



Grossmont Healthcare District Amended Operating Budget

FOR THE FISCAL YEAR ENDING JUNE 30, 2024



Grossmont Healthcare District - Supporting community health and wellness programs and services for the residents of East County.

BOARD OF DIRECTORS

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



CHIEF EXECUTIVE OFFICER

Christian Wallis
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March 21, 2024

To the Honorable Board of Directors of the Grossmont Healthcare District

Re: The Fiscal Year Ending June 30, 2024 **Amended** Budget

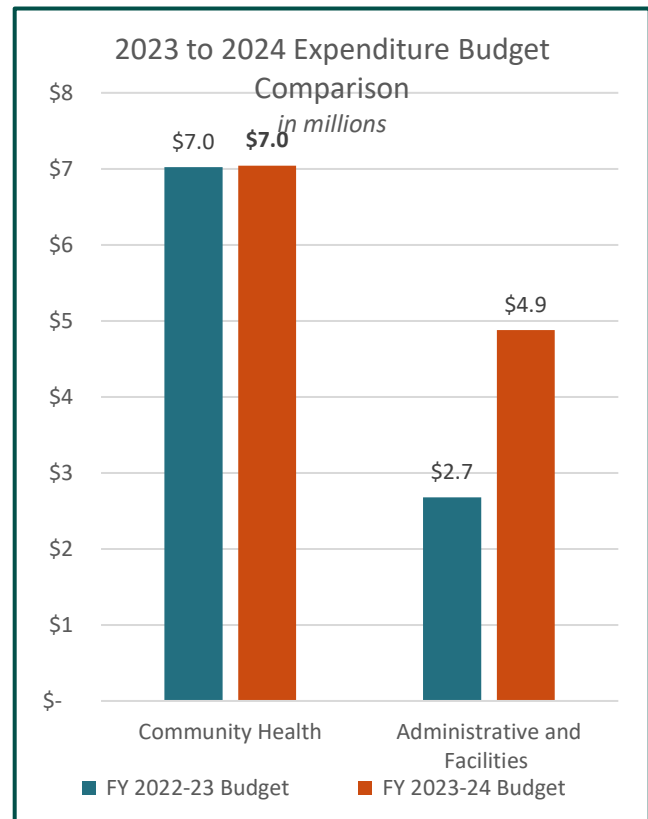
This **Amended** budget incorporates budget requests adopted by the Board on March 21, 2024 to fund a Nurse Triage Pilot Program for \$100,000, a Rural Health Discharge Program extension for \$125,000, and the first planning phase of a Family Medicine Residency Program for \$200,000. Changes from the original adopted budget are **bolded**. The Estimated Year Ending June 30, 2025 column in the original budget is replaced with **Amended Year Ending June 30, 2024**. The only amendments are summarized below.

Community Health Support:	<u>Original Budget</u>	<u>Amendment</u>	<u>Amended Budget</u>
Contract Services	\$ 50,000	\$ 35,000	\$ 85,000
Strategic Grants	375,000	200,000	575,000

	<u>General Fund Fiscal Year 2024 Budget</u>			<u>Debt Service</u>
	<u>Community Health</u>	<u>Administrative and Facilities</u>	<u>Total</u>	<u>Fiscal Year 2024 Budget</u>
Cash and Investments at July 1, 2023			\$ 37,883,000	\$ 28,673,000
Revenues and Reimbursements			11,741,000	20,552,000
Expenditures	(7,041,000)	(4,878,000)	(11,919,000)	(16,765,000)
Cash and Investments at June 30, 2024			\$ 37,705,000	\$ 32,460,000

Budgeted General Fund revenues increased by \$0.8 million, 7.8%, compared to the previous year's budget. Budgeted investment in the health of our community represented in our Community Health expenditure budget **increased by \$20,000, 03%**. Our Administrative and Facilities expenditure budget increased by \$2.2 million, 82.2%, over last year due to an anticipated facilities renovation and expansion. Budgeted Debt Service Fund revenues increased by \$0.7 million, 3.8% while budgeted debt service increased by \$0.9 million, 5.9%, 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 - Support, 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.

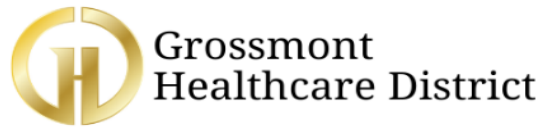
GROSSMONT HEALTHCARE DISTRICT	STRATEGIC PLAN 2022-2025
<p>Priority 1: Community Health and Wellness – We will evaluate and determine the unmet needs of East San Diego County to improve the health and wellness of the communities we serve.</p> <p>Priority 2: Hospital Partnership – We will ensure accountability 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 facilities expansion, but not an expense. The expense happens over the useful life of the expansion. 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



Grossmont Healthcare District

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): Michael Emerson, Bob Ayres, Gloria Chadwick, Randy Lenac, Virginia Hall

BOARD OF DIRECTORS

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

Amended Operating Budget for the Fiscal Year Ending June 30, 2024

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Grossmont Healthcare District
 Amended Operating Budget
 For the Fiscal Year Ending June 30, 2024

