



Sublette County Hospital District Special Board Meeting Minutes
February 7, 2024 at 4:00 p.m.
By Zoom Only

The Sublette County Hospital District Board of Trustees met for a Special Board Meeting by Zoom on February 7, 2024 at 4:00 p.m. with Tonia Hoffman, Jamison, Ziegler, Kenda Tanner, Dave Bell and Ashli Tatro present by Zoom. Also present by Zoom were Lindsey Bond, Shawn Leisure, Nathan Pitman, Karl Lueschow, Lena Moeller, Michelle Stauthamer, Kari Dewitt & JD Dreyer.

At 4:03 p.m., the meeting was called to Order by Chair Tonia Hoffman.

Set Agenda

ARPA Certification Statement will be removed from agenda as it does not need board approval. Dave Bell moved to set agenda as revised. Kenda Tanner seconded. All in favor and agenda was approved.

New Business – Ferguson Matter

Nathan discussed that the ARPA grant needs us to do a breakdown of funds that we will be paying with the grant and we need to take care of some tax savings that was originally discussed on an invoice. Initial plan was to have a tax savings by paying for materials through the district on the Cobb Mechanical invoice. Ferguson cannot allow taxes to be taken off of their invoice to Cobb as they need to have an account set up that is tied to a tax-exempt status. SCHED needs to create an account with Ferguson in order for taxes to be taken off and a new invoice created for SCHED. This will allow the district to have an account already set up with Ferguson for any future needs. The board needs to approve setting up a new account and Lena is in possession of the paperwork that is needed to set up an account. Lena stated that no board action was needed. Foundation has been working with ARPA on what exactly needs to happen to release funds. Original thought was that SCHED would receive ARPA funds and then would disperse as needed to vendors. ARPA is now asking for a running schedule and wants monthly expenses submitted and then ARPA will release those funds monthly. It is possible that it may take 6-8 weeks for funding to get moving forward and there are a considerable number of invoices that are sitting with the subs right now in order to release mechanical equipment. First invoice they are sitting on right now is around \$560,000 and they will continually get larger. State is interested in releasing \$7.2 million lump sum payment if we submit invoices now per Kari but it will still take about 5 weeks to get that money. If board does not want to risk delaying mechanical equipment, they need to get this equipment released and then revise the amount that we are requesting from ARPA at this time. We currently have \$6.7 million dollars in invoices to submit to ARPA now so draw request could be lowered to that amount for now so it can be sent off immediately. There is an approximate tax savings of \$300,000 if we do a direct purchase by SCHED. Layton has been in communication with subs and keeping them updated and wants to give them a clear direction. Chair

Hoffman believes that board may be extending themselves if they continue to approve expenses being paid by district first and then be reimbursed and it is possible that board may have to pay December Pay App of approximately \$2.25 million out of pocket as the USDA has not approved that yet. Discussion had on when Pay Apps might be approved by the USDA and if funds needed to be transferred from the Wyostar account to the operating or construction account. Layton was not asking for board approval tonight to pay invoices but rather wanted this to be informational and be able to give the subcontractor some direction.

Jamison Ziegler motioned to approve Cobb Mechanical to release equipment and move forward on what they need to do in order to keep the timeline intact and also capture tax savings for the district. Dave Bell seconded. All in favor and motion carried.

Old Business –Naming of the Buildings

Tonia referenced old meeting minutes of the Joint Planning Committee and stated that it was an overwhelming majority of people who wanted “The Heritage Center” to be the name of the new long term care facility moving forward. JD needs the location, shape and size of the sign and not the name to move forward. It was stated that Mackenzie from Davis Architects asked for the name of the LTC in order to move forward with signage per the discussion they had at the signage meeting.

New Business –Change Orders

Change orders 7 & 8 were approved by the USDA which were for the direct purchase of concrete and rebar.

Change orders 9, 10 & 11 are the focus now. CO #9 is the buyout of the mechanical systems and the USDA has given direction on how to revise it for resubmittal. Layton will be prepared to put information together that is needed for change order revision by the end of the week. Board was reminded that change orders are only approved in numerical order. CO #10 includes additional weather days and the USDA has requested a different format and Layton is working on that.

