Board Finance Committee - Workshop Meeting

Wednesday, August 25, 2021 9:30 AM
Board of Managers Meeting Room, 555 N. Carancahua Street, Room 950-A, Corpus Christi, Texas 78401

1. **WELCOME**

2. **ROLL CALL OF COMMITTEE MEMBERS**

___ Daniel W. Dain, Chairman
___ Vishnu V. Reddy, M.D.
___ John E. Valls, M.B.A.

3. **CALL TO ORDER, ESTABLISHMENT OF QUORUM, MEETING POSTING CONFIRMATION, AND CLOSED MEETNG NOTICE**

A. Call to order.

B. Establish quorum.

C. Confirm posting of Meeting's public notice in accordance with Texas Open Meetings Act, Texas Government Code, Chapter 551.

D. Public notice is hereby given that the Committee may elect to go into Closed Meeting session(s) at any time during the meeting to discuss any matter(s) listed on the agenda when so authorized by the provisions of the Open Meetings Act, Texas Government Code, Chapter 551.

4. **WORKSHOP SESSION - Workshop Session is an open meeting for the limited purposes of information gathering and discussion between the Committee and staff on the Workshop's listed agenda item(s) without taking action on the listed item(s) during the Workshop. Public comment will not be accepted during the Workshop Session.**

A. Fiscal Year 2022 Budget (October 1, 2021 - September 30, 2022) and related matters.

B. Fund balance projections for Fiscal Years 2022 - 2028.

5. **ADJOURN**

TAX RATE: 0.111824 (5.3036% Inc Revenue) 8/19/2021

NUECES COUNTY HOSPITAL DISTRICT 10:42 AM

BUDGET - GENERAL FUND

FOR THE YEAR ENDING SEPTEMBER 30, 2022

	Explanation	Column 1 Fiscal 2022 Budget		Column 2 Fiscal 2021 Budget		Column 3 Budget 2022 vs. 2021	Column 4 Fiscal 2021 Est. Actual		Column 5 Est. Act vs F2022 Bud
	REVENUES								
	Property Taxes:								
1	Current	36,890,050	77.83%	34,531,245	83.18%	2,358,805	35,156,726	77.64%	1,733,324
2	Delinquent	0	0.00%	(0)	0.00%	0	213,074	0.47%	(213,074)
3	Penalties & Interest	368,900	0.78%	345,312	0.83%	23,588	293,560	0.65%	75,340
4	**Total Property Tax Revenue**	37,258,951	78.61%	34,876,557	84.02%	2,382,394	35,663,360	78.76%	1,595,591
5	Spohn Corporate Member Revenue	9,883,929	20.85%	6,500,000	15.66%	3,383,929	9,211,465	20.34%	672,464
6	Investment Income	5,263	0.01%	15,068	0.04%	(9,805)	30,774	0.07%	(25,511)
7	Other Income	250,000	0.53%	120,000	0.29%	130,000	377,061	0.83%	(127,061)
8	**Total Other Revenues**	10,139,192	21.39%	6,635,068	15.98%	3,504,124	9,619,300	21.24%	519,892
9	**TOTAL REVENUES**	**47,398,143**	**100%**	**41,511,625**	**100%**	**5,886,518**	**45,282,660**	**100%**	**2,115,483**
	OPERATING EXPENSES								
10	Intergovernment Transfers (See attached)	30,120,513	63.42%	62,881,100	74.47%	(32,760,587)	68,006,278	80.19%	(37,885,765)
11	County Healthcare Services	11,687,925	24.61%	15,906,930	18.84%	(4,219,005)	12,737,133	15.02%	(1,049,208)
12	Salaries	1,529,940	3.22%	1,525,704	1.81%	4,237	1,263,972	1.49%	265,968
13	Benefits	732,584	1.54%	703,257	0.83%	29,327	667,077	0.79%	65,507
14	Legal & Professional Fees	1,470,500	3.10%	1,582,500	1.87%	(112,000)	567,208	0.67%	903,292
15	Purchased Services	588,000	1.24%	559,800	0.66%	28,200	506,567	0.60%	81,433
16	Tax Assessor / Appraisal Collection Fees	726,000	1.53%	720,000	0.85%	6,000	687,154	0.81%	38,846
17	Supplies & Materials	21,000	0.04%	21,000	0.02%	0	17,180	0.02%	3,820
18	Rent & Leases	151,500	0.32%	146,500	0.17%	5,000	140,124	0.17%	11,376
19	Repairs & Maintenance	9,000	0.02%	9,000	0.01%	0	3,935	0.00%	5,065
20	Telephone & Utilities	58,400	0.12%	61,500	0.07%	(3,100)	49,251	0.06%	9,149
21	Insurance	27,100	0.06%	26,000	0.03%	1,100	22,315	0.03%	4,785
22	Administrative & General	199,600	0.42%	168,000	0.20%	31,600	85,771	0.10%	113,829
23	Capital Outlay	163,000	0.34%	127,000	0.15%	36,000	55,856	0.07%	107,144
24	Extraordinary	5,000	0.01%	5,000	0.01%	0	536	0.00%	4,464
25	**TOTAL EXPENDITURES**	**47,490,062**	**100%**	**84,443,290**	**100%**	**(36,953,228)**	**84,810,358**	**100%**	**(37,320,295)**
26	**EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER SOURCES & USES**	**(91,920)**		**(42,931,666)**		**42,839,746**	**(39,527,698)**		**39,435,778**
	NON-OPERATING SOURCES (USES)								
27	Operating Transfer In (Tobacco Fund)	550,000		550,000		0	672,000		(122,000)
28	Operating Transfer Out (Indigent Care Fund)	0				0	0		0
29	**TOTAL EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES**	**458,080**		**(42,381,666)**		**42,839,746**	**(38,855,698)**		**39,313,778**
30	**FUND BALANCE, BEGINNING OF PERIOD**	**25,046,789**		**50,016,821**			**63,902,487**		
31	**FUND BALANCE, END OF PERIOD**	**25,504,870**		**7,635,155**			**25,046,789**		