Consolidated - All Funds

	Actual Year Ended June 30, 2022	Budget Year Ending June 30, 2023	Projected Year Ending June 30, 2023	Budget	
				Adopted Year Ending June 30, 2024	Amended Year Ending June 30, 2024
Revenues					
Property Taxes - General Fund	\$ 9,581,853	\$ 9,898,000	\$ 10,160,000	\$ 10,455,000	\$ 10,455,000
Property Taxes - Debt Service Fund	18,806,151	19,635,000	19,436,000	20,019,000	20,019,000
Briercrest Lease Revenue	83,625	93,000	93,000	95,000	95,000
Investment Earnings - General Fund	112,395	500,000	667,000	928,000	928,000
Investment Earnings - Debt Service	156,917	174,000	475,000	533,000	533,000
Other Income	174,084	115,000	59,000	-	-
Total Revenues	28,915,025	30,415,000	30,890,000	32,030,000	32,030,000
Expenditures					
Salaries and Wages	1,063,684	1,265,000	1,265,000	1,562,000	1,562,000
Employee Benefits	527,710	822,000	821,000	912,000	912,000
Professional Development	2,938	76,000	31,000	68,000	68,000
Dues, Meetings, and Memberships	63,010	80,000	67,000	76,000	76,000
Legal	200,705	110,000	101,000	93,000	93,000
Contract Services	237,056	388,000	175,000	311,000	346,000
Security	9,573	24,000	23,000	27,000	27,000
Technology	200,351	365,000	302,000	244,000	244,000
Grossmont Hospital Support	2,945,770	4,000,000	2,902,000	3,070,000	3,070,000
Grants and Sponsorships	1,413,104	1,371,000	1,371,000	1,730,000	1,930,000
Scholarships	181,850	249,000	224,000	311,000	311,000
Programs and Events	4,591	167,000	78,000	74,000	74,000
Library Resources	26,787	39,000	26,000	58,000	58,000
Supplies	60,112	146,000	37,000	124,000	124,000
Utilities	72,043	79,000	86,000	91,000	91,000
Maintenance and Repair	54,727	61,000	90,000	97,000	97,000
Equipment Rental	25,017	19,000	23,000	28,000	28,000
Capital Improvements/Acquisitions	31,117	350,000	316,000	2,725,000	2,725,000
Insurance	57,506	68,000	69,000	83,000	83,000
Principle Debt Payments (Prop G)	5,695,000	6,795,000	6,795,000	5,814,000	5,814,000
Interest Debt Payments (Prop G)	9,229,361	9,031,000	9,031,000	10,951,000	10,951,000
Miscellaneous	-	20,000	25,000	-	-
Total Expenditures	22,102,012	25,525,000	23,858,000	28,449,000	28,684,000
Net Cash Flow	6,813,013	4,890,000	7,032,000	3,581,000	3,346,000
Transfer from/(to) reserves	(6,813,013)	(4,890,000)	(7,032,000)	(3,581,000)	(3,346,000)
Net Income	\$ -	\$ -	\$ -	\$ -	\$ -

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 \$40 million in scholarships, and grants sponsorships to local nonprofit partners serving residents living within District boundaries. The District also operates the Health and Wellness 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, 2024

General Fund - All Departments

	Actual Year Ended June 30, 2022	Budget Year Ending June 30, 2023	Projected Year Ending June 30, 2023	Budget	
				Adopted Year Ending June 30, 2024	Amended Year Ending June 30, 2024
Revenues					
Property Taxes	\$ 9,581,853	\$ 9,898,000	\$ 10,160,000	\$ 10,455,000	\$ 10,455,000
Briercrest Lease Revenue	83,625	93,000	93,000	95,000	95,000
Investment Earnings	112,395	500,000	667,000	928,000	928,000
Other Income	174,084	115,000	59,000	-	-
Total Revenues	9,951,957	10,606,000	10,979,000	11,478,000	11,478,000
Expenditures					
Salaries and Wages	1,063,684	1,265,000	1,265,000	1,562,000	1,562,000
Employee Benefits	527,710	822,000	821,000	912,000	912,000
Professional Development	2,938	76,000	31,000	68,000	68,000
Dues, Meetings, and Memberships	63,010	80,000	67,000	76,000	76,000
Legal	200,705	110,000	101,000	93,000	93,000
Contract Services	237,056	388,000	175,000	311,000	346,000
Security	9,573	24,000	23,000	27,000	27,000
Technology	200,351	365,000	302,000	244,000	244,000
Grossmont Hospital Support	2,945,770	4,000,000	2,902,000	3,070,000	3,070,000
Grants and Sponsorships	1,413,104	1,371,000	1,371,000	1,730,000	1,930,000
Scholarships	181,850	249,000	224,000	311,000	311,000
Programs and Events	4,591	167,000	78,000	74,000	74,000
Library Resources	26,787	39,000	26,000	58,000	58,000
Supplies	60,112	146,000	37,000	124,000	124,000
Utilities	72,043	79,000	86,000	91,000	91,000
Maintenance and Repair	54,727	61,000	90,000	97,000	97,000
Equipment Rental	25,017	19,000	23,000	28,000	28,000
Capital Improvements/Acquisitions	31,117	350,000	316,000	2,725,000	2,725,000
Insurance	57,506	68,000	69,000	83,000	83,000
Miscellaneous	-	20,000	25,000	-	-
Total Expenditures	7,177,651	9,699,000	8,032,000	11,684,000	11,919,000
Net Cash Flow	2,774,306	907,000	2,947,000	(206,000)	(441,000)
Transfer from/(to) reserves	(2,774,306)	(907,000)	(2,947,000)	206,000	441,000
Net Income	\$ -	\$ -	\$ -	\$ -	\$ -

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 - Support, Community Health - Library, Administration, and Facilities. Community Health is an external function 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 \$0.7 million, 6.2%, increase in budgeted revenues from FY 2023 to FY 2024 is due to increased property values (more property tax revenue) and more investment earnings from more invested funds and better returns.

Definitions of each line item are found in the Glossary on page 12

	Actual Year Ended June 30, 2022	Budget Year Ending June 30, 2023	Projected Year Ending June 30, 2023	Expenditure Budget	
				Adopted Year Ending June 30, 2024	Amended Year Ending June 30, 2024
Salaries and Wages	\$ 173,949	\$ 256,000	\$ 326,000	\$ 424,000	\$ 424,000
Benefits - Employees	60,890	103,000	96,000	114,000	114,000
Professional Development	-	14,000	8,000	15,000	15,000
Dues, Meetings, and Memberships	61	16,000	5,000	9,000	9,000
Contract Services	19,280	89,000	16,000	65,000	100,000
Technology/Platforms	6,305	22,000	30,000	13,000	13,000
Grossmont Hospital Support	2,945,770	4,000,000	2,902,000	3,070,000	3,070,000
Strategic Grants	-	-	-	230,000	430,000
Community Grants and Sponsorships	1,413,104	1,371,000	1,371,000	1,500,000	1,500,000
Scholarships	181,850	249,000	224,000	311,000	311,000
Programs and Support	4,591	92,000	60,000	50,000	50,000
Events	-	75,000	18,000	24,000	24,000
Supplies	2,820	88,000	5,000	13,000	13,000
Total Expenditures	\$ 4,808,620	\$ 6,375,000	\$ 5,061,000	\$ 5,838,000	\$ 6,073,000

The District has awarded more than \$40 million 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.

