

SOUTH BROWARD HOSPITAL DISTRICT
A SPECIAL MEETING OF
THE BOARD OF COMMISSIONERS OF THE SOUTH BROWARD HOSPITAL DISTRICT
FINAL TAX BUDGET HEARING FOR ADOPTION OF MILLAGE AND BUDGET
FOR SOUTH BROWARD HOSPITAL DISTRICT FOR FISCAL YEAR 2011
SEPTEMBER 22, 2010

A Special Meeting of the Board of Commissioners of the South Broward Hospital District (S.B.H.D.) for adoption of final millage and budget for Fiscal Year 2011 was held on Wednesday, September 22, 2010, at Memorial Regional Hospital, in Perry Auditorium, at 5:40 p.m.

The following members were present:

Mrs. Kathleen Durham	Chairman
Mrs. Sara E. Wolfer	Vice-Chairman
Mr. Alfredo Avalos	Secretary Treasurer
Mr. Albert C. Jones	
Ms. Laura Raybin Miller	

The following member was absent:

Mr. Kevin P. Tynan

A registration sheet listing all attendees is attached to the Minutes on file in the Executive Office.

1. CALL TO ORDER

There being a quorum present, Mrs. Durham, Chairman, called the Special Meeting of the Board of Commissioners of the South Broward Hospital District to order.

2. Final Public Hearing of the South Broward Hospital District Board of Commissioners for Adoption of Final Millage and Budget for Fiscal Year 2011

The Chair opened the final public hearing of the South Broward Hospital District's proposed tax budget for fiscal year 2011. The Chair invited Mr. Matthew Muhart, Senior Vice President and Chief Financial Officer, to address the Board.

Mr. Muhart recalled the actions taken by the Board of Commissioners at the preliminary tax hearing September 7, 2010, at which time the Board established a tentative tax rate of 1.3672 mills, with a clear indication of its desire to reduce the rate at the final tax hearing.

Mr. Muhart advised that at this time, it is management's recommendation to reduce the millage rate to the prior year's rate of 1.2732 mills. With this proposed rate, the gross tax revenue is expected to decrease by approximately \$6.6 million or 11.67% over the prior year's gross tax revenues. Adoption of 1.2732 mills would be the fourth consecutive year of lower overall tax revenues for the District.

Management believes this action is prudent and establishes a reasonable balance between the high levels of uncompensated care provided by the District and the District's overall performance thus far this year.

Mr. Muhart reviewed the Tax Fund Sensitivity Analysis, drawing the Board's attention to the column representing the millage rate of 1.2732. He first outlined those items over which the District has no control and consumes a large portion of tax revenues; namely discounts on taxes paid early, uncollectible taxes, revenue collection fees, property appraiser fees, assessments by Community Redevelopment Agencies, and the Medicaid Program Match. After consideration of these deductions, the District is left with \$41 million in tax receipts available for patient care, which represents a decrease of \$5.8 million over prior year.

A review of the District's use of tax revenues for patient care followed. It was noted that the District's Primary Care Program provides care to over 17,000 patients, representing 150,000 annual visits. The majority of Primary Care patients have no insurance and, after consideration of the minimal level of reimbursement by the county and state, tax revenues of \$18.6 million are used to offset these unfunded costs. Tax revenues for patient care are also used to fund Physician Indigent Care programs, which compensate physicians that provide care to the District's uninsured patients, at a total cost of \$14.9 million.

In addition, tax revenues are used to offset the operating losses of Memorial Manor, the District's 120 bed nursing home facility, which cares for a high volume of uninsured patients. This facility provides excellent care to the elderly and those patients recovering from severe illness and offers a lower cost of care setting, ultimately benefiting the community.

In consideration of the above, the District is left with slightly over \$1 million in tax revenues to assist in funding the cost of uncompensated care in the hospital setting.

Mr. Muhart reviewed several charts illustrating trends from 2001 to projected 2011 relative to the District's cost of uncompensated care, tax receipts available for patient care, total net revenue, and the annual change in tax receipts available for patient care. He discussed the strategic direction taken by the District to grow its revenue base to cover the ever increasing costs of uncompensated care and to minimize the District's reliance on tax revenues to support its uncompensated care levels.