Nueces County Hospital District **EXHIBIT C**
County Healthcare Department Expenditures
For the Year Ending September 30, 2022

	Program	Budget 2022	Budget 2021	Difference
	Intergovernmental Transfers			
1a	Health Department - Intergovernmental Transfers *	**887,000**	**1,208,100**	**(321,100)**
	County Healthcare Services			
1b	Health Department (Operating Expenditures) *	942,300	693,200	**249,100**
2	Emergency Medical Services	550,000	500,000	**50,000**
3	Nueces Center for Mental Health & Intellectual Disabilities	969,129	969,129	**0**
4	MHID - Jail Programs (Jail Div, CIT, Jail Based Comp)	3,510,801	4,200,000	**(689,199)**
5	Mental Healthcare Services	570,000	556,801	**13,199**
6	Juvenile Detention Center-Health Services	407,000	407,000	**0**
7	County Jail Healthcare Services	4,408,695	5,250,800	**(842,105)**
8a	Alcohol and Drug Rehabilitation Center (Cenikor)	60,000	60,000	**0**
8b	Council on Alcohol & Drug Abuse	50,000	50,000	**0**
9	County Juvenile and Adult Diabetes Program	50,000	50,000	**0**
10	Public Health Grants	170,000	170,000	**0**
11	Alternate Care Site Funding - Emergency Mgmt Svcs	0	3,000,000	**(3,000,000)**
	Subtotal	**11,687,925**	**15,906,930**	**(4,219,005)**
	Subtotal County Services	**12,574,925**	**17,115,030**	**(4,540,105)**
	Professional Fees			
12	Consulting (Behavioral Health)	**0**	**120,000**	**(120,000)**
	Grand Total County Services Department	**12,574,925**	**17,235,030**	**(4,660,105)**

* Note - Total Health Department For Budget 2021 = $1,829,300 down from $1,901,300 for Budget 2021.