CO #12 is the nurse call system. An RFP was put out in August 2023 for the nurse call system and Layton had received some bids which gave them direction to put \$200,000 into the budget for this system. The budget was for a Rowland 5000 but it is now suggested that we go to a Rowland R5 system. Lindsey and Dawn have agreed that this is direction we should go. It was decided that we move the nurse call system into the Layton contract for consistency and efficiency. Layton has put together a change order but the bids are now so old that there has been an escalation in price to approximately \$400,000 vs the \$200,000 that was originally in budget. Team recently learned that since the clinic is going to continue to be used when the hospital opens that they would then have two nurse call systems that would not communicate. The upgrade to a system that would communicate with each other is an additional \$100,000 so we are looking at a \$500,000 line item for the nurse call system. The USDA has concluded that the upgrade in systems would not be part of the project and that the \$100,000 for improvement of the nurse call system in the clinic will have to be paid for directly by the district and will not be part of the construction contract and change order will need to be revised by just pulling out the clinic side cost of approximately \$100,000. Kari suggested that additional cost could possibly be paid for by the inflationary grant or possibly use a donation from the Marilyn Jensen family that was given to the Foundation. Discussion had on what the inflationary grant could be used for and documentation that may be needed to prove that we suffered inflation. Low voltage system is being anticipated to be \$400-450,000. Other line items such as security cameras had a separate line item but are included in the low voltage or IT package line items. Since these line items are already included in the low voltage system line item, there may be about \$281,000 not committed to anything on the budget and could possibly be considered contingency money and could fund

the upgrade to the nurse call system. Lindsey stated it is imperative to be able to continue to run current clinic with the upgraded system which will help with patient safety and efficiency. Moving to the R5 system is the most up-to-date system and if this upgraded system is not installed, there may be a risk that it could be difficult to get replacement parts within 1-2 years for the R5000 system and those parts will be very expensive. The pricing for the R5 system will hold for 30 days and the cost will be renegotiated so board should make a decision in the next couple of weeks.

CO #13 is for the MRI shielding which Layton is contracting through Universal and will be paid for 100% by the Foundation.

Layton was able to squeeze out an additional two weeks of the original \$514,000 allocated for winter conditions. May only need approximately \$245,000 to finish out the winter which would possibly be a savings of \$550,000 and could increase owner's contingency.

Centurylink has given a rough estimate of \$37,000 to get new copper service up to building for emergency communications. In order to install the line, Teletractors will have to do some excavating.

MRI buildout (box around the MRI room) change order is to come but that will all be paid for by the Foundation.

JD discussed that there were only 4 under cabinet lights shown in the project and Layton brought it to the attention of Davis Partnership. Davis gave Layton a diagram and asked for a cost if more lights were to be installed in additional locations.

General conditions are \$150,000 and is being tracked and Layton is still working with owners' team, USDA etc. Layton was mobilized early June to start construction and a list of items were still needed which delayed the start of the project and construction was not able to begin until middle of July. Management team from Layton was on site and they burned through some funds that were not anticipated and wanted the board to be aware.

May need to do additional fire proofing as suggested by State health inspector with regard to the canopies that are not tied into the building and may need a more non-combustible material which may be an additional cost or a cost savings. The suggestion from inspector could be that they just need to change the type of material but will wait to hear back from health inspector.

Layton felt like that the list of items that were discussed above are the majority of the big-ticket items that they would typically see. There may be some smaller items coming in from subs such as some individual buy out items but does not see any large ticket items that would need to come out of owner's contingency. Lab equipment may cause a schedule impact which could increase costs. MRI design is about 75% done by Davis but Layton will need final drawings to see how it may affect the schedule.

Dave asked Layton about how project is sitting with regards to the contingency money and are we burning through our contingency money faster than Layton might have expected? Nathan felt like project is on par for this type of project and usually you see a more substantial hit early on because of the big items that have been brought to their attention and typically it starts to slow down as some of the items start to roll to the construction contingency. Layton is concerned that if change orders do not begin to be approved then schedule may have to change and that would be a hit to the budget and possible interest costs on loans that SCHD may have. Owner's contingency started with \$4.5 million and there is still \$2.5 million left. Ashli stated concern that

board should not assume that the additional cost of nurse call system could come out of the line items discussed earlier but should show that that amount would need to come out of contingency funds until the USDA has agreed to move those line items in question to the owner's contingency budget. Suggested that Karl add an additional column on chart to show potential items such as upgraded nurse call system and additional funds needed for the MRI that the board committed to if the Foundation is not able to raise the \$600,000 that is still needed and show that those costs may be coming out of owner's contingency.

