

Sublette County Rural Health Care District  
Board of Trustees  
Regular Meeting  
July 18, 2018

**Venue:** Sublette County Commissioners Room, Pinedale, WY

**Trustees Present:**

Scott Scherbel Chairman  
Laura Clark, Vice-Chairman  
Chuck Bacheller, Trustee  
Wendy Boman, Trustee

**Call to Order**

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

**Set Agenda**

Ms. Clark asked that excusing Mr. Godfrey from this meeting, excusing Mr. Bacheller from the June 26, 2018 special meeting and excusing Ms. Clark from the July 5, 2018 special meeting be added to the agenda under New Business. Mr. Scherbel asked to add the Sletten Report and discussion on a Decision of the Hospital Site right after the Budget Public Hearing. He also asked that the Bloomfield Option Extension, Accepting the August Lease from the Sublette County Commissioners, and a discussion and possible decision for a Revised Financial Analysis from BKD be added under New Business. Ms. Clark made a motion to approve the amended agenda with the additions stated. Ms. Boman seconded the motion. Motion carried unanimously.

**Public Hearing to Approve the 2018/2019 Budget**

Ms. Gatzke presented the board with a summary budget for 2018/2019 and a resolution to approve the budget. She added that the mill levy came in \$531,791 higher than what was originally budgeted so the budget has been adjusted to include that increase. Ms. Clark motioned to approve the budget and budget resolution as presented. Ms. Bacheller seconded the motion. Motion carried unanimously.

**Sletten Report**

Dan Odasz of Plan One Architects, Austin Allen of Sletten Construction, and Aaron Seehafer of Rio Verde presented plan documents showing the current hospital design on the Pinedale Clinic site utilizing space on the adjacent ballfields. Mr. Odasz stated that he has been charged with using the most cost effected remedy (MCER) in his design of the hospital by USDA and the board. The original design was at approximately 53,000 square feet but has been condensed to 48,000 square feet. This is as small as the design can go without losing services. In the original design, the hospital was approximately 40,000 square feet and the clinic and administration was 8,000 square feet.

The new design showing the hospital on the current Pinedale Clinic site would leave the 15,000 square foot B construction existing clinic, demolish the existing Public Health building, and build the 40,000 square foot I2 construction hospital. The hospital could be built either 60 feet from the existing clinic

or butted up to the clinic with a two hour fire wall addition. The hospital entrance would be as close to the clinic entrance as possible. This would lose some efficiencies in staffing and department adjacencies such as two registrations now required. The existing site construction expense is approximately \$200,000 less than the Bloomfield construction expense. The CAH clinic would require additional remodeling costs such as return duct air systems and fire rating the beams and roof. The helipad would be on the opposite side of the building from the ER.

Ms. Boman asked if the design plan could be changed to a mirror image to save the Public Health building. Mr. Odasz stated that the entrances would then not be located next to each other.

Ms. Werner, from the USDA, who was a participant in the discussion via telephone, asked why the clinic would have to be remodeled if only administration was using the building and why the project cost would be so much higher than the preliminary hospital design completed several years ago. It was clarified that the clinic would remain in the existing building, radiology, lab, and emergency department would move to the hospital, and administration would go into the back side of the clinic where lab, radiology and ED currently reside. Mr. Odasz stated that a CAH clinic requires code related upgrades and the previous plan only added inpatient rooms, did not have many of the functions that are needed in a hospital such as pharmacy, food service, and operating rooms, and did not maximize reimbursement.

Jim Huntley, a member of the public, suggested moving the entire hospital and clinic further north onto the ballfields. This would eliminate the \$4.2 million purchase price of the current clinic site. There would be very little necessary road construction and the Public Health building could remain intact. The ballfield relocation cost given to the board by Mayor Murdock was \$2-\$3 million.

Ms. Boman suggested the hospital be moved to the north and east on the ballfields and eliminate the fill to bring it to the same level as the clinic. Mr. Odasz stated that floor levels should remain the same for traffic and long ramp systems are not best practices for patient flow. This would lose efficiencies in the MCER design.

