

# South Broward Hospital District

## BOARD OF COMMISSIONERS

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**FROM:** David Smith, Executive Vice President and Chief Financial Officer, MHS

**TO:** K. Scott Wester, President and Chief Executive Officer, MHS

**CC:** Frank P. Rainer, Senior Vice President and General Counsel, MHS

**DATE:** September 15, 2022

**SUBJECT: FINAL TAX BUDGET AND FINAL MILLAGE RATE FOR FISCAL YEAR 2023**

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The purpose of the final public tax hearing scheduled for Wednesday, September 28, 2022, is to adopt a final budget and final millage rate for fiscal year 2023. The tentative millage rate adopted on September 14, 2022 can be maintained or reduced but not increased.

On September 14, 2022, the Board of Commissioners adopted a tentative rate of 0.1010 mills. This represents a rate 11.7% lower than last year's rate of 0.1144.

The tax budget identifies the funding of various expenses associated with the tax fund, as outlined on the Tax Sensitivity Analysis.

Attachments

**SOUTH BROWARD HOSPITAL DISTRICT  
TAX FUND BUDGET - SENSITIVITY ANALYSIS  
FY 2023**

		BREAK EVEN RATE	ROLLED-BACK RATE (RBR)	BUDGET BOOK	
ROLLED-BACK RATE IS 0.1044		FY2023 A	FY2023 B	FY2023	FY2022
		11.7% DECREASE	8.7% DECREASE	PROJECTED BUDGET	ACTUAL
1	ASSESSED VALUATIONS (In thousands)	\$ 74,571,448	\$ 74,571,448	\$ 70,351,385	\$ 67,194,326
2	MILLAGE RATE	0.1010	0.1044	0.1127	0.1144
3	% Change from Rolled-Back Rate	-3.26%	0.00%	7.95%	0.00%
4	% Change from Prior Year Rate	-11.71%	-8.74%	-1.49%	-4.59%
5	GROSS TAXES LEVIED	\$ 7,532,000	\$ 7,785,000	\$ 7,929,000	\$ 7,687,000
a	Difference from Prior Year Actual	\$ (155,000)	\$ 98,000	\$ 242,000	\$ (116,000)
b	Variance from Prior Year Actual	-2.02%	1.27%	3.15%	-1.50%
TAX FUND REVENUE					
5	Gross Taxes Levied	\$ 7,532,000	\$ 7,785,000	\$ 7,929,000	\$ 7,687,000
6	Less:				
a	Discounts on Taxes	91,836	94,000	147,000	92,830
b	Uncollectible Taxes	1,000	1,000	1,000	1,000
7	TAXES PAID BY DISTRICT RESIDENTS	\$ 7,439,164	\$ 7,690,000	\$ 7,781,000	\$ 7,593,170
a	Difference from Prior Year Actual	\$ (154,006)	\$ 96,830	\$ 187,830	\$ 57,170
b	Variance from Prior Year Actual	-2.03%	1.28%	2.47%	0.75%
8	Revenue Collection Fees	149,000	154,000	156,000	152,000
9	DISTRICT TAX RECEIPTS	\$ 7,290,164	\$ 7,536,000	\$ 7,625,000	\$ 7,441,170
a	Difference from Prior Year Actual	\$ (151,006)	\$ 94,830	\$ 183,830	\$ 57,170
b	Variance from Prior Year Actual	-2.03%	1.27%	2.47%	0.77%
Other Deductions from Tax Revenue:					
10	Property Appraiser's Fee	47,000	47,000	51,000	50,174
11	Community Redevelopment Agencies	356,000	361,000	350,000	346,000
12	Medicaid Match	6,887,164	6,887,164	7,224,000	7,045,000
Total Other Deductions from Tax Revenue		\$ 7,290,164	\$ 7,295,164	\$ 7,625,000	\$ 7,441,174
13	NET TAX REVENUE/(EXPENSE)	\$ -	\$ 240,836	\$ -	\$ -
14	TAX RECEIPTS FROM PRIOR TAX YEARS AND OTHER ADJUSTMENTS	-	-	-	-
15	TOTAL NET TAX REVENUE/(EXPENSE)	\$ -	\$ 240,836	\$ -	\$ -
a	Difference from Prior Year Actual	\$ -	\$ 240,836	\$ -	\$ -
TAX FUND PATIENT CARE EXPENDITURES					
16	Memorial Primary Care	-	240,836	-	-
17	Other SBHD Charity Care	-	-	-	-
18	Other SBHD Operating Fund Flow**	-	-	-	-
TOTAL TAX FUND PATIENT CARE EXPENDITURES		\$ -	\$ 240,836	\$ -	\$ -

