

Sublette County Rural Health Care District
Board of Trustees
Regular Meeting
June 20, 2018

Venue: Marbleton Town Hall, Marbleton, WY

Trustees Present:

Scott Scherbel Chairman

Laura Clark, Vice-Chairman

John Godfrey, Secretary/Treasurer

Wendy Boman, Trustee

Chuck Bacheller, Trustee

Call to Order

Mr. Scherbel called the meeting to order at 6:00 pm.

Set Agenda

Mr. Scherbel asked that the Executive Session be removed from the agenda, under Old Business, Revised Purchase Option be added and move the Sletten Analysis of the current property as the hospital site be moved before Routine Business. Mr. Godfrey asked to add Town of Pinedale ballfield options and studies to New Business. Ms. Boman asked to add the \$4.2 million County Commissioners' offer to New Business. Mr. Godfrey made a motion to amend the agenda with all requests stated. The motion was seconded by Mr. Bacheller. All voted aye.

Sletten Analysis of the current clinic property as a hospital site/Scott Scherbel: Austin Allen, Preconstruction Manager for Sletten Construction and Britt Morgan, Lead Architect from Plan One introduced themselves to the board and public. They were tasked with the purpose of looking at whether or not it is feasible to construct the new hospital on the existing Pinedale Clinic property site. The hospital will fit but considerations need to be made to parking and circulation. It will allow limited flexibility and would be at capacity on the site with no availability of additional expansion. Utilities would have to be moved which will add to the cost of construction. Code constraints will require upgrades to the existing clinic to hospital construction. The building would have to all be metal and will require a two hour fire wall on the outside wall attached to the hospital. Parking would have to be spread throughout the entire site leading to less than ideal flow. There will be additional construction costs to renovate the existing clinic mechanicals. The entire project would increase to 55,000 square feet due to the size of the existing clinic. Clinic operation would be interrupted or completely shut down for 4-6 months even if remodeled in phases.

The cost analysis shows minimal savings due to site demolition, increased square footage, utility relocation, construction laydown, and construction duration. There would be less than a 1% cost savings in comparison to building the clinic and hospital on the Bloomfield site. Departmental adjacencies and staff efficiencies would be lost if the space between the existing clinic and the ambulance barn is used for part of the hospital. It would also lose separation of patient traffic between the ED and hospital. This could be a safety issue.

Ms. Boman asked about the possibility of building up to two stories. Mr. Allen stated that control of costs would be lost when adding another story but would help in the size constraints of the property. A single story building is the most cost effective option.

Mr. Godfrey asked if the property costs were included in the construction costs. Just construction costs were included in the analysis. Mr. Godfrey asked if it was a fair assessment that it would consequently cost more to do the renovation as outlined than build the hospital independent of the clinic. Mr. Allen stated that the scope of their service was to look at the construction costs, therefore property costs were not included. The construction duration is the main cost factor when it comes to an addition and renovation.

Ms. Clark asked if all clinic and outpatient services, including lab, radiology, and ER would be shut down for the 4 to 6 month period. The phased approach would allow for outpatient services to be available in the hospital while renovations are being done in the existing clinic.

Mr. Scherbel attempted to clarify the construction cost number. The assumption was there would be construction savings by not having to build a clinic and administration on the existing Pinedale Clinic site. A figure of \$3 million was given by Shawn Warner of Sletten Construction to build just the clinic and administration on the Bloomfield site. But because of the inherent costs of remodeling and adding to the existing building, those savings are very minimal. Mr. Allen answered to the affirmative.

Mr. Bacheller stated that the \$17 million construction costs would be added to the \$4.2 million cost of purchasing the property. That would bring it up to a \$21+ million project without the additional capital and financing costs; well over the original total price of \$28 million on the Bloomfield site.

Ms. Boman reminded the board that the ambulance barn will have to be moved at some point in time at a cost of approximately \$1.2 million. Building on the existing site would eliminate that cost.

Mr. Scherbel asked why the clinic would require remodeling if used as a clinic. Essentially the existing clinic is constructed similar to a house. OHLS will require that it all be brought up to Davis code, especially the mechanicals. Ms. Morgan stated that this is actually a licensing requirement under CMS and federal regulation. Mr. Scherbel asked if the same requirements will apply to the Marbleton Clinic as a co-location of the hospital. That is a very good possibility. Building code requirements will allow the clinic to be as is if the hospital is at least 30 feet from the clinic. Licensing requirements, however, will require the 2 hour fire wall and building updates.

