135,000	\$ 156,000
Health	368,226		473,000	485,000	504,000
Dental	28,539		30,000	63,000	66,000
Vision	7,130		8,000	17,000	17,000
Life	-		3,000	6,000	6,000
Payroll Taxes	83,359		85,000	96,000	103,000
Workers Compensation Insurance	3,804		-	5,000	5,000
Allowances	4,650		-	13,000	13,000
Total	\$ 622,634	\$ 524,268	\$ 710,000	\$ 820,000	\$ 870,000
Full-Time Equivalent Employees					
Governance	5.0	5.0	5.0	5.0	5.0
Administration	7.0	4.5	5.0	5.0	5.0
Community Health	3.0	3.0	2.7	2.7	2.7
Library	5.0	5.0	5.3	5.3	5.3
Facilities	1.0	1.0	-	-	-
Total	21.0	18.5	18.0	18.0	18.0

Note: For fiscal years 2022-23 and 2023-24, Administrative Salaries and Wages include \$12,000 annually for interns and Community Health Salaries and Wages include \$24,000 for interns.

Our resource that is most valuable to the health needs of the residents of East County is our talent. The Grossmont Healthcare District is committed to being the employer of choice and retaining and developing the best talent in the industry. The District recently conducted a survey of San Diego County salaries and the Board approved adjustments to ensure that the District's salary schedule is competitive. Benefits include CalPERS retirement and full family medical coverage. Allowances will be provided in the budget your for travel and cell phone use. This budget includes \$5,000 per employee per year for professional development.

Grossmont Healthcare District
Reserves Budget and Projection
For the Fiscal Year Ending June 30, 2023

Reserves Budget and Projection

	General Fund				Debt Service	
	Cash	LAIF	Investments	Total	Fund	OPEB Trust
Projected July 1, 2022 Balance	\$ 1,551,000	\$ 12,558,000	\$ 22,501,000	\$ 36,610,000	\$ 24,877,000	\$ 3,112,000
Revenues Over Expenditures	407,000	50,000	450,000	907,000	3,983,000	175,000
CERBT FY 2022 Requisition	181,000	-	-	181,000	-	(181,000)
Projected June 30, 2023	<u>\$ 2,139,000</u>	<u>\$ 12,608,000</u>	<u>\$ 22,951,000</u>	<u>\$ 37,698,000</u>	<u>\$ 28,860,000</u>	<u>\$ 3,106,000</u>
Reserve Balance Distribution						
Administrative Reserve	\$ 2,139,000	\$ 539,000	\$ -	\$ 2,678,000		
Operating Reserve	-	7,021,000	-	7,021,000		
Supplemental Revenue Reserve	-	1,181,000	-	1,181,000		
Contingency Reserve	-	3,867,000	1,133,000	5,000,000		
Debt Service Reserve - Maximum Target					\$ 30,205,000	
Funds in Excess of Reserves	-	-	21,818,000	21,818,000	(1,345,000)	
Total Reserve Balance	<u>\$ 2,139,000</u>	<u>\$ 12,608,000</u>	<u>\$ 22,951,000</u>	<u>\$ 37,698,000</u>	<u>\$ 28,860,000</u>	

Administrative Reserve

To ensure cash resources are available to pay day to day operations and to provide funding in case of operating emergencies, the District reserves twelve months of budgeted Administrative and Facilities expenditures.

Operating Reserve

To ensure that cash resources are available to continue to serve the community, even in times of financial, economical, social, or health care crisis (like a pandemic), the District reserves one year of budgeted Community Health and Library expenditures.

Supplemental Revenue Reserve

To provide for cash reserves from which to draw that are not from property tax assessments, the District reserves prior year revenues other than from property tax assessments, revenues directly offsetting obligations, and revenues passed through to healthcare partners such as from grants. Schedule of Supplement Revenue Reserve Balance:

	FY 2021	FY 2022	FY 2023
Beginning Balance	\$ -	\$ 169,000	\$ 473,000
Briercrest lease revenues	52,500	91,000	93,000
Investment earnings	105,900	98,000	500,000
Other income	10,600	115,000	115,000
Draws	-	-	-
Ending Balance	<u>\$ 169,000</u>	<u>\$ 473,000</u>	<u>\$ 1,181,000</u>

Contingency Reserve

To ensure cash resources are available to address potential risks, such as premature termination of the hospital lease, the District reserves a minimum of 20% of annual budgeted General Fund property tax revenue and a maximum equal to the estimated cost of professional fees and expenses needed for a transition team in the event of an early hospital lease cancellation (estimated at \$5,000,000 in *A Risk-Based Analysis of General Fund Minimum Reserve Requirements* prepared in 2019).