## DESCRIPTION OF TAX FUND COMPONENTS

### **[1] ASSESSED VALUATIONS (IN THOUSANDS)**

These values (illustrated in thousands) are provided by Broward County on the Certification of Taxable Value (form DR-420).

### **[2] MILLAGE RATE**

The millage rate is multiplied by the Assessed Valuation (In Thousands) to derive the gross taxes levied. Per statutory guidelines, the District's maximum allowed millage rate is 2.5000.

### **[3] % CHANGE FROM ROLLED-BACK RATE**

The percentage change in the millage rate from the year's rolled-back rate. The rolled-back rate is the rate that would generate the same tax revenues as the prior year, less allowances for new construction, additions, rehabilitative improvements increasing assessed value by at least 100%, annexations and deletions.

### **[4] % CHANGE FROM PRIOR YEAR RATE**

The percentage change in the millage rate from the prior year millage rate.

### **[5] GROSS TAXES LEVIED**

Total taxes levied on the assessed valuations per the given millage rate.

#### **[a] Difference from Prior Year Actual**

The dollar difference in gross taxes levied per the given millage rate versus those levied in the prior year.

#### **[b] Variance from Prior Year Actual**

The percentage change in gross taxes levied per the given millage rate versus those levied in the prior year.

### **[6] LESS:**

#### **[a] Discounts on Taxes**

The discounts that taxpayers receive by paying their property taxes prior to the due date.

#### **[b] Uncollectible Taxes**

The taxes that are not collected from taxpayers (bad debt).

### **[7] TAXES PAID BY DISTRICT RESIDENTS**

Total amount of ad valorem taxes paid to the District for the given year.

#### **[a] Difference from Prior Year Actual**

The dollar difference in taxes paid by District residents versus those paid in the prior year.

#### **[b] Variance from Prior Year Actual**

The percentage change in taxes paid by District residents versus those paid in the prior year.

### **[8] REVENUE COLLECTION FEES**

Represents collection fees charged by the Broward County Tax Collector.  
This is 2.0% of collected funds (i.e., 2.0% of taxes paid).

### **[9] DISTRICT TAX RECEIPTS**

Total amount of tax revenue actually received by the District for the given year.

#### **[a] Difference from Prior Year Actual**

The dollar difference in tax revenue received by the District versus that received in the prior year.

#### **[b] Variance from Prior Year Actual**

The percentage change in tax revenue received by the District versus that received in the prior year.