Mr. Godfrey asked Ms. Morgan in her opinion does she believe the original plans are excessive in amount of space and project design. This project was designed for best practices, efficiency, and patient care with expansion in mind.

Ms. Morgan stated the existing clinic is larger than what was designed for the Bloomfield site, therefore the additional square footage; 55,000 vs 48,000 square feet. Also adding to the square footage, there are some duplication of spaces such as registration since the clinic and the hospital would be in separate areas. Since the existing clinic space will be utilized, administration would be larger in the existed clinic as well.

Ms. Boman asked what the cost of the demo of the old Pinedale Clinic would be. Mr. Allen answered in the neighborhood of \$100,000.

Mr. Scherbel opened the discussion up to the public after introducing several elected officials and experts. Questions and comments from several members of the public included the existing fire walls of the clinic, the minimum requirements of a CAH, building the CAH in Marbleton, the time period of construction and licensing designation, how the licensing and CAH designation work, how the sizing of the hospital was determined, what exactly the clinic remodel includes and why ER, lab, and radiology services must be moved to the hospital, primary focus of the CAH revenue cycle, what reductions have been made to the design to make it more modest in size, what the community wants and needs for services, the Bloomfield site and wetlands study, and cost breakdown of the construction on the existing Pinedale site and how that would be effected if the ballfields could be added to the site.

Mayor Murdock discussed the possibility of the Town of Pinedale selling the ballfields to the District for hospital construction. There is concern that the ballfield property has restrictions in reference to possible ownership of the cemetery. Mayor Murdock read the town attorney's opinion that those restrictions do not exist. He also addressed the methane delineation of that property.

Other public comments included future expansion need of the cemetery, cost of licensure, other buildings constructed on the Bloomfield site that have not experienced any water issues, cost increases in construction materials and how that will increase the overall construction costs with delays in the timeline, and relocation costs of the ballfields of approximately \$3-\$4 million.

The board discussion led to where to go from here. Mr. Godfrey stated that this presentation was based on the question of whether or not it is possible to build the hospital on the old and new clinic site in Pinedale. It is 'shoehorned' in and not the best design. He suggests that a letter be sent to Andy Nelson to inform the commissioners that the study shows the old clinic site is not workable but the District is still interested in the existing Pinedale Clinic and will get back to them with a counter offer.

Mr. Scherbel stated that this will be discussed on other agenda items. Ms. Boman stated that the board needs to listen to the people of the county. Mr. Bacheller said he was disappointed that the construction costs savings weren't there on the current site as he would have liked to use the existing Pinedale Clinic and not abandon that building. This needs to be a fiscal decision. Ms. Boman reminded the board that the current clinic must be used for medical purposes which opens the door for the commissioners to bring in an entity that would be in competition with the District.

A short break was taken

Routine Business

Finance Report/Lorraine Gatzke: Ms. Gatzke reported the current checking account balance is approximately \$3.2 million. The second mill was received in May. 92% of the budgeted revenues and expenditures should be reflected in actuals in May. Operating revenues are at 90%, non-operating revenues are at 102%, and expenditures are at 72%. ER's were up 25% in Pinedale during the month of May. 10 potential CAH patients were seen in the ER. The number of patients in the 66 year old plus increased in May.

Operations Report/Amanda Key: Ms. Key reported that Dr. Albritton held a trauma review on June 1st. Several employees of the District completed BLS & PALS classes. Blood borne pathogen training was given to staff on May 22nd. Members of EIRMC came to the District to discuss the possibility of tele-mental health services. Tania Contreras has been hired at the Marbleton Clinic front desk and Brett Kershner has been hired as the District IT Specialist. 131 sports physicals were done on May 21st at the

Big Piney High School. Ms. Key stated that she would like to thank Tonia Hoffman for helping get the physicals set up. The next date for school physicals is June 27th at the Wrangler Gym in Pinedale. Dr. Dorrity participated in "Conversations that Matter" on May 31st hosted by the Wyoming Children's Trust Fund discussing resources and services that are available for children and families in Sublette County. There were four Fitbit winners from the Annual Wellness promotion. The winners included Kevin Taylor, Melanie Davis, Michael Egle, and Connie Dahl. The number of website users increased again in May as well as the number of people who signed up for the monthly newsletters.