NUECES COUNTY HOSPITAL DISTRICT
CONSOLIDATED BUDGET - FOR THE GENERAL FUND, &
SPECIAL REVENUE-TOBACCO & INDIGENT CARE FUNDS
FOR THE YEAR ENDING SEPTEMBER 30, 2022

	Explanation	General Fund	Tobacco Fund	Indigent Care Fund	Total
	REVENUES				
1	Property Taxes	37,258,951	0	0	37,258,951
2	Spohn Corporate Member Revenue & LPPF Program	9,883,929	0	0	9,883,929
3	Investment Income	5,263	0	56,456	61,719
4	Other Income	250,000	0	0	250,000
5	Tobacco Income	0	550,000	0	550,000
6	**TOTAL REVENUES**	**47,398,143**	**550,000**	**56,456**	**48,004,599**
	OPERATING EXPENSES				
7	Intergovernmental Transfers	30,120,513	0	0	30,120,513
8	County Healthcare Services	11,687,925	0	0	11,687,925
9	Salaries	1,529,940	0	0	1,529,940
10	Benefits	732,584	0	0	732,584
11	Legal & Professional Fees	1,470,500	0	0	1,470,500
12	Purchased Services	588,000	0	0	588,000
13	Tax Assessor / Appraisal Collection Fees	726,000	0	0	726,000
14	Supplies & Materials	21,000	0	0	21,000
15	Rent & Leases	151,500	0	0	151,500
16	Repairs & Maintenance	9,000	0	0	9,000
17	Telephone & Utilities	58,400	0	0	58,400
18	Insurance	27,100	0	0	27,100
19	Administrative & General	199,600	0	0	199,600
20	Capital Outlay	163,000	0	0	163,000
21	Extraordinary/Tax Refund	5,000	0	0	5,000
22	Debt Service	0	0	0	0
23	**TOTAL EXPENDITURES**	**47,490,062**	**0**	**0**	**47,490,062**
24	**EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER SOURCES & USES**	**(91,920)**	**550,000**	**56,456**	**514,537**
	NON-OPERATING SOURCES (USES)				
25	Operating Transfers In	550,000	0	0	550,000
26	Operating Transfers Out	0	(550,000)	0	(550,000)
27	**TOTAL EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES**	**458,080**	**0**	**56,456**	**514,537**
28	**FUND BALANCE, BEGINING OF PERIOD**	**25,046,789**	**0**	**56,448,660**	**81,495,449**
29	**FUND BALANCE, END OF PERIOD**	**25,504,870**	**0**	**56,505,116**	**82,009,986**

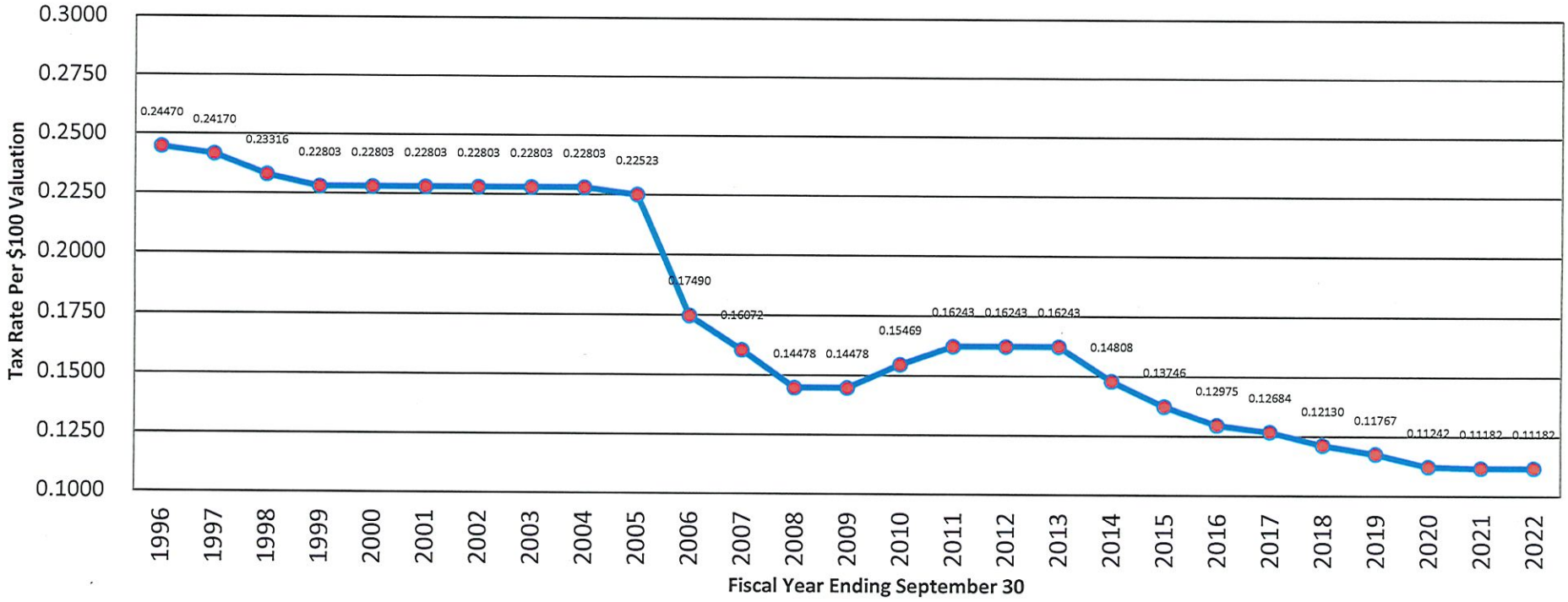
2021/2022 Tax Rate Calculation for Hospital District