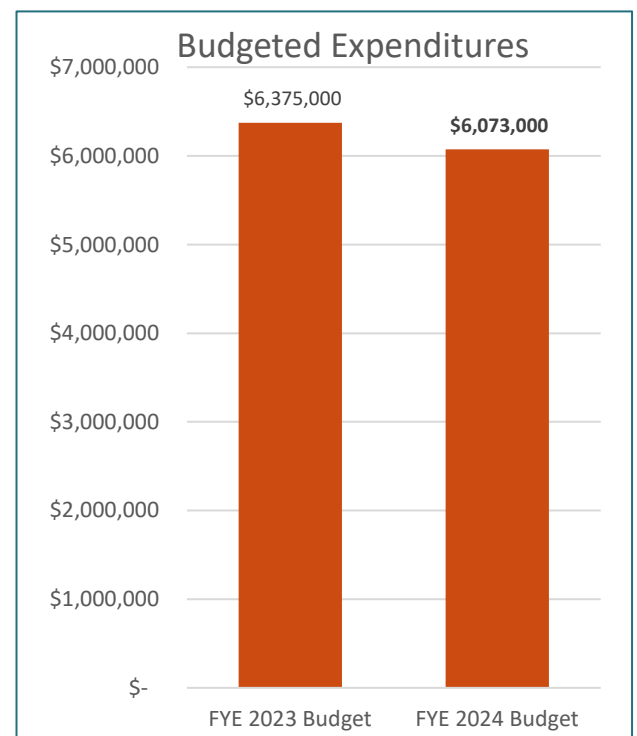
The FY 2024 budget for Community Healthcare Support is **\$6,073,000**, a **\$0.3 million (4.7%)** decrease from FY 2023. The provision for the remaining Sharp Grossmont Hospital neurological center matching grant decreased from \$3 million in FY 2023 to \$1 million the FY 2024 budget. The budget increased by \$1 million for the Inter-Governmental Transfer (IGT) program benefiting the hospital, **\$0.4** million for a greater provision for grants, sponsorships, and scholarships, and by \$0.2 million for a population health data research grant. The increase in Salaries and Wages is mainly due to an allocation of the CEO's time not included in the last budget and a provision for more internship hours.

Grossmont Hospital Support for FY 2024 includes the remaining \$1 million matching grant for the neurological center, \$2 million for the IGT program for underinsured and uninsured Medicaid covered services, and \$70,000 for sponsorships and other support.

Hospital support, grants, sponsorships, and scholarships budget amounts and awards are approved by the Board through a committee process.



Full-Time Equivalent Staffing (FTEs)	
Chief Executive Officer	0.4
Chief Community Health Officer	0.6
Communications Specialist	1.0
Community Health Program Specialist	1.0
Total Department FTEs	3.0



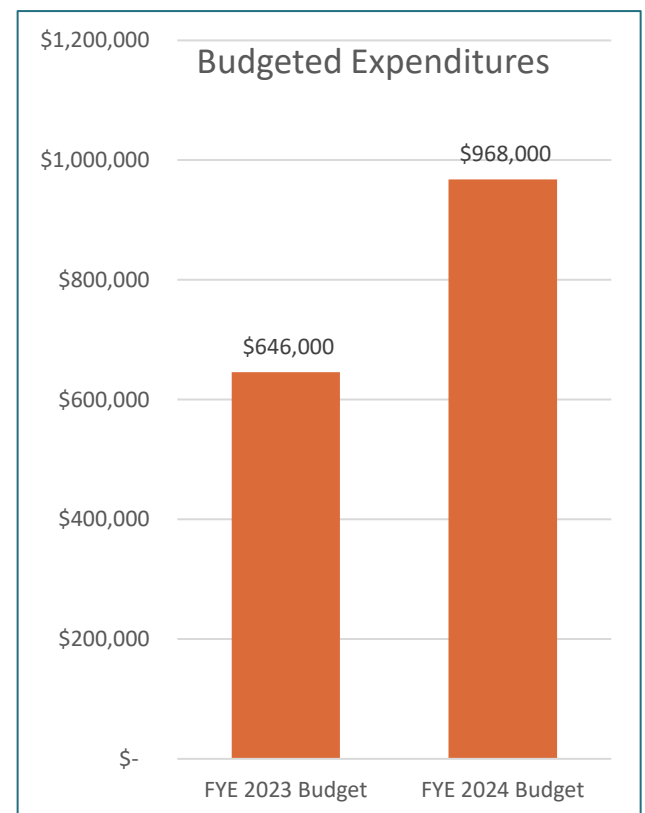
	Actual Year Ended June 30, 2022	Budget Year Ending June 30, 2023	Projected Year Ending June 30, 2023	Expenditure Budget	
				Adopted Year Ending June 30, 2024	Amended Year Ending June 30, 2024
Salaries and Wages	\$ 255,031	\$ 287,000	\$ 329,000	\$ 442,000	\$ 442,000
Benefits - Employees	123,597	184,000	155,000	187,000	187,000
Professional Development	-	27,000	1,000	30,000	30,000
Dues, Meetings, and Memberships	1,502	1,000	1,000	3,000	3,000
Contract Services	11,918	52,000	6,000	42,000	42,000
Private Security	4,800	16,000	15,000	18,000	18,000
Technology	8,887	23,000	16,000	14,000	14,000
Print Resources	8,991	15,000	16,000	38,000	38,000
Electronic Resources	17,796	24,000	10,000	20,000	20,000
Materials, Supplies and Office Expenses	7,414	15,000	13,000	92,000	92,000
Capital Acquisitions	-	-	-	75,000	75,000
Equipment Rental and Maintenance	3,356	2,000	4,000	7,000	7,000
Total Expenditures	\$ 443,292	\$ 646,000	\$ 566,000	\$ 968,000	\$ 968,000

The Grossmont Hospital District Health and Wellness Library is a free public library providing resources and services to meet the health information needs of the District's residents.

FY 2024 budgeted expenditures are \$0.3 million, 49.8%, greater than the previous year's budget due to resources required to meet Strategic Plan objectives. Strategic Priority 1 is to evaluate and determine the unmet needs of East San Diego County to improve the health and wellness of the communities we serve. In order to support the delivery of programs, services and information where there is little or no support, the Library budget includes an E-Ford transit under Capital Acquisitions, the upgrade of a part-time to a full-time position for Library outreach, and an enhanced materials budget. The budgeted salaries increase also includes an increased allocation of the CCHO's time, ten percent of the CEO's time, and additional parttime hours to meet strategic plan objectives.