A review of the District's ten year millage rate history followed. Two average homesteaded residences with different valuations, each having been occupied by the same homeowner over the past ten year period, were discussed. It was illustrated that at the proposed millage rate of 1.2732 mills, each homeowner would pay fewer taxes this year than would have been paid in 2001.

At this juncture, Mr. Muhart turned the meeting back to the Chair to offer an invitation for members of the public to speak and, upon conclusion, to guide the Board's deliberation on the adoption of the resolution setting the final millage rate and the total budget for the current fiscal year.

Mrs. Durham announced that this year's rolled back rate is 1.4572 mills, and the tentatively adopted rate of 1.3672 mills is 6.18% lower than the rolled back rate.

The Chair then invited members of the public to address the Board. As no one from the audience asked to be recognized, the Chair closed the public portion of the hearing and opened the floor for discussion by Board members.

Mr. Jones commended the fiscal responsibility demonstrated by the District over the past eleven years and its continued commitment to do more with less. He remarked on the District's successful model and excellent leadership, which has allowed the organization to steadily increase its levels of service in spite of declining tax revenues. In keeping with this trend, Mr. Jones expressed his desire to adopt the recommended millage rate of 1.2732 mills, representing no change over prior year.

Mr. Avalos praised the leadership and vision of the District in developing additional sources of revenue, which has aided the District in its continued efforts to reduce taxes. He also voiced agreement with adoption of 1.2732 mills.

In concurrence with her fellow Commissioners, Ms. Miller agreed to adoption of 1.2732 mills. She noted the District continues to balance its fiscal responsibilities as a safety net to the community and has done its part by taking a \$5.8 million reduction in taxes, in spite of increased costs and rising uncompensated care levels. She expressed pride in the District's ability to continue to deliver to the community, while competitively operating in the Sunshine as a safety net.

Mrs. Wolfer thanked her fellow Commissioners for their comments and thanked everyone for the good job they are doing. She expressed pride in working for an organization that takes care of the people that do not have the ability to obtain care any other way and voiced agreement with adoption of 1.2732 mills.

Mrs. Durham concurred with the comments made by her fellow Commissioners. She expressed pride in being part of the Board for numerous years and in its continued ability to lower the millage rate from year to year, while still providing quality care to the community. Mrs. Durham stated she too was in agreement with adoption of 1.2732 mills.

Mrs. Durham stated that the millage rate of 1.2732 mills is lower than the rolled back rate by 12.63%.

At Mrs. Durham's request, Mr. Muhart read Resolution #342 for adoption of a final millage rate of 1.2732 mills, a copy of which is on file in the Executive Office.

Mr. Jones ***moved, seconded*** by Mrs. Wolfer, that

***THE BOARD ADOPT THE FINAL MILLAGE RATE OF 1.2732 MILLS
FOR FISCAL YEAR 2011 AND ADOPT RESOLUTION #342 AS PRESENTED***

The Chair requested a roll call vote:

Ms. Miller	Yes
Mrs. Wolfer	Yes
Mr. Avalos	Yes
Mr. Jones	Yes
Mrs. Durham	Yes

The motion ***carried*** unanimously.

Mr. Muhart read Resolution #343 for adoption of the final tax budget for fiscal year 2011, a copy of which is on file in the Executive Office.

Mrs. Wolfer ***moved, seconded*** by Mr. Jones, that

THE BOARD ADOPT THE FINAL BUDGET OF \$1,502,804,000, INCLUDING TAX REVENUES OF \$47,072,000 AND OTHER NON-AD VALOREM OPERATING REVENUES OF \$1,455,732,000 AND ADOPT RESOLUTION #343 AS PRESENTED

The Chair requested a roll call vote:

Mr. Jones	Yes
Mr. Avalos	Yes
Mrs. Wolfer	Yes
Ms. Miller	Yes
Mrs. Durham	Yes

The motion ***carried*** unanimously.

3. ADJOURNMENT

There being no further business to come before the Board, the Chair declared the meeting adjourned at 6:07 p.m.

THE BOARD OF COMMISSIONERS OF THE
SOUTH BROWARD HOSPITAL DISTRICT

By: _____
Kathleen Durham, Chairman

ATTEST: _____
Alfredo Avalos, Secretary-Treasurer