	Tax Rate	Increase above "No New Revenue" Rate	% Above "No New Revenue" Rate	Budgeted 2021/2022 Revenue	Budget Increase (Decrease) from Prior Year
2020/2021 Adopted Tax Rate	0.111824	0.005632	5.30%	37,495,362	1,963,138
2021/2022 No-New-Revenue Tax Rate	0.106192	0.000000	0.00%	35,606,913	74,689
0.5% Above the No-New-Revenue Tax Rate	0.106723	0.000531	0.50%	35,784,948	252,724
1% Above the No-New-Revenue Tax Rate	0.107254	0.001062	1.00%	35,962,983	430,759
1.5% Above the No-New-Revenue Tax Rate	0.107785	0.001593	1.50%	36,141,017	608,793
2% Above the No-New-Revenue Tax Rate	0.108316	0.002124	2.00%	36,319,052	786,828
2.5% Above the No-New-Revenue Tax Rate	0.108847	0.002655	2.50%	36,497,086	964,862
3% Above the No-New-Revenue Tax Rate	0.109378	0.003186	3.00%	36,675,121	1,142,897
3.5% Above the No-New-Revenue Tax Rate	0.109909	0.003717	3.50%	36,853,155	1,320,931
4% Above the No-New-Revenue Tax Rate	0.110440	0.004248	4.00%	37,031,190	1,498,966
4.5% Above the No-New-Revenue Tax Rate	0.110971	0.004779	4.50%	37,209,224	1,677,000
5% Above the No-New-Revenue Tax Rate	0.111502	0.005310	5.00%	37,387,259	1,855,035
6% Above the No-New-Revenue Tax Rate	0.112564	0.006372	6.00%	37,743,328	2,211,104
7% Above the No-New-Revenue Tax Rate	0.113625	0.007433	7.00%	38,099,397	2,567,173
2020/2021 Voter-Approved Tax Rate 8%	0.115601	0.009409	8.86%	38,761,816	3,229,592