- 10** **PROPERTY APPRAISER'S FEE**  
Fees charged by Broward County Property Appraiser's Office.
- 11** **COMMUNITY REDEVELOPMENT AGENCIES**  
The portion of taxes that must be remitted to the cities of Hollywood, Hallandale Beach and Davie for their community redevelopment agency programs.
- 12** **MEDICAID MATCH**  
The State of Florida has determined an amount due from each county. That amount is allocated to all counties based on a blend of each county's total Medicaid expenditures and number of Medicaid eligible enrollees per county. The District's share is 27.4% of the amount allocated to Broward County, based on historical hospital inpatient utilization.
- 13** **NET TAX REVENUE/(EXPENSE)**  
Total net tax revenue for the given year available for patient care; i.e., gross taxes levied less discounts on taxes, uncollectable taxes, revenue collection fees, Property Appraiser's fee, community redevelopment agency assessments, and Medicaid match.
- 14** **TAX RECEIPTS FROM PRIOR TAX YEARS AND OTHER ADJUSTMENTS**  
Collections and adjustments related to prior tax years.
- 15** **TOTAL NET TAX REVENUE/(EXPENSE)**  
Total net tax revenue (for all years), received in the given year, available for patient care.
- a** **Difference from Prior Year Actual**  
The dollar difference in total net tax revenue per the given millage rate versus those in the prior year.
- 16** **MEMORIAL PRIMARY CARE**  
Funding for programs to support Memorial Primary Care.
- 17** **OTHER SBHD CHARITY CARE**  
Tax funds allocated to offset charges for services rendered at District hospitals to patients qualifying as "indigent" under the District's indigent care policy guidelines. The annual income test currently used by the District corresponds to 200% of the Federal Poverty Guidelines.
- 18** **OTHER SBHD OPERATING FUND FLOW**  
Non-tax, District operating funds needed to cover expenditures not otherwise provided by the Tax Fund.

# Voting Requirements For FY 2022-2023 Millage Rates

Assessed Valuation                      \$ 74,571,448,363

<u>Vote Type</u>	<u>Millage</u>		<u>Taxes Levied</u>			
	<u>From</u>	<u>To</u>	<u>From</u>		<u>To</u>	
Simple Majority Vote	0.0000	2.2310	\$	0	\$	166,368,901
Two-Thirds Majority Vote	2.2311	2.4541	\$	166,368,902	\$	183,005,791
Unanimous Vote or Referendum	2.4542	2.5000	\$	183,005,792	\$	186,428,621
Rolled-Back Rate		0.1044			\$	7,785,000
Break Even Rate		0.1010			\$	7,532,000

## Break-Even Rate

### Sources & Uses of Tax Funds Based on Millage Rate of 0.1010

<u>Sources of Funds</u>		<u>Funds</u>	<u>Millage Breakout</u>	<u>% Breakout</u>
Gross Taxes Levied by SBHD		\$ 7,532,000	0.1010	100.0%
<b>Total Sources</b>		<b>\$ 7,532,000</b>	<b>0.1010</b>	<b>100.0%</b>
<u>Uses of Funds</u>				
Medicaid Match		\$ 6,887,164	0.0924	91.4%
Community Redevelopment Agencies		\$ 356,000	0.0048	4.7%
Hallandale Beach	200,000			
Hollywood Downtown	94,000			
Davie	61,000			
Uncollected Taxes		\$ 92,836	0.0012	1.2%
Discounts on Taxes	91,836			
Uncollectible Taxes	1,000			
Broward County Revenue Collector's Fees		\$ 149,000	0.0020	2.0%
Property Appraiser's Fee		\$ 47,000	0.0006	0.6%
Memorial Primary Care		\$ -	-	0.0%
<b>Total Uses</b>		<b>\$ 7,532,000</b>	<b>0.1010</b>	<b>100.0%</b>

