

It's real.

MEMORANDUM

To: Mayor and City Councilmembers
Douglas Faseler, City Manager

From: Susan Caddell, Director of Finance

Subject: Indigent Health Care Fund

Date: September 5, 2018

City staff has been working with the staff from Guadalupe County and Guadalupe Regional Medical Center on a refund of an unused portion of the Indigent Health Care payment made to the hospital. The refund the City will be receiving is approximately \$565,000. The annual indigent health care payment is based upon 8% of Guadalupe County's property tax and sales tax levy. As the tax levies increase, so does the costs of indigent health care. The City pays half of this indigent health care contribution. In order to help with the future indigent health care costs, City staff is recommending establishing an Indigent Health Care Fund in the amount of \$200,000. This fund would collect interest earnings, which could also be used towards the funding. If the fund falls below \$200,000, staff is recommending replenishing the fund within the two years.

Please let me know if you have any questions.