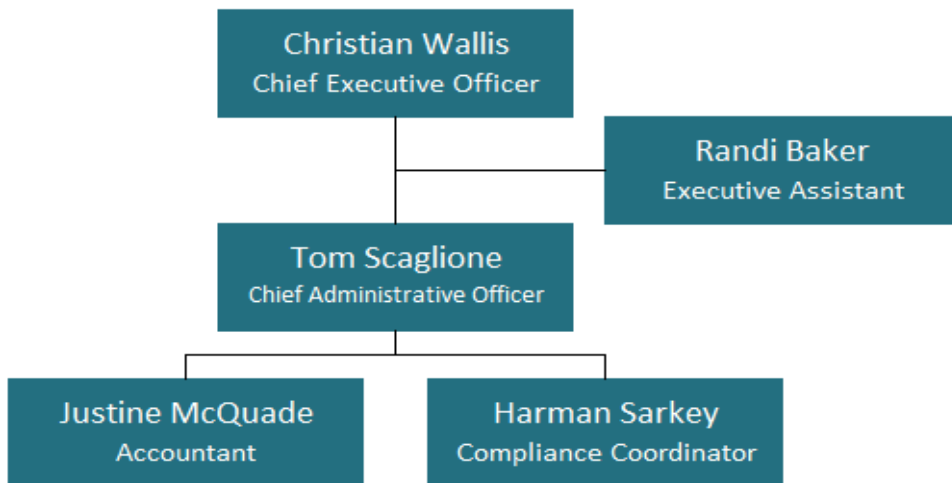


Full-Time Equivalent Staffing (FTEs)	
Chief Executive Officer	0.1
Chief Community Health Officer	0.4
Head Librarian	1.0
Fulltime Library Assistants	3.0
Part-Time Assistant Librarians (3)	1.5
Total Department FTEs	6.0

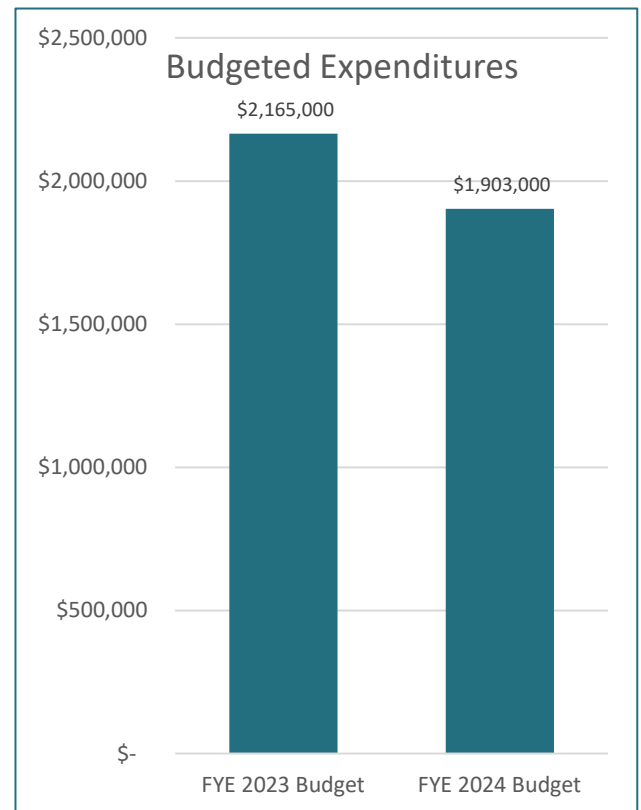


	Actual Year Ended June 30, 2022	Budget Year Ending June 30, 2023	Projected Year Ending June 30, 2023	Expenditure Budget	
				Adopted Year Ending June 30, 2024	Amended Year Ending June 30, 2024
Salaries and Wages	\$ 601,414	\$ 722,000	\$ 546,000	\$ 621,000	\$ 621,000
Benefits - Employees	333,537	354,000	279,000	313,000	313,000
Benefits - Retirees	(9,812)	181,000	261,000	264,000	264,000
Professional Development	2,938	35,000	22,000	19,000	19,000
Dues, Meetings, and Memberships	61,447	63,000	61,000	64,000	64,000
Legal	200,705	110,000	101,000	93,000	93,000
Contract Services	196,476	247,000	151,000	201,000	201,000
Technology	182,588	320,000	256,000	217,000	217,000
Supplies and Office Expenses	44,881	38,000	18,000	19,000	19,000
Rental	21,661	17,000	19,000	21,000	21,000
Insurance	49,190	58,000	59,000	71,000	71,000
Miscellaneous	-	20,000	25,000	-	-
Total Expenditures	\$ 1,685,025	\$ 2,165,000	\$ 1,798,000	\$ 1,903,000	\$ 1,903,000

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 2024 administrative expenditures of \$1,903,000, show a decrease of \$0.3 million, or -12.1%, due to allocations of the CEO's and Compliance Coordinator's time to other departments, and a reduction in nonrecurring contracted services and technology services budgeted in the prior year.



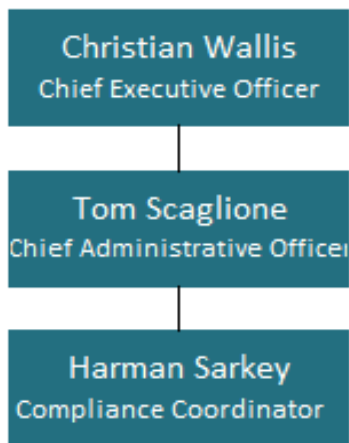
Full-Time Equivalent Staffing (FTEs)	
Chief Executive Officer	0.4
Executive Assistant	1.0
Chief Administrative Officer	1.0
Accountant	1.0
Compliance Coordinator	0.4
Total Department FTEs	3.8