## TAX EFFECT ON A SAMPLE HOME

### SOUTH BROWARD HOSPITAL DISTRICT

#### TAX FUND BUDGET

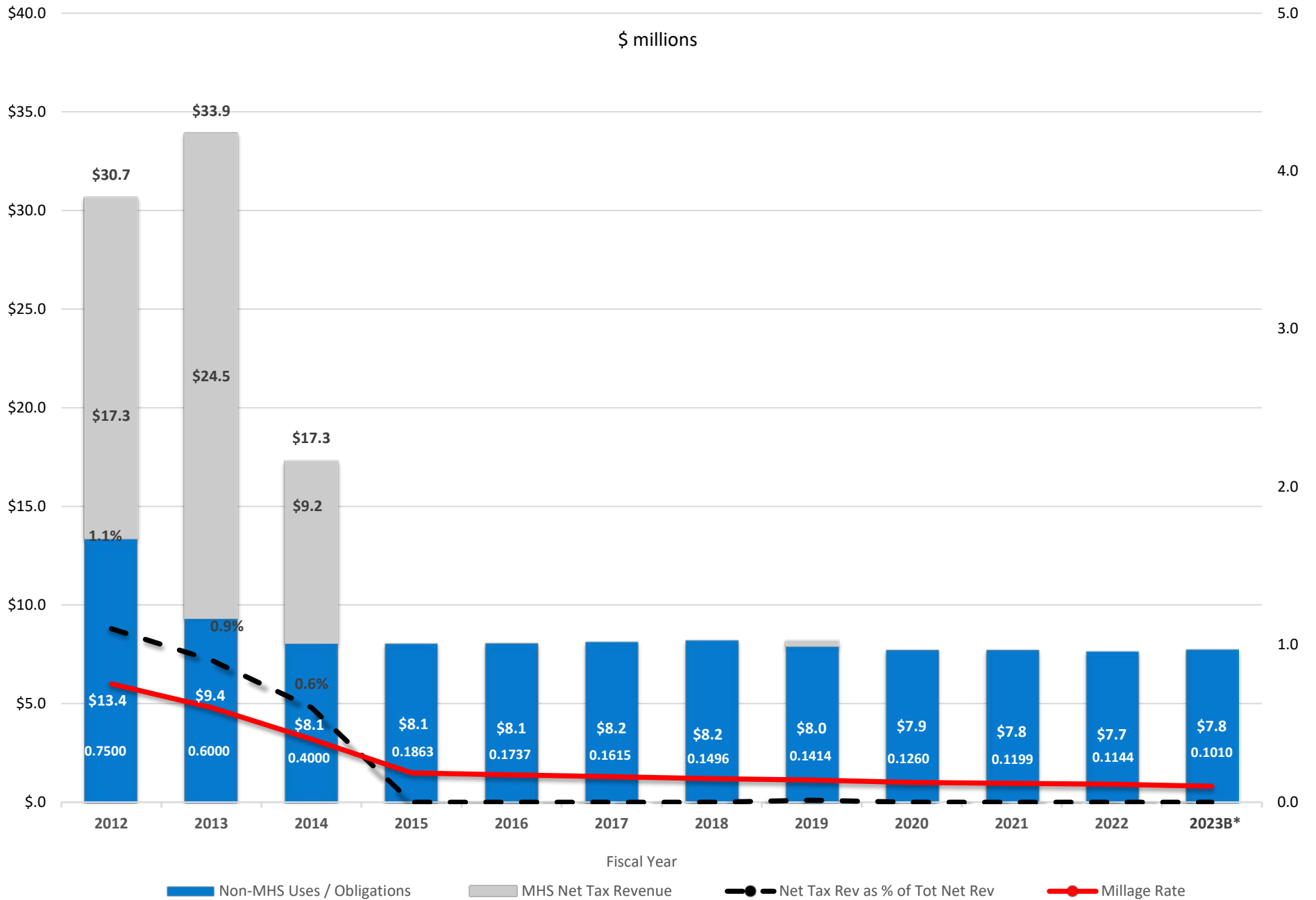
#### FISCAL YEAR 2023

	FISCAL YEAR	OPERATING MILLAGE RATE	TAXABLE VALUE BEFORE HOMESTEAD EXEMPTION	TAXABLE VALUE AFTER HOMESTEAD EXEMPTION	TAX ON HOME ASSESSED AT \$282,000 THIS YEAR	ANNUAL DOLLAR CHANGE	ANNUAL PERCENT CHANGE
PROPOSED*	2022-2023	0.1010	\$282,000	\$232,000	\$23.43	(\$1.05)	-4.3%
PRIOR YEAR	2021-2022	0.1144	\$264,000	\$214,000	\$24.48	(\$0.70)	-2.8%
	2020-2021	0.1199	\$260,000	\$210,000	\$25.18	(\$0.51)	-2.0%
	2019-2020	0.1260	\$254,000	\$204,000	\$25.69	(\$2.45)	-8.7%
	2018-2019	0.1414	\$249,000	\$199,000	\$28.14	(\$0.36)	-1.3%
	2017-2018	0.1469	\$244,000	\$194,000	\$28.50	(\$2.02)	-6.6%
	2016-2017	0.1615	\$239,000	\$189,000	\$30.52	(\$1.96)	-6.0%
	2015-2016	0.1737	\$237,000	\$187,000	\$32.48	(\$1.99)	-5.8%
	2014-2015	0.1863	\$235,000	\$185,000	\$34.47	(\$38.33)	-52.7%
	2013-2014	0.4000	\$232,000	\$182,000	\$72.80	(\$34.00)	-31.8%
	2012-2013	0.6000	\$228,000	\$178,000	\$106.80	(\$21.45)	-16.7%
	2011-2012	0.7500	\$221,000	\$171,000	\$128.25	(\$85.65)	-40.0%