Mr. Allen reminded the board that construction costs are rising daily. The projected costs will not stay the same over time. The Bloomfield construction cost is at \$17.1 million. By taking off the clinic and administration on the current clinic site, the hospital construction cost would be reduced to \$15.4 million. But the remodel of the clinic would be approximately \$1.4 million and estimated fill needed at \$350,000. The construction costs are so similar that the dollars spent should be focused on the land costs and staffing. He also recommended that foundation construction be done in the winter when ground water is eliminated.

Ms. Werner asked if the design would change based on what site was chosen. Mr. Scherbel stated this design has been reviewed and adjusted over and over and is the best design for the necessary departmental adjacencies and space. Any changes that would prove necessary could be made after the site is chosen.

Mr. Seehafer told the board that there are waterline issues with using the existing clinic and ballfield properties. The orientation of the hospital will require loop lines to connect to the cemetery. If the hospital building is rotated or moved to the north, there is an irrigation ditch to deal with and it may require even more fill and more waterline loops. Mr. Seehafer also told the board that saving on fill may lead to more drainage problems in the future and more cost in the long run. The Bloomfield site plan is to use as much of the existing fill from the swell ponds as possible to reduce project costs.

The board took a 10 minute break

### **Site Selection for Hospital**

Mr. Scherbel presented a comparison spreadsheet for the CAH project cost analysis. It compares the project costs of the Bloomfield site, the existing clinic site with the Public Health building demolished, and the existing clinic site with the Public Health building remaining intact. Ms. Boman asked that Kelly Boman address the board with additional costs that were not included in the spreadsheet. Mr. Boman explained that there are “opportunity costs” (anything that is given up). In this case, the taxpayers are losing \$10 million in opportunity costs for the value of the existing Pinedale Clinic building.

Ms. Werner reminded the board that she is looking for value engineering. The board must make a final decision and a formal application to the USDA. If she gives the application a nay, the board may appeal and a third party will review the application. A cost analysis of the value engineering should be included with formal application.

Mr. Jim Malkowski reminded the board and public members in attendance that the hospital loan will be paid off by revenues of the CAH, not by the taxpayers.

Mr. Bill Johnson suggested that the dietary department, storage, etc. all be moved from the hospital to the administrative side of the clinic to reduce overall project costs.

After much discussion, Ms. Clark made a motion to purchase the Bloomfield site for the offer price presented and complete the application with the USDA and move forward. Mr. Bacheller seconded the motion. Mr. Scherbel, Mr. Bacheller, and Ms. Clark all voted aye; Ms. Boman voted nay. Motion passed.

Ms. Werner reminded the board that she needed this motion in writing and a PAR with the value engineering analysis and land cost changes.

### **Routine Business**

Finance Report/Lorraine Gatzke: Ms. Gatzke stated that the regular checking account balance is \$2,756,261. For the fiscal year end, there are still some outstanding invoices, inventory adjustments, etc. Operating revenues are at 99% of budget. Operating expenditures are at 75% of budget and overall revenues are at 108% of budget. The District came in under budget by approximately \$1.9 million. Out of the \$6.35 million in charges, \$3.18 million had to be written off or adjusted for insurance discounts, charity care, bad debt, etc. There were 13 patients seen in the emergency rooms that were potential CAH patients in June.

Operations Report/Amanda Key: Ms. Key told the board that Lincare provided an in-service for providers and nurses regarding INRs, sleep studies, and medical necessity for Medicare patients on oxygen. Vicky Marshall received the training necessary for IV pump training of District nurses. All District providers attended the quarterly provider meeting. 92 free sports physicals were completed at the Wrangler gym on June 27<sup>th</sup>. Dr. Wieman will be presenting at the Marbleton Senior Center on July 19<sup>th</sup>. The focus of his discussion will be on risk factors of colon cancer. The medical minute campaign on KPIN has ended. Marketing stats are up. The Fit Bit campaign shows there was a 52% increase in

physicals in both clinics this year in comparison to the previous year.