Dave Bell motioned to authorize that we move forward with the upgraded nurse call system, with regards to Change Order #12, in the hospital and that we ask that Foundation to fundraise the necessary funds to upgrade the clinic system at the same time via a separate contract with the vendor and that if the Foundation can't accomplish this or cannot take on the task, that the district will cover the cost. Kenda Tanner seconded.

Ashli asked if the Foundation could come up with those additional funds needed for the nurse call system and wondered if that fundraising effort might compete with the ongoing MRI fundraising? Dave feels confident that the Foundation has enough interest from donors with regards to certain items/areas in the hospital that the funds could be raised.

All in favor and motion carried.

Tonia asked that board be the final signature on the change orders and asked Layton to change the order of collecting signatures to be sure that the board is the last signature.

Kari confirmed that the Foundation has written a letter stating that they will cover the costs of the MRI shielding in the amount of \$114,808.

Kenda motioned to move forward with and approve Change Order #13 MRI shielding in the amount of \$114,808. Dave Bell seconded. All in favor and motion carried.

Change order #14 is the cost to replenish the winter conditions budget in the amount of \$245,812.86 to get project through May 2024. The current burn rate is roughly \$40,000/wk. and there is about \$56,000 left on the last winter conditions budget.

Jamison Ziegler motioned to approve change order #14 for the amount of \$245,812.86 to replenish the winter conditions budget. Dave Bell seconded. All in favor and motion carried.

New Business – Davis Partnership Amendments

JD has sent updated invoices to Karl and Lena this past week. The Board moved to approved the Davis Partnership letters last week in which board assumed the risk to make sure that the invoices would get paid. JD asked board to finish finalizing approving payment to Davis of \$152,325. Discussion had regarding outstanding payments and draw schedules that were sent to the board via email from JD. Board would like JD on site soon and said that he doesn't need to plan his trips around owners' rep visits. USDA wants to make sure that the terms of the contract between SCHED and Davis Partnership are being met with regards to site visits. JD will visit at the end of February for the regular board meeting. Lena will facilitate a call between JD and Justin from the USDA as JD said he is willing to speak to USDA about the urgency of his visits.

In the tile VE log that was part of the GMP, there was going to be a savings of approximately \$290,000 for ceramic tile. There were 3 tile options presented to Davis and the price of those products will be about \$45,000 less of a savings than predicted in the VE log on the GMP. JD asked the board to give them a little more time to research products. Layton will establish a target goal per square foot and get that to Davis.

New Business - Pay Applications

Pay applications 1-5 have been returned by the USDA because the sources need to be updated and they will need to be resubmitted. Dan from MCM has helped Karl revise and update sources. Dollar amount did not change but the sources did. November Pay Application will be resubmitted. Waiting for a memo to be approved by USDA before submitting another Pay App. USDA needs to be convinced that sources and uses are correct have been verified and were reminded that Pay Apps will only be approved in numerical order. Layton has been asked to gather a list of total invoices for December Pay App so board can review and discuss next week.

New Business – Burn Rate

Update was given on the burn rate for winter conditions. There are still funds from the initial winter condition change order. That additional request for winter condition funds that has been made is to get the project through May. The entire building footprint is currently covered in ground blankets to keep the ground thawed.

Karl wanted to make the board aware of a bulk oxygen tank issue. Our facility without a surgery center does not have enough demand to justify a bulk oxygen tank per Airgas. Suggestion was made to put more med gas tanks in the building in the med gas room until surgery center is done. There is a \$50,000 line item in the budget for bulk oxygen and some of that may need to be used to complete the med gas room but currently we do not have any estimates on cost of room. Will need approval from the board at a later date to state that we cannot justify a bulk oxygen tank at this time and that we will try to accommodate moving forward with plans for the med gas room. Layton didn't feel like there was an action needed but rather wanted to inform board where they currently stand with this item.

New Business – Finance

Request was made to transfer funds from Wyostar account to operating account in the amount of \$2,000,000 to replenish operational funds. Dave would like to speak with Michelle before they vote on making this transfer so he can clarify balances in accounts and reason for transfer.

Dave Bell motioned to table the consideration of a transfer from Wyostar account until next Wednesday until more pertinent information is brought to the board. Jamison Ziegler seconded. All in favor and motion carried.

Adjournment

Ashli Tatro motioned to adjourn meeting. Jamison Ziegler seconded. All in favor and motioned carried. Meeting adjourned at 7:02 p.m.

Minutes taken by Jann Maxfield



Tonia Hoffman, Board Chair

02/28/2024
Date