**A tentative 0.1010 millage rate results in tax decrease of \$1.05 or 4.3% as compared with prior year for a sample home valued at \$282,000 with homestead exemption**

\*Proposed rate at First Tax Hearing

# South Broward Hospital District Summary of Ad Valorem Tax History

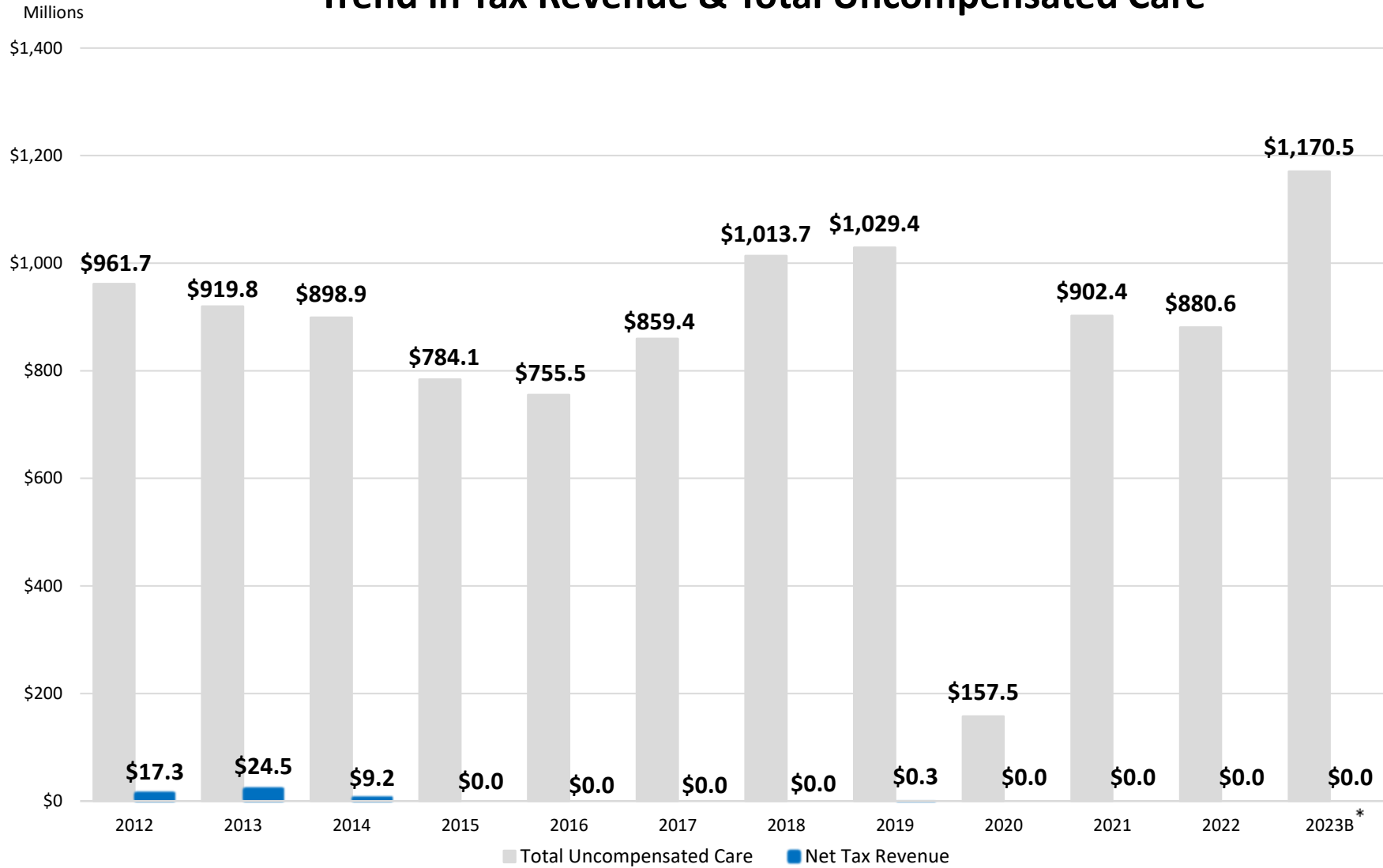


\* FY2023 Proposed Millage Rate



# South Broward Hospital District

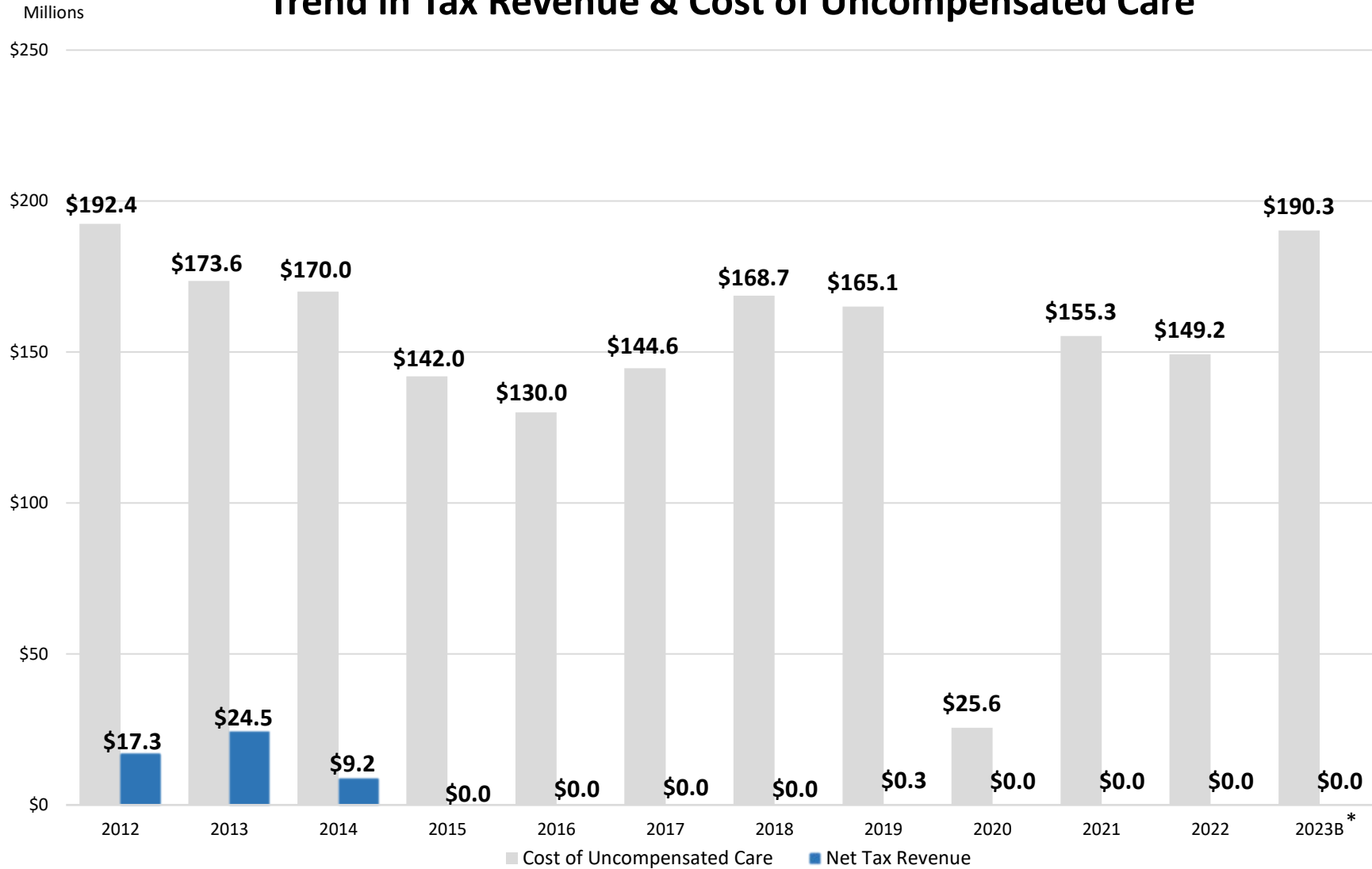
## Trend in Tax Revenue & Total Uncompensated Care



