

**CORNING HEALTHCARE DISTRICT
BOARD MEETING
Tuesday May 19, 2020
District conference room
275 Solano Street
Corning Healthcare District Campus
Meeting Inquiries (530) 824-5451**

Budget –

Overall summary of the budget ending 2019-2020
April, May and June are estimations.

Public education –

Public education represents the Senior Program. The expenditures came in \$372.26 under budget.

Elaine does not let grass grow under her feet. Not even the Coronavirus could stop her from working. Though she was forced to work from home, she used electronic communication devices to keep in contact with seniors and to collect and distribute health related information. The administration is thankful for employees like Elaine.

Garbage –

The annual expenses were higher, however still under budget by \$505.38

Recommend:

Admin-Legal –

Higher legal fees of \$2405.00 due to several complicated issues.

Stipend –

Overbudget by \$1400.00 due to seven special meetings.

Admin-Other –

August bills were paid in late July. The result is a difference in the QuickBooks reports for those two months.

The July number went from \$6240.54 to \$3226.76.

The August number went from \$1393.58 to \$4407.36.

September was overbudget due to floors in 275 being striped and refinished costing \$2163.75.

October was overbudget due to CSDA dues for \$1548.00 and the engineer for the parking lot for \$680.00 and an increase in the cost of services partly due to annual minimum wage increase.

November was overbudget for the following reasons:

- a) Neu Tech – LED lights in 155 Solano St. - \$1325.00
- b) December bills paid in November - \$1315.00 for a total of \$2640.00

December 2019 was overbudget due to carpet cleaning for 275 Solano.

Also, there was an overpayment of \$1458 that was returned in March 2020.

March 2020 was overbudget due to repairs on the backflow system of \$1140 and deep cleaning of the patient bathrooms at 155 Solano for \$200

Audit –

The price of the audit went from \$4800 to \$4950 and will increase again to \$5100

Recommendation: Raise amount to \$5100

Postage –

Postage was overbudget due to higher rates and more special meetings.

Recommendation: Raise amount to \$58 per month

Telephone-

We are overbudget for several reasons. One was my (Shirley's) error. I had received a call from a person who reported to be with AT&T. That individual offered to save us money by changing the phones to computer lines. Everything sounded legitimate, but as a precaution I called AT &T to check his veracity. The company was a legitimate company but was not from AT&T. They had legal rights to access the same phone lines, and therefore reported to be from AT &T.

I immediately canceled the order. However, the AT& T representative suggested saving money for the district by changing to cellular phones. I agreed. As soon as the phones arrived, however, I realized the pit falls of employees accidentally taking a phone home and/or losing a phone. I cancelled that service as well. Unfortunately, not before incurring bills associated with the cell phones. We were eventually reimbursed for the phones, but not all the mobile charges.

The phones are currently being switched to internet lines for a better savings. All of these changes account for the overbudget and the difficulty in forecasting telephone costs for next year's budget.

Recommendation:

Employee Health Insurance-

Overbudget due to new District Manager's health benefits.

Recommendation: Lower budget to include 2 employees for a total of \$1,970.99 per month. Our part-time employee is covered by California Covered Insurance.

Workman Comp –

General Office Supplies –

Special Projects

Because the District did not issue any grants this year, the category for grants has been replaced with Special Projects. The new category shows extra projects the board undertook that could have been taken out of CDs. The district had enough in the general account to pay for these, therefore the CDs were left alone.

These projects are not part of the general operating budget but needs to be listed so the Board and the public can see where, how and why money was spent.

The special projects this year were:

1. In September, cutting down dangerous trees \$2,250
2. In October, pay for an engineer to design the extension of the parking lot for 155 Solano \$680
3. In November, purchasing and Mike installing LED lights in 175 Solano \$1,325
4. In March, replacing a split unit for 155 Solano \$6,335

Insurance-Fire and Liability –

The district took a hit on the cost of liability insurance. The District received a letter from Special District Risk Management explain the unusually high raise of rates by \$5,000 (a 35% increase). The reason given were "catastrophic losses around the world (see attached letter).

This rate increase had a large effect on the district budget.

Interest USDA Loan –

Based on the loan schedule, the monthly loan payment is \$6569.71

Recommendation: Leave current budget amount

Maint-Repair –

Mike continues to keep costs underbudget for Maintenance. This is the first winter the district has not had to deal with flooding in offices with outside walls. Mike resolved these longstanding issues. -Thank you, Mike for such a fantastic job.

Outside Services –

Outside services is under budget by \$610

Recommendation: Leave budget amount.

Payroll Expenses –

These last two years have been financially challenging. The events have drastically affected the payroll expense. The good news is payroll expense will drop drastically this next fiscal year.

The budget was approved before Mike's salary was settled. If you remember, the Board of Directors tabled the topic several times. The second cause of a drastic difference was caused by the hiring of a new District Manager.

The former manager currently serves as CHD Adviser until June 30th.

The cost of employees will drop from \$208,882.33 to \$135,719.04, a savings of \$73,163.33.

Training –

Training is overbudget by \$1,999.76. The training budget has not increased since we first began budgeting. It was meant to cover at least two directors and one other person to attend Special District training (administration, governance or financial)

As new district manager, Tina will need to quickly learn the laws and responsibilities of being the Board's District Manager. The information on the three major topics, governance, administration and financial should be completed the first year if possible.

What I learned the first year in the three trainings was crucial to fulfilling my role as the district manager. The CSDA has improved the training so that all three courses can be taken in one conference.

Recommendation. \$4,000 – conferences and webinars

Gen Wage and Salary –

The severance pay for the administrative assistant was placed in this category because taxes are not paid by the district as this is a severance pay, not a paycheck. We do not expect this to reoccur.

Mike needs assistance at time for two person jobs. This is a fitting category for hiring through express personnel or handymen (women, persons)

Recommendation. \$2,000

Utility Electrical

-\$3534

Overbudget by 3,534

Recommend:

Utility/Water –

Under budget \$411.96

Recommend:

Advertising –

Ad for manager \$3,801.15

Balance \$3,523

Recommend: \$3,523

Election –

Recommend: \$8,000