Debt Service Reserve

The District establishes a maximum reserve target of debt service payments obligated within thirteen months of the budget year-end, representing three semi-annual debt service payments, two with principal, one interest only. The minimum reserve target is equal to the next two semi-annual debt service payments. This money is received and reserved from a special assessment and restricted solely for the repayment of bonds issued pursuant to Proposition G.

Debt Service Payment	
Date	Amount
July 15, 2023	\$ 12,430,500
January 15, 2024	4,334,700
Minimum Reserve Target	16,765,200
July 15, 2024	13,439,800
Maximum Reserve Target	\$ 30,205,000

Glossary of Budget Terms

Administrative Department - A cost center of the District responsible for governance, legal counseling, executive management, human resources, finance, accounting, regulatory compliance, and safety.

Allowances - Fixed dollar amounts provided to employees for business use of personal cell phone use and for District-related travel.

Briercrest Lease Revenue - Compensation received from Sharp Grossmont Hospital for the lease of a parking lot owned by the District.

Capital Improvements/Acquisitions - Real or personal property with useful lives in excess of two years acquired for District use and/or benefit costing over \$5,000. Examples include an audio/visual system for the Board room and conference center, carpeting, and furniture.

California Employee Retirement Benefits Trust (CERBT) - An irrevocable, off-balance sheet, trust managed by CalPERS for the exclusive benefit of retired employees

Cogen Lease Revenue - The District financed an energy cogeneration facility used by Sharp Grossmont Hospital. Payments by Sharp to pay off the principal of the loan were recorded as lease revenue on the District's books.

Community Health Department - A cost center of the District responsible for: implementing the awards of Board-approved grants, scholarships, and sponsorships; and initiating and executing programs and partnerships that maintain and improve the physical and behavioral health of the community of East San Diego County.

Contract Services - Duties and responsibilities performed pursuant to an agreement with the District by professionals and artisans versed in their field who are not employees of the District. Examples include: legal, lobbying, financial auditing, investment portfolio management, video production, printing, and grant writing.

Debt Service - Principal and interest on outstanding debt obligations.

Debt Service Fund - A fiscal and accounting entity with a self-balancing set of accounts recording property tax revenue from the Proposition G assessment, together with outstanding Prop G bond obligations and residual balances, and changes therein, which are segregated for the purpose recording activity in accordance with restrictions identified in bond agreements.

Dental - Benefit of paid dental insurance provided to Board members and employees, and their spouses and dependents.

Department - Cost centers of the District for which a separate budgeting and accounting. The four Departments of the District are Community Health, Library, Administrative, and Faculties. The General Fund is the total of these Departments.

District - The Grossmont Healthcare District

Dues, Meetings, and Memberships - The cost of memberships and subscriptions to professional, community, and commercial organizations and to register for or conduct meetings. Example memberships and subscriptions include Association of California Healthcare Districts, California Special District Association, Chamber of Commerce, East County Economic Development Council, Hospital Association of San Diego/Community Needs Health Assessment, Society for Human Resource Managers, and Costco.

Employee Benefits - Any kind of tangible or intangible compensation given to employees apart from base wages or base salaries.

Equipment Rental - Various rent payments for storage space and equipment.

Events - Open community functions for public health education, information, and recognition.

Expenditure - A disbursement of money

Facilities Department - A cost center of the District responsible for maintaining operable and safe facilities for District employees and the Public.

Fiscal Year (FY) - The one-year period of time, July through June, the District uses for to capture and report all accounting and financial activity.

Full-Time Equivalent Employees (FTEs) - A unit of measurement equivalent to an employee's scheduled hours divided by the District's hours for a full-time worker. Example: a worker is consider 0.25 FTE is she works 10 hours per week ($10 \div 40 = 0.25$).