\*FY2023 Net Tax Revenue of \$0 at tentative rate of 0.1010

# South Broward Hospital District

## Trend in Tax Revenue & Cost of Uncompensated Care



\*FY2023 Net Tax Revenue of \$0 at tentative rate of 0.1010

**BUDGET SUMMARY  
SOUTH BROWARD HOSPITAL DISTRICT  
FISCAL YEAR 2022 - 2023**

**THE BUDGETED OPERATING EXPENDITURES OF THE  
SOUTH BROWARD HOSPITAL DISTRICT  
ARE 20.4% MORE THAN LAST YEAR'S TOTAL OPERATING EXPENDITURES**

**Proposed Millage per \$1,000 = 0.1010**

	TAX FUND	GENERAL FUND	TOTAL
<b><u>REVENUES:</u></b>			
Taxes:			
Ad Valorem Taxes (Millage 0.1010)	\$ 7,532,000		\$ 7,532,000
Less Discount on Taxes	(91,836)		(91,836)
Patient Charges		\$ 17,091,392,000	17,091,392,000
Less Deductions from Revenue:			
Contractual Allowances		(13,350,691,000)	(13,350,691,000)
Charity Care		(924,977,000)	(924,977,000)
Provision for Uncollectible Accounts	(1,000)	(245,481,000)	(245,482,000)
Other Operating Revenues		232,142,000	232,142,000
Investment Income		33,106,000	33,106,000
<b>TOTAL ESTIMATED REVENUES</b>	<b><u>\$ 7,439,164</u></b>	<b><u>\$ 2,835,491,000</u></b>	<b><u>\$ 2,842,930,164</u></b>
<b><u>ESTIMATED EXPENDITURES:</u></b>			
Salaries and Wages		\$ 1,372,847,000	\$ 1,372,847,000
Employee Benefits		174,683,000	174,683,000
Supplies and Services		932,730,000	932,730,000
Depreciation & Amortization		93,547,000	93,547,000
Interest		31,378,000	31,378,000
Other Operating Expenses	\$ 7,439,164	200,896,000	208,335,164
<b>TOTAL ESTIMATED OPERATING EXPENSES</b>	<b><u>\$ 7,439,164</u></b>	<b><u>\$ 2,806,081,000</u></b>	<b><u>\$ 2,813,520,164</u></b>
Contributions to Fund Balance and Reserves		29,410,000	29,410,000
<b>TOTAL ESTIMATED EXPENSES AND CONTRIBUTIONS TO FUND BALANCE</b>	<b><u>\$7,439,164</u></b>	<b><u>\$2,835,491,000</u></b>	<b><u>\$ 2,842,930,164</u></b>

THE TENTATIVE, ADOPTED, AMENDED, AND/OR FINAL BUDGETS ARE ON FILE IN THE OFFICE  
OF THE ABOVE MENTIONED TAXING AUTHORITY AS A PUBLIC RECORD.