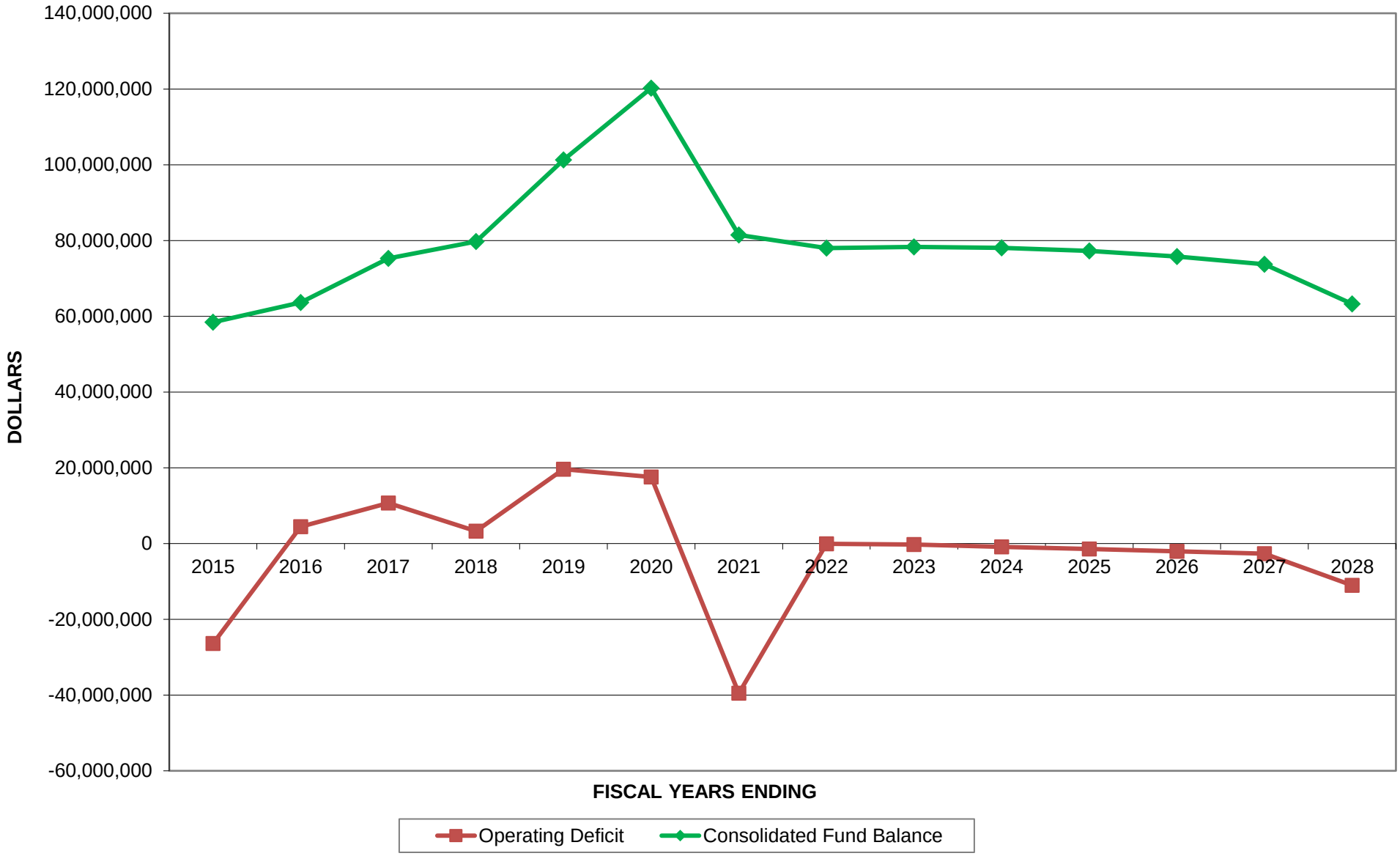
Nueces County Hospital District

Tax Rate History

FY 1996-2022



NUECES COUNTY HOSPITAL DISTRICT
ANNUAL OPERATING DEFICITS & FUND BALANCE
Fiscal Years Ending 2015 - 2028



Nueces County Hospital District
Annual Operating Deficits & Fund Balance
Projection Assumptions for Fiscal Years Ending 2022-2028

Revenues

- Property tax will remain at effective tax rate or "no-new" revenue rate.
- Pending tax lawsuits will be an annual contingency until settled.
- Unless terminated, the Spohn Membership Agreement will automatically be renewed for an additional 5 years on September 30, 2022 and will continue until September 30, 2027. This assumes the Membership Agreement will renew for the additional 5 years. Although Spohn Membership revenue is determined annually by Spohn and NCHD, the projection assumes $6.2 million for fiscal years 2023-2026. The Spohn Membership Agreement will terminate by its terms on September 30, 2027, unless it is renewed by the parties.

Expenses

- IGT's requirements will increase 3% per year for 2023-2027.
- If the Spohn Membership Agreement is not renewed on September 30, 2027, then the standby Indigent Care Agreement is in effect for FY 2028 requiring a $29 million annual payment.
- All other expenses increase by 3% per year.

Additional Inflows/Outflows

- Tobacco fund inflows continue at $550,000 per year.