

Sierra Vista Hospital
JPA Amendment Committee Minutes
July 15, 2025 @ 1:00pm

1. The Joint Powers Commission of Sierra Vista Hospital formed a JPA Amendment committee to effectuate withdrawal of Elephant Butte from the JPA. The committee met on July 15, 2025. Jim Paxon, Chairperson, called the meeting to order at 1:03pm.

2. **Pledge of Allegiance** Jim Paxon, Chairperson

3. **Roll Call** Jennifer Burns, Recorder

JPA Amendment Committee

Attendees:

Jim Paxon, JPC Chairperson
Phillip Mortensen, JPC Vice-Chair
Rolf Hechler, JPC Member
Deb Stubblefield, JPC Member
Dave Pato, Attorney, Sierra County
Benjamin Young, Attorney, EB and Williamsburg
Jay Rubin, Attorney, City of TorC

Public:

Edna Trager, EB citizen
Gary Whitehead, City Manager, TorC
Steve Mull, Sentinel

<u>AGENDA ITEMS</u>	<u>PRESENTER</u>	<u>ACTION REQUIRED</u>
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4. **Approval of Agenda** Jim Paxon, Chairperson

After clarification of the agenda, Deb Stubblefield motioned approval of the agenda. Rolf Hechler seconded. Motion carried unanimously.

5. **Public Comment**

None

Phillip Mortensen motioned to close the meeting. Rolf Hechler seconded. Jim Paxon read the following stipulation:

6. **Executive Session** – In accordance with Open Meetings Act, **NMSA 1978, Chapter 10, Article 15, Section 10-15-1 (H) 9** the JPA Committee members will vote to close the meeting to discuss the following item:

10-15-1(H) 9 – Public Hospital Board Meetings Strategic and long-range business plans

A. Elephant Butte withdrawal	Phillip Mortensen	Discussion
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Roll call vote-

Phillip Mortensen – Y	Rolf Hechler – Y
Deb Stubblefield – Y	Jim Paxon - Y

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Jim Paxon read the following stipulation after closed session at 1:23pm:

7. Re-Open Meeting – As required by Section 10-15-1 (J), NMSA 1978 matters discussed in executive session were limited only to those specified in the motion to close the meeting.

8. New Business

- A. Sierra Vista Hospital Joint Powers Agreement Amendment
to Effectuate Withdrawal of Elephant Butte

A copy of the third amendment to the Sierra Vista Hospital Joint Powers agreement, drafted by Dave Pato, was provided to all participants. Jim Paxon stated that we received notice from Elephant Butte on May 30th that they were withdrawing from the JPC. To withdraw will require an amendment to the JPA and approval by Sierra County, City of T or C, Village of Williamsburg and the City of Elephant Butte as well as the Department of Finance and Administration.

Dave Pato stated that he reviewed the original JPA along with the two amendments. Referring to the third amendment document under section one, the effective date is August 28, 2025 which is 90 days from the date of notice of May 30, 2025. From that date, Elephant Butte will no longer be a participant for purposes of governance, appointment of members to the SVH JPC, appointment of members to the SVH Governing Board or participation in future actions, amendments, or agreements under the Agreement.

Discussion was held regarding the following sentence in section one. “The City of Truth or Consequences and County of Sierra shall each secure an additional appointee to the Governing Board.” Deb Stubblefield expressed that she disagrees with this and feels that a five-member Governing Board is sufficient. The more people you have involved, the more difficult it is to make decisions and get things done. Dave Pato clarified that we currently have a nine-member board. Rolf Hechler stated that the two members from Elephant Butte should not be reappointed and discussion about a five-member board should be discussed with the three remaining entities. Jim Paxon reminded everyone that the special hospital district proposal calls for a five-member board elected generally in staggered terms. The Governing Board has four committees with three members per committee. If it’s a five-member board, they don’t need committees; the board can deal with operations, quality, budget and bylaws, which is what the four committees are. Jim Paxon supports the 5-member board. The Village of Williamsburg would have one appointment; the City of T or C would have two and the County would have two. Dave Pato stated that this could be done with this JPA amendment process. A five-member board is in compliance with the hospital funding act. It was decided that the sentence will be stricken from the amendment. If the remaining three participants agree on a 5-member board, that amendment will be written here.