## GRID OF OPTIONS FOR MOTIONS TO ADOPT A MILLAGE RATE

1

### FIRST RESOLUTION

PROPOSED MILLAGE RATE

**0.1010**

BREAK EVEN RATE

### SECOND RESOLUTION

TOTAL ESTIMATED REVENUES	\$	2,842,930,164
TAX FUND BUDGETED REVENUES	\$	7,439,164

### CHAIRMAN'S STATEMENT

% CHANGE FROM ROLLED-BACK RATE	-3.26%
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**NOTE: THE MILLAGE RATE CAN ONLY REMAIN  
UNCHANGED OR DECREASE AT THE FINAL HEARING.**

RESOLUTION NO. 481

A RESOLUTION ADOPTING THE FINAL MILLAGE RATE  
FOR  
SOUTH BROWARD HOSPITAL DISTRICT,

AN INDEPENDENT SPECIAL TAX DISTRICT UNDER  
THE LAWS OF THE STATE OF FLORIDA, FOR THE  
FISCAL YEAR COMMENCING ON MAY 1, 2022 AND  
ENDING ON APRIL 30, 2023

This Resolution No. 481, concerning the final millage rate to be levied for general fund purposes only, is hereby adopted by the Board of Commissioners, South Broward Hospital District, on September 28, 2022, as follows:

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF SOUTH BROWARD HOSPITAL DISTRICT:

Section 1. The Board of Commissioners of South Broward Hospital District does hereby adopt its final millage rate of **0.1010** mills to be levied for the general fund upon all real property and all tangible personal property located within the boundaries of South Broward Hospital District, an independent special tax district under the laws of the State of Florida.

Section 2. The final levy of **0.1010** mills is 3.26% lower than the rolled-back rate of 0.1044.

Section 3. This final millage rate of **0.1010** mills for the general fund is for the tax year 2022 to fund the expenses for the Fiscal Year commencing May 1, 2022 and ending April 30, 2023.

Section 4. Funds of the 2022 - 2023 Final Budget not expended during the current Fiscal Year 2022 - 2023 may be used and expended during subsequent Fiscal Years.

PASSED and ADOPTED on this 28th day of September 2022.

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Brad Friedman, Chairman

Attest:

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Steven Harvey, Secretary

(Seal)

RESOLUTION NO. 482  
A RESOLUTION ADOPTING THE FINAL BUDGET FOR  
SOUTH BROWARD HOSPITAL DISTRICT,

AN INDEPENDENT SPECIAL TAX DISTRICT UNDER  
THE LAWS OF THE STATE OF FLORIDA, FOR THE  
FISCAL YEAR COMMENCING ON MAY 1, 2022  
AND ENDING ON APRIL 30, 2023

This Resolution No. 482, concerning the adoption of a Final Budget, is hereby adopted by the Board of Commissioners, South Broward Hospital District, on September 28, 2022, after the adoption of preceding Resolution No. 481 pertaining to the adoption of a final millage rate, as follows:

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF SOUTH BROWARD HOSPITAL DISTRICT:

Section 1. The total estimated revenues in the Final Budget are **\$2,842,930,164** and include tax revenues of **\$7,439,164** and other non-ad valorem operating revenues of **\$2,835,491,000**. The budget is based upon a taxable value of real property of \$71,627,238,830, personal property of \$2,925,130,155, and centrally assessed property of \$19,079,378.

Section 2. The Final Budget is approved and shall become effective at the beginning of the 2022 - 2023 Fiscal Year, and the taxing authority funds may be expended commencing as of May 1, 2022, and ending on April 30, 2023.

Section 3. Funds of the 2022 - 2023 Final Budget not expended during the current Fiscal Year 2022 - 2023 may be used and expended during subsequent Fiscal Years.

PASSED and ADOPTED on this 28th day of September 2022.

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Brad Friedman, Chairman

Attest:

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Steven Harvey, Secretary

(Seal)