Fund - A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

General Fund - The primary fiscal and accounting entity with a self-balancing set of accounts recording all resource inflows and outflows associated with the core administrative and operational tasks of the District (Community Health, Library, Administrative, and Facilities departments) and not associated with special-purpose or restricted funds, like Proposition G debt service (the Debt Service Fund).

Governance - A cost center within the Administrative Department responsible for outflows of resources related to the District's elected Board members and policy function and include Board stipends and benefits, and meeting costs.

Grants - Monetary awards to community partners (non-profit organizations) to execute the mission of the District by maintaining the physical and mental health of the residents of San Diego's East County.

Grossmont Hospital Foundation (GHF) - A nonprofit organization established in 1985 to enhance the current and future health care needs of the East County and San Diego communities through support of patient care, health education, clinical research and major capital projects at Sharp Grossmont Hospital and Sharp HospiceCare.

Grossmont Hospital Support - Financial contributions to Grossmont Hospital Foundation or Sharp Grossmont Hospital to support providing the healthcare needs of the residents of San Diego's East County.

Insurance - Amounts paid to Special District Risk Management Association for liability coverage (recorded in the Administrative Department), property coverage (recorded in the Facilities Department), and workers compensation coverage (recorded as an employee benefit).

Interest Debt Payments - Expenditures out of the Debt Service Fund for the interest portion of Proposition G bond obligations.

Inter-Governmental Transfer (IGT) - A method in which local governments and public hospitals can transfer funds to the Agency for Health Care Administration (the Agency) to help fund the Medicaid program. IGTs received by the Agency are then used to draw down funds from the federal government as "match" funding to support the Medicaid program.

Investment Earnings - Debt Service - Interest received and gains realized on money market accounts and Federal agency investments maintained in accounts established at US Bank to pay Proposition G bond obligations.

Investment Earnings - General Fund - Interest received and gains realized on cash accounts, money market accounts, LAIF, and investments management by Chandler Asset Management recorded in the General Fund.

Investments - Debt securities owned by the District and maintained in a portfolio managed by Chandler Asset Management.

LAIF - Local Agency Investment Fund - A voluntary pooled investment program created by California statute, began in 1977 as an investment alternative for California's local governments and special districts.

Legal - Expenditures for contract general counsel and special counsel.

Library Department - A cost center for the operation of the Dr. William C. Herrick Community Health Care Library providing resources and services to meet the health information needs of the District's residents.

Library Resources - Print and digital collections on healthcare topics (aging concerns, behavioral health, cancer, cardiovascular disease, diabetes, obesity, etc.)

Life - Expenditures for employee group-term life insurance premiums for a \$50,000 benefit.

Maintenance and Repair - Expenditures for routine contract services and occasional repairs to maintain District facilities including landscaping, housekeeping, HVAC, fountain maintenance, and plant maintenance.

Miscellaneous or Other - Revenues or expenditures that are unanticipated or for which no other category (account) has been established.

OPEB Trust - An irrevocable, off-balance sheet, trust managed by CalPERS for the exclusive benefit of retired employees.

Payroll Taxes - Expenditure for employer social security and Medicare.

Principle Debt Payments - Expenditures out of the Debt Service Fund for the principal portion of Proposition G bond obligations.

Professional Development - Expenditures for course work, certifications, continuing professional education, training and seminars to help develop new skills, stay up-to-date on current trends, and advance in a career.

Property Taxes - Debt Service Fund - Revenue from the special Proposition G assessment that are restricted for debt service payment of Proposition G bonds.

Property Taxes - General Fund - Revenue from the District's allocation of the 1% ad valorem property tax assessment.

Proposition G - A voter-approved measure in 2006 for a \$247 million bond issuance to fund capital infrastructure improvements at Grossmont Hospital.

Retirement - Expenditures for employee retirement benefit through California Public Employees Retirement System (CalPERS).

Scholarships - Monetary awards to reimburse educational expenses of high school and college students pursuing careers in health care.

Security - Expenditures for facility alarm monitoring and private security for extended library hours.

Sponsorships - Payments to nonprofit organizations to help cover costs associated with programs and events that maintain and improve the physical and behavioral health of the residents of San Diego's East County.

Technology - Expenditures for computer hardware, software, applications, platforms, and contract system maintenance.

Utilities - Expenditures for monthly electrical, municipal water, sewer, telephone, and trash services.