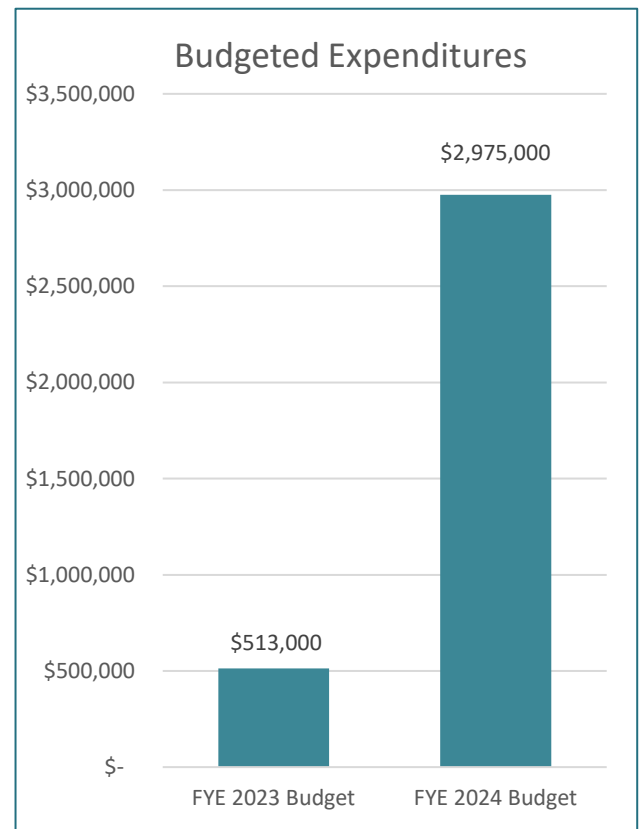
	Actual Year Ended June 30, 2022	Budget Year Ending June 30, 2023	Projected Year Ending June 30, 2023	Expenditure Budget	
				Adopted Year Ending June 30, 2024	Amended Year Ending June 30, 2024
Salaries and Wages	\$ 33,290	\$ -	\$ 64,000	\$ 75,000	\$ 75,000
Benefits - Employees	19,498	-	30,000	34,000	34,000
Professional Development	-	-	-	4,000	4,000
Contract Services	9,382	-	2,000	3,000	3,000
Technology	2,571	-	-	-	-
Security	4,773	8,000	8,000	9,000	9,000
Maintenance and Repairs - Interior	38,242	45,000	61,000	67,000	67,000
Maintenance and Repairs - Exterior	16,485	16,000	29,000	30,000	30,000
Supplies	4,997	5,000	1,000	-	-
Utilities	72,043	79,000	86,000	91,000	91,000
Capital Improvements & Acquisitions	31,117	350,000	316,000	2,650,000	2,650,000
Insurance	8,316	10,000	10,000	12,000	12,000
Total Expenditures	\$ 240,714	\$ 513,000	\$ 607,000	\$ 2,975,000	\$ 2,975,000

The Facilities 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 2024 budget increased \$2.5 million from the prior year budget due to the inclusion of a facility expansion and remodel: \$2.5 million anticipated in the budget year, and \$1.5 million in FY 2025. Capital Improvements and Acquisitions for the budget year also include ADA access doors, Library window tinting, and LED lighting conversion for energy efficiency, EV charging stations, and a storage shed. Projected Capital Acquisitions for 2025 include solar carports, district-wide flooring, roof and gutter repairs, parking lot repaving, and a digital billboard.



Full-Time Equivalent Staffing (FTEs)	
Chief Executive Officer	0.1
Chief Administrative Officer	-
Compliance Officer	0.6
Total Department FTEs	0.7



Grossmont Healthcare District
 Debt Service Fund Budget
 For the Fiscal Year Ending June 30, 2024

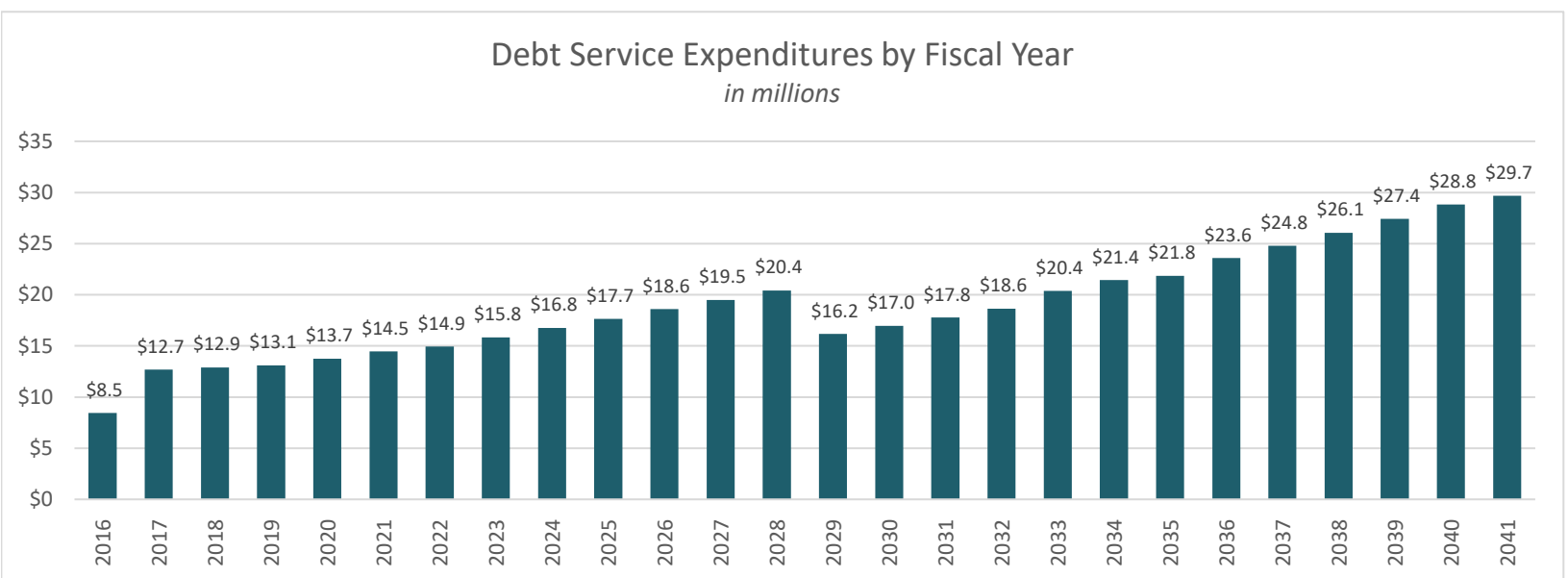
Debt Service Fund

	Actual Year Ended June 30, 2022	Budget Year Ending June 30, 2023	Projected Year Ending June 30, 2023	Budget	
				Adopted Year Ending June 30, 2024	Amended Year Ending June 30, 2024
Revenues					
Property Taxes	\$ 18,806,151	\$ 19,635,000	\$ 19,436,000	\$ 20,019,000	\$ 20,019,000
Investment Earnings	156,917	174,000	475,000	533,000	533,000
Total Revenues	18,963,068	19,809,000	19,911,000	20,552,000	20,552,000
Expenditures					
Principle Debt Payments	5,695,000	6,795,000	6,795,000	5,814,000	5,814,000
Interest Debt Payments	9,229,361	9,031,000	9,031,000	10,951,000	10,951,000
Total Expenditures	14,924,361	15,826,000	15,826,000	16,765,000	16,765,000
Revenues Over Expenditures	\$ 4,038,707	\$ 3,983,000	\$ 4,085,000	\$ 3,787,000	\$ 3,787,000