EMS Report/Bill Kluck: Carrie Brood from Air Idaho came to Sublette County and held a pharmacology review class for the EMTs. Mr. Kluck is currently reviewing runs and picking topics that could use further education for improvement. Air Idaho has offered to hold review classes on these topics at no charge. The quote for the mobile radios and base stations has been received and are ordered totaling \$39,678. There are still some issues with repairs to ambulances. Two part time EMT-Basics have been hired; Danielle Long and Steven Sanders.

The third person coverage in the Big Piney EMS station has only been utilized once since February 1, 2018. Ms. Scherbel asked that this topic be moved to another meeting as its own agenda item since it will require some time for discussion.

New Business:

Town of Marbleton's offer for a \$6 million loan to the District/Scott Scherbel: Mr. Scherbel asked Mayor Robinson to formally present the Town of Marbleton's offer for a \$6 million loan. If the USDA turns the District down for the loan in Pinedale, Marbleton would be willing to help fund the CAH project in Marbleton with a reasonable interest rate over a long term. Mr. Godfrey asked if the Town of Marbleton would consider making a contribution to the CAH in a different location. Mayor Robinson said that the District is more than welcome to come to the Town of Marbleton to discuss other possibilities. They would like to keep their funds within the town limits. Mayor Robinson stated that he is worried about the price tag of \$25 to \$28 million and what would happen if the District had to default on a loan that size. Mr. Godfrey asked Mayor Robinson if he was aware that if the District defaulted, it does not fall back on the taxpayers of Sublette County.

Ms. Boman asked what the size of the Marbleton Clinic site is. It was answered approximately 4 acres. Mr. Scherbel told Mayor Robinson that this is a big picture for the board and appreciates the gesture. It may take some time to get back with the Town of Marbleton so he asked for their patience.

RHF Update/Dave Racich/Sherrie Escobar: Mr. Racich introduced Sherrie Escobar as the new Executive Director of the Rural Health Foundation. He reviewed the formation of the RHF and what they have accomplished since their inception. The RHF is independent of the Rural Health Care District and will work with anyone in the health care industry within Sublette County. The main goal of fund raising right now is the building of the critical access hospital. RHF has hired a company to help the foundation with fund raising. An extensive donor list has been put together. Ms. Escobar explained the process of working that donor list. It appears to be a very positive campaign and a September 2018 goal has been set for funding.

Mr. Scherbel asked if the board would consider amending the agenda to shorten the meeting and move those agenda items to another meeting. Ms. Clark made a motion to remove Electronic Medical Records status, Communications Coordinator job description, Town of Pinedale ballfield studies, and the \$4.2 million County Commissioner offer to sell the existing clinic site to another meeting. Mr.

Godfrey seconded the motion. All voted in favor.

4 Policies for review and request a board member for policy committee/Amanda Key: Mr. Godfrey stated that he would be willing to participate on the policy committee. Ms. Key asked the board to review the four policies they received in their board packet and give any feedback they may have to Mr. Godfrey to bring to the policy committee. The goal is to bring these four policies back to the board in July for approval.

Ms. Clark made a motion to amend the agenda to go back and include the Town of Pinedale ballfield options and studies to this agenda after discovering that the Pinedale Town Council would meet again next Monday. Ms. Boman seconded the motion. All voted in favor.