EMS Report/Bill Kluck: Mr. Kluck stated Air Idaho did landing zone refreshers and offered helicopter rides to anyone who wanted one. 4<sup>th</sup> of July and Rendezvous festivities went well. The new radio system will not be up and running as of January 1, 2019 as originally announced. No go live date has been given.

### **Committee Reports**

No committee reports presented.

### **New Business:**

Request Extension of Bloomfield Property Option: Ms. Clark made a motion allow Doug Mason to collaborate on a Bloomfield purchase contract. Mr. Bacheller seconded the motion. Mr. Scherbel, Ms. Clark, and Mr. Bacheller voted aye; Ms. Boman voted nay. Motion carried.

Excuse Board Members for Meetings: Ms. Clark made a motion to excuse Mr. Godfrey from the July 18, 2018 regular board meeting; Ms. Boman seconded the motion. Motion carried unanimously. Mr. Bacheller made a motion to excuse Ms. Clark from the July 5, 2018 special board meeting; Ms. Boman seconded the motion. Ms. Clark abstained; motion carried. Ms. Clark made a motion to excuse Mr. Bacheller from the June 26, 2018 special board meeting; Ms. Boman seconded the motion. Mr. Bacheller abstained; motion carried.

August Lease with Board of County Commissioners: Mr. Bacheller made a motion to accept the August lease of \$10,000 with the Sublette County Commissioners. Ms. Clark seconded the motion. Motion carried unanimously.

Revision of Financials by BKD: Mr. Scherbel told the board members that he had contacted Ann King of BKD to see if she would be willing to make changes to the original feasibility examination to include the reduction of property costs, the number of inpatient beds, and any revenue changes caused by the changes. Ms. Clark made a motion to authorize Mr. Scherbel to have the feasibility study revised, if necessary, with the cost not to exceed \$7,000. Mr. Bacheller seconded the motion. Motion carried unanimously.

### **Public Comments:**

No public comments

### **Old Business:**

Bonus/Raises for District Employees/Scott Scherbel: The board discussed whether or not to approve some sort of bonus, raise, or benefit increase for the non-contracted District employees. This agenda item had been tabled at an earlier regular board meeting. Mr. Bacheller made a motion to table this decision until the full board is available to make the decision. Ms. Boman seconded the motion. Motion carried unanimously.

Approval of Policies 105.1 Employment Classification, 302.1 Employee Benefits, 307.1 Mileage, and 309.1 Paid Annual Leave/Amanda Key: Ms. Clark made a motion to approve all policies as presented.

Ms. Boman seconded the motion. Motion carried unanimously.

Provider Contract Amendments/Amanda Key: Ms. Clark made a motion to approve all provider contract amendments as presented. Mr. Bacheller seconded the motion. Motion carried unanimously.

Approval of Minutes-Regular Meeting, June 20, 2018: Ms. Clark made a motion to approve the minutes for the regular board meeting held on June 20, 2018 as presented. Mr. Bacheller seconded the motion. Motion carried unanimously.

Approval of Minutes-Special Meeting, June 26, 2018: Ms. Clark made a motion to approve the minutes of the special board meeting held on June 26, 2018. Ms. Boman seconded the motion. Mr. Bacheller abstained; motion carried.

Approval of Minutes-Special Meeting, July 5, 2018: Ms. Boman made a motion to approve the minutes of the special board meeting held on July 5, 2018. Mr. Bacheller seconded the motion. Ms. Clark abstained; motion carried.

**Routine Business:**

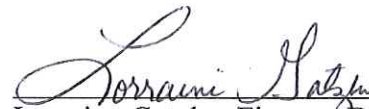
Approval of Payroll and Bills: Ms. Clark made a motion to approve the payroll and bills included on the check register in the amount of \$769,396.75; seconded by Mr. Bacheller. Motion carried unanimously.

**Adjournment:**

Ms. Clark motioned to adjourn at 9:54 pm; seconded by Ms. Boman. Motion carried unanimously.

Minutes taken by Lorraine Gatzke, Finance Director

  
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Scott Scherbel, Board Chairman

  
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Lorraine Gatzke, Finance Director