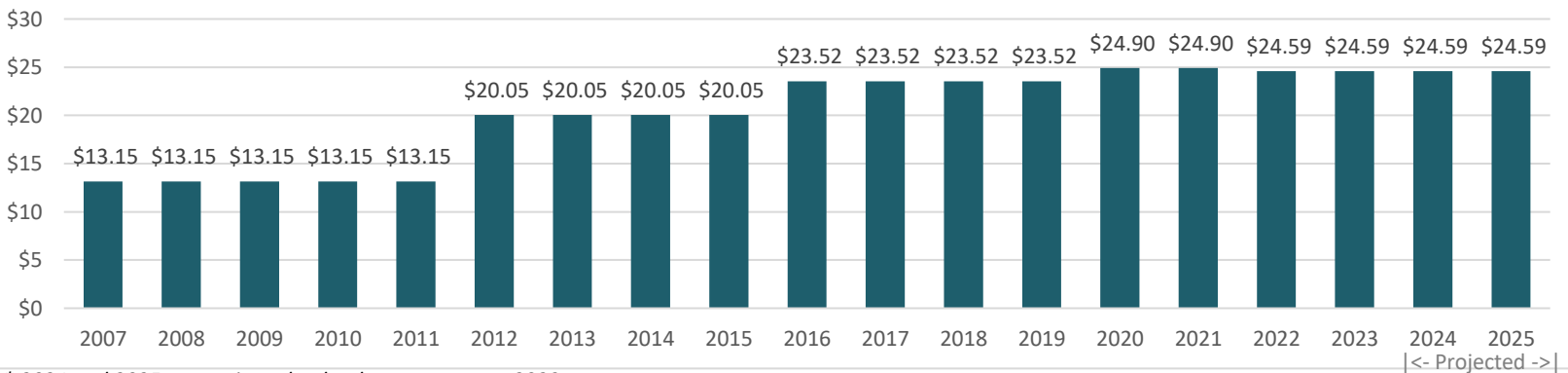
In 2006, voters approved Proposition G, a \$247 million bond measure that funded capital infrastructure improvements at Grossmont Hospital. The District submits a rate per \$100,000 of assessed property value within the District's boundaries August of each year for a special tax assessment to repay the 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, 2023	June 30, 2024	June 30, 2025	June 30, 2026	June 30, 2027	June 30, 2028
2007A	\$ 85,627,076	\$ 23,597,076	\$ 21,618,285	\$ 19,595,853	\$ 17,540,301	\$ 15,448,424	\$ 13,322,069
2011B	136,860,000	-	-	-	-	-	-
2015C	24,510,000	19,600,000	16,820,000	13,300,000	9,310,000	4,885,000	-
2015D	200,490,000	182,125,000	181,070,000	179,960,000	178,455,000	175,945,000	174,595,000
2021E	11,670,000	11,670,000	11,670,000	11,670,000	11,670,000	10,990,000	9,915,000
Total		\$ 236,992,076	\$ 231,178,285	\$ 224,525,853	\$ 216,975,301	\$ 207,268,424	\$ 197,832,069