Town of Pinedale ballfield options and studies/John Godfrey: Mr. Godfrey stated that the ballfields could not be considered without the due diligence done on both the Bloomfield site and the existing Pinedale Clinic site. It would require a geotechnical analysis and site review for construction. He is concerned about the elevations of the ballfields and the cost of another study. Mr. Scherbel stated that the geotechnical study would most likely cost approximately \$15,000. A feasibility study of construction on the ballfields would also be costly. Discussion followed regarding who would pay those costs. Mr. Godfrey made a motion to ask the Town of Pinedale to gift the ballfields to the SCRHCD. Mr. Bacheller seconded the motion. After discussion, the motion was withdrawn. Mr. Godfrey made a motion to ask the Town of Pinedale if they are willing to participate, along with the Sublette County Commissioners, in the analysis of the Town of Pinedale ballfields for the purpose of determining if they are suitable to build a critical access hospital and future expansion and perhaps a new nursing home facilities thereon. Seconded by Mr. Bacheller. Ms. Boman stated that she would rather keep it simple and just ask the Town of Pinedale if they are interested in working with the District on the ballfields with a donation of up to \$1 million. Mr. Scherbel stated he would rather keep the Town of Pinedale and Sublette County out of the analysis. All opposed to this motion. Ms. Boman made a motion that the District request that the Town of Pinedale consider the use of the ballfields for the critical access hospital and in that process, borings will be taken to determine if the conditions of the ballfield match to the construction requirements. No one seconded the motion. Mr. Godfrey made a motion that the District request the Town of Pinedale gift the town ballfields to the District subject and contingent upon a geo-tech analysis and engineering study of the site to see if it is sufficient for the construction of the CAH and expansion of other facilities. No one seconded the motion. Mr. Bacheller made a motion that the District ask the Town of Pinedale to consider making the ballfields available to the SCRHCD and if the answer is yes, allow the District to conduct a geotechnical and feasibility study to make sure it is geologically sound to build upon. Ms. Boman seconded that motion. 4 votes of aye with Mr. Godfrey voting nay. Mr. Bacheller made a motion to allow Mr. Scherbel to contract services to do a geotechnical study and site analysis on the ballfield site if the Town of Pinedale gives permission to do so, not to exceed \$30,000 in cost. Mr. Godfrey seconded the motion. All voted in favor.

Old Business:

Appointment of EMS Medical Director/Bill Kluck: Mr. Bacheller made a motion to appoint Dr. Renae Dorrity as the EMS Medical Director with a monthly stipend of \$2,000. Ms. Boman seconded. All voted in favor.

Retaining specific marketing services on a monthly basis/Amanda Key: Ms. Key told the board the current marketing contract expires on June 30, 2018. She is requesting that the board retain Kimberly

Emerson on a month to month basis for 5-7 hours per week for the monthly snapshot, monthly newsletter, updates on the website and updates on Facebook. The cost would be \$32.00 per hour. This would be a temporary fix until a communications coordinator can be hired. Ms. Clark made a motion that the District retain Kimberly Emerson on a monthly basis under the terms proposed. Mr. Godfrey seconded the motion. All voted in favor.

Physician Contract Amendment: This contract amendment is for Dr. Kappenman. Mr. Bacheller made a motion to amend Dr. Kappenman's contract as proposed. Ms. Clark seconded the motion. All voted in favor.

Lease Agreement between District and County: Mr. Mason presented a proposed month to month lease from the Sublette County Attorney with a 20% increase in rent. It has not been signed by the Sublette County Commissioners. Rent would be assessed at \$10,000 per month due on the 10th of the month. Once a decision has been made on whether or not to purchase the property offered, a new contract will most likely be offered. Ms. Boman made a motion to approve the lease agreement as presented. Ms. Bacheller seconded the motion. 4 board members voted in favor, Mr. Godfrey opposed.

Approval of Minutes-Regular Meeting, May 16, 2018: Mr. Godfrey made a motion to approve the minutes of the regular meeting held on May 16, 2018. Ms. Clark seconded the motion. Motion carried unanimously.

Approval of Minutes-Special Meeting, June 5, 2018: Mr. Godfrey made a motion to approve the minutes of the special meeting held on June 5, 2018. Ms. Clark seconded the motion. Motion carried unanimously.

Revised Purchase Option/Scott Scherbel: Mr. Scherbel told the board that Mr. & Mrs. Harbor have signed a revised purchase option for block one at a cost of \$550,000. They will donate the other half of the value of the property. This amends the original purchase option. Mr. Bacheller made a motion to accept the revised purchase option from the Harbors. Ms. Clark seconded the motion. Motion carried unanimously.

Routine Business:

Approval of Payroll and Bills: Mr. Godfrey made a motion to approve the payroll and bills included on the check register in the amount of \$822,186.96; seconded by Ms. Clark. Motion carried unanimously.

The board discussed dates for a future Special Meeting to finish items moved from this agenda. The meeting was set for 6:00 pm on June 26th at the Big Piney Town Hall.

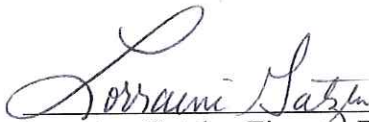
Adjournment:

Ms. Clark motioned to adjourn at 9:35pm; seconded by Mr. Bacheller. Motion carried unanimously.

Minutes taken by Lorraine Gatzke, Finance Director



Scott Scherbel, Board Chairman



Lorraine Gatzke, Finance Director