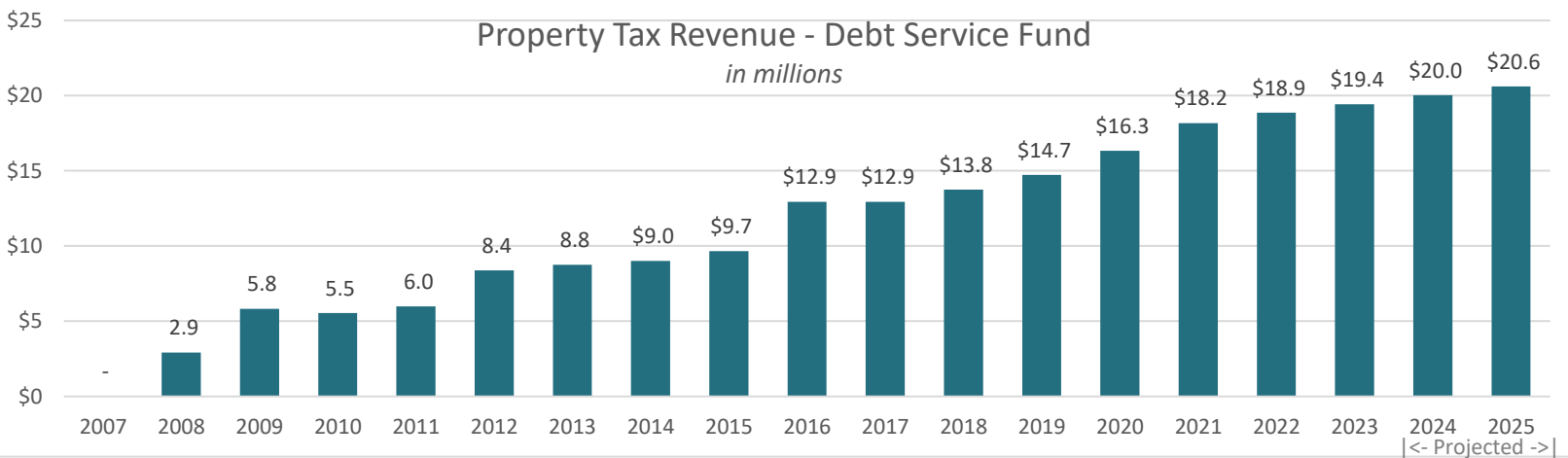


Prop G Property Tax Rate per \$100,000 of Assessed Value

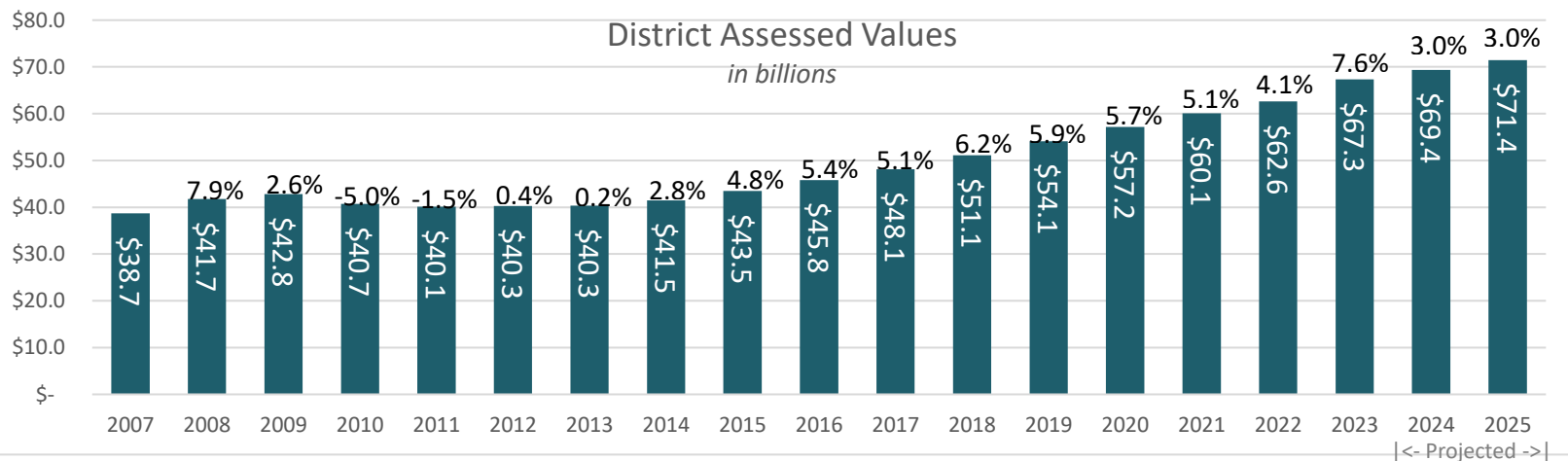


* 2024 and 2025 are projected to be the same rate as 2023

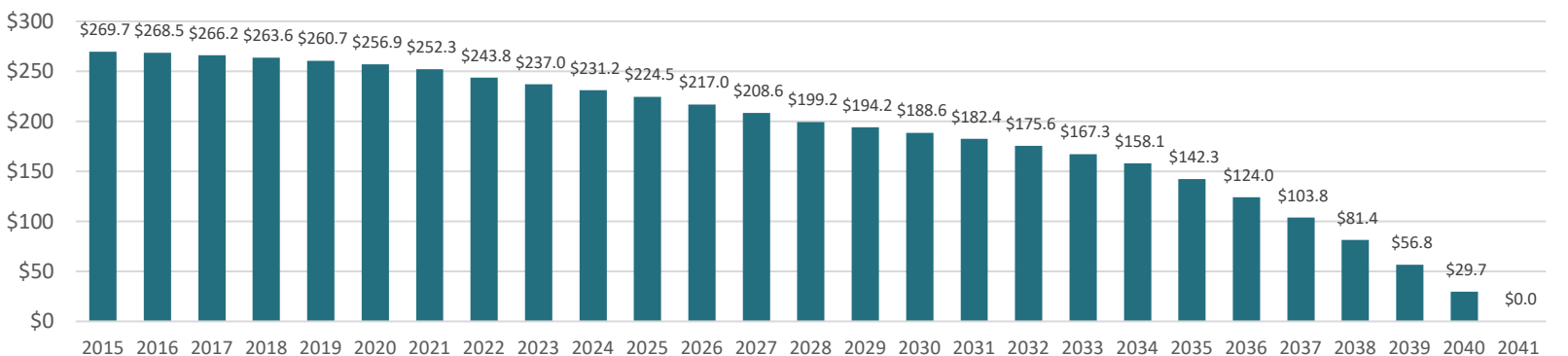
Property Tax Revenue - Debt Service Fund
in millions

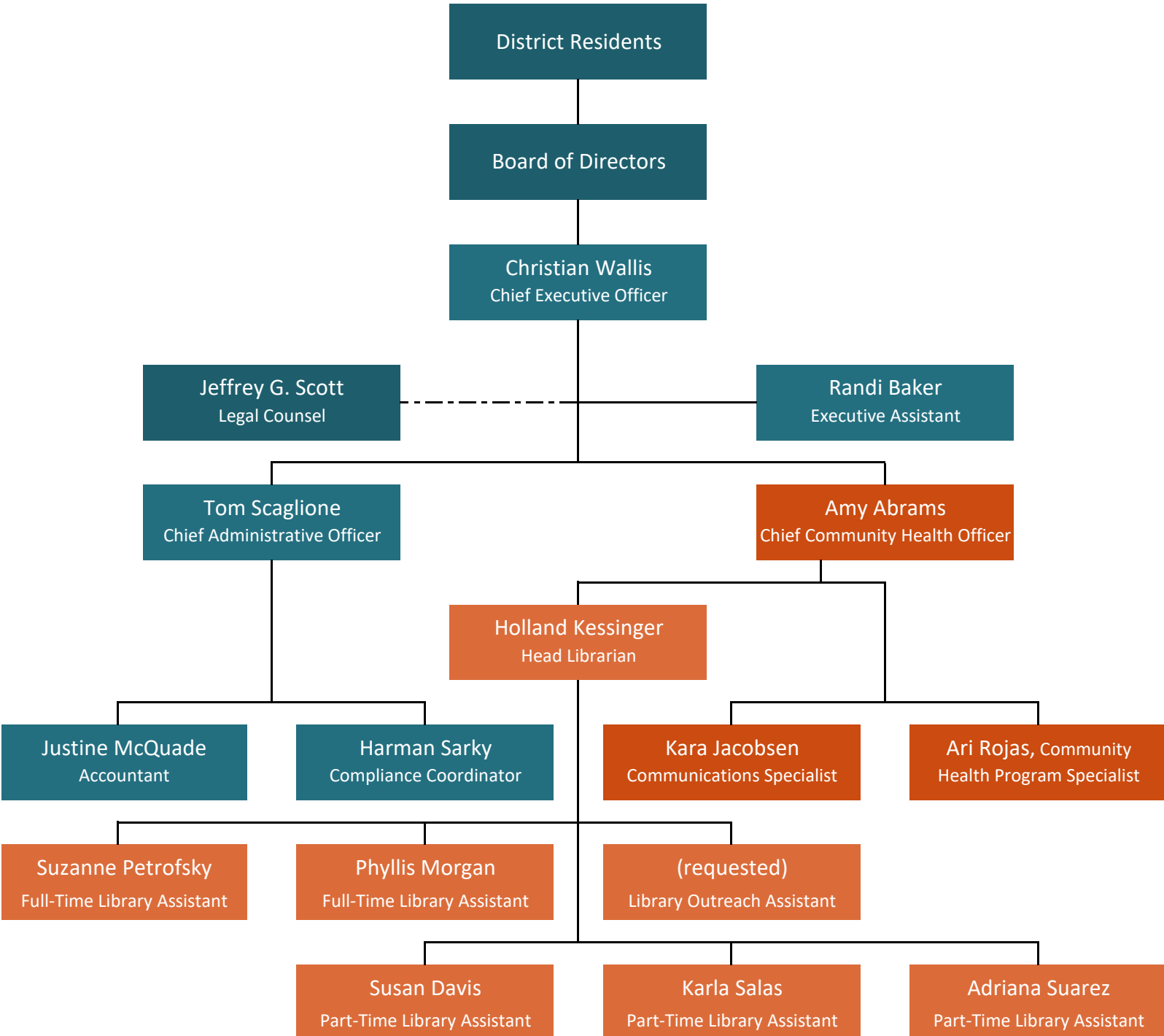


District Assessed Values
in billions



Principal Balance
in millions





- - - The District contracts for general legal counsel.

Grossmont Healthcare District
 Operating Budget
 For the Fiscal Year Ending June 30, 2024

Requested Salaries and Benefits Budget

	Actual Year Ended June 30, 2022	Budget Year Ending June 30, 2023	Projected Year Ending June 30, 2023	Budget	
				Adopted Year Ending June 30, 2024	Amended Year Ending June 30, 2024
Salaries and Wages					
Governance	\$ 46,070	\$ 49,000	\$ 49,000	\$ 53,000	\$ 53,000
Administrative	555,344	673,000	497,000	568,000	568,000
Community Health, Support	173,949	256,000	326,000	424,000	424,000
Community Health, Library	255,031	287,000	329,000	442,000	442,000
Facilities	33,290	-	64,000	75,000	75,000
Total	\$ 1,063,684	\$ 1,265,000	\$ 1,265,000	\$ 1,562,000	\$ 1,562,000
Employee and Retiree Benefits					
Retirement	\$ 96,212	\$ 135,000	\$ 123,000	\$ 122,000	\$ 122,000
Medical	289,882	485,000	530,000	458,000	458,000
Long-Term Care	-	-	27,000	111,000	111,000
Dental	33,185	63,000	33,000	58,000	58,000
Vision	8,497	17,000	9,000	15,000	15,000
Life	-	6,000	6,000	6,000	6,000
Payroll Taxes	86,202	96,000	89,000	119,000	119,000
Workers Compensation Insurance	4,973	5,000	6,000	5,000	5,000
Allowances	-	13,000	-	13,000	13,000
Total	\$ 518,951	\$ 820,000	\$ 823,000	\$ 907,000	\$ 907,000
Full-Time Equivalent Employees					
Governance	5.0	5.0	5.0	5.0	5.0
Administration	5.0	5.0	3.8	3.8	3.8
Community Health, Support	2.7	2.7	3.0	3.0	3.0
Community Health, Library	5.3	5.3	5.5	6.0	6.0
Facilities	-	-	0.7	0.7	0.7
Total	18.0	18.0	18.0	18.5	18.5

Note: For fiscal years 2023-24 and 2024-25, Administrative Salaries and Wages include \$13,700 and \$15,100, respectively, for interns and temps, and Community Health Support Salaries and Wages include \$46,800 and \$51,500, respectively, for interns and temps.

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. The budget includes allowances for travel and cell phone use. This budget also includes \$5,000 per employee per year for professional development.

Grossmont Healthcare District
Amended Reserves Budget and Projection
 For the Fiscal Year Ending June 30, 2024

Reserves Budget and Projection

	General Fund				Debt Service	OPEB Trust
	Cash	LAIF	Investments	Total	Fund	
Projected July 1, 2023 Balance	\$ 5,145,000	\$ 6,181,000	\$ 26,557,000	\$ 37,883,000	\$ 28,673,000	\$ 2,740,000
Revenues Over Expenditures	(1,168,000)	177,000	550,000	(441,000)	3,787,000	97,000
Transfers	263,000	851,000	(851,000)	263,000	-	(263,000)
Projected June 30, 2024	<u>\$ 4,240,000</u>	<u>\$ 7,209,000</u>	<u>\$ 26,256,000</u>	<u>\$ 37,705,000</u>	<u>\$ 32,460,000</u>	<u>\$ 2,574,000</u>
Reserve Balance Distribution						
Administrative Reserve	\$ 4,240,000	\$ 638,000	\$ -	\$ 4,878,000		
Operating Reserve	-	6,571,000	235,000	6,806,000		
Supplemental Revenue Reserve	-	-	2,381,000	2,381,000		
Contingency Reserve	-	-	5,000,000	5,000,000		
Special Projects Reserve	-	-	3,319,000	3,319,000		
Debt Service Reserve - Maximum Target					\$ 32,173,000	
Reserves Above Target Level:	-	-	15,321,000	15,321,000	287,000	
Total Reserve Balance	<u>\$ 4,240,000</u>	<u>\$ 7,209,000</u>	<u>\$ 26,256,000</u>	<u>\$ 37,705,000</u>	<u>\$ 32,460,000</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.

	FY 2021	FY 2022	FY 2023	FY 2024
Beginning Balance	\$ -	\$ 169,000	\$ 539,000	\$ 1,358,000
Briercrest lease revenues	52,500	83,600	93,000	95,000
Investment earnings	105,900	112,400	667,000	928,000
Other income	10,600	174,000	59,000	-
Draws	-	-	-	-
Ending Balance	<u>\$ 169,000</u>	<u>\$ 539,000</u>	<u>\$ 1,358,000</u>	<u>\$ 2,381,000</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).

Special Projects Reserve

To ensure resources are available to fund planned major projects the District reserves the amount of costs estimated to be incurred beyond the budget year to complete the projects. This reserve currently includes \$1.5 million for facility expansion, \$1.65 million for solar carports, and \$169,000 for other renovation costs planned for Fiscal Year 2025.

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 semi-annual debt service payment. 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, 2024	\$ 13,440,000
Minimum Reserve Target	\$ 13,440,000
January 15, 2025	4,219,000
July 15, 2025	14,514,000
Maximum Reserve Target	\$ 32,173,000

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 Hospice Care.

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.