Under section two, Elephant Butte will remain obligated to continue dedicating the 0.125% municipal gross receipts tax and the 0.0625% municipal infrastructure gross receipts tax pledges under sections 7.3(d)(1) and (2) of the agreement. In addition, they will ensure uninterrupted remittance of these pledged revenues to the Governmental Unit or NMFA for the repayment of the 2016 and 2018 loans, until those loans are repaid, defeased, or otherwise discharged.

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Discussion was held regarding adding a provision that Elephant Butte remains responsible for any outstanding liabilities as of the date of departure. Jay Rubin will work with Dave Pato on this provision.

Under section three, limitation on future financial commitments. Discussion was held regarding what the actual effective date will be. 90 days from the date of notice is August 28, 2025, however there are three dates to consider as explained by Ben Young. The date of the withdrawal notice, the date of 90 days and whenever the Department of Finance and Administration approves. Dave, Jay and Ben will have further discussion regarding the date.

Under section four, property ownership and waiver of future interest. As a condition of withdrawal, Elephant Butte expressly waives and relinquishes any and all right, title, or interest, legal, equitable, or beneficial in any real property, any future ownership interest and any right to compensation. Ben Young stated that rewording to “voluntarily waives and relinquishes” and the effective date will also be discussed between Dave Pato and Ben.

Under section five, reapportionment of participant interest. Currently interest is County of Sierra 40%, City of T or C 40%, City of Elephant Butte 15% and Village of Williamsburg 5%. The revised interest will be County of Sierra 47.06%, City of T or C 47.06% and Village of Williamsburg 5.88%.

Under section six, ratification and approval. Except as expressly amended herein, the agreement remains in full force and effect. The amendment shall be submitted to the New Mexico Department of Finance and Administration for approval.

Discussion of other issues-

Ben Young stated that if we are talking about reducing the number of Governing Board members, is it worth having a conversation about reducing the size of the JPC as well? Dave Pato said that having one or two representatives from each entity would be far better than the current 12-member representation. Ben suggested one member from each entity and two at large. Rolf Hechler commented that he has served on both boards and is concerned that five members of the Governing board will now be doing the work of nine with the same workload. The committees were established to review business and make recommendations to the board.

Jim Paxon stated that the JPC, as owners of the hospital, should have a bit more say and influence in what happens with the hospital and the Governing Board. The JPC should be made up of five members. Simpler is better. Deb Stubblefield reiterated support for a JPC made up of two members from the County, two from the city and one from Williamsburg and that simpler is better. Rolf also stated agreement.

Gary Whitehead stated that there is a political nature to this. When elections happen, Elephant Butte could request to come back to the JPA. Should there be some kind of stipulation regarding how soon the withdrawing party can request to come back? After discussion, it was decided that

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the mechanism for coming back should be similar to withdrawing. It should be up to the participating entities and should be unanimous.

Edna Trager asked who would be representing Elephant Butte? Dave Pato replied that the Governing Board and Joint Powers Commission represents the community regardless of how many seats they have on the board. The JPC and the Governing Board does not serve any individual; they serve the community.

Rolf Hechler asked if there would be an announcement or press release? Will it come from the City of Elephant Butte? We would like to quiet the rumor mill, and the public has a right to know what's going on. Ben Young stated that Elephant Butte could provide a statement at the close of a meeting in writing or the JPC could adopt the statement and make any additional statement that it wished to address concerns.

Jim Paxon stated that this third amendment is a good start, and we can go forward with this to our respective elected bodies and get this through with a little bit of refinement between the three attorneys. Dave Pato stated that this is a great opportunity to improve the JPC and the Governing Board. We have recognized for a long time that having as many people on the JPC as we do is problematic, difficult and challenging. Same as the Governing Board. We step over our own feet and get in our own way.

Jim Paxon stated that Legislators Gail Armstrong and Rebecca Dow and Senator Crystal Diamond Brantley are strong supporters of another effort at getting a Special Hospital District established by referendum. At the earliest, we can attempt to do this in November 2026. Reorganizing the JPC and the Governing Board is the first step.

9. Adjournment

Phillip Mortensen motioned to adjourn. Deb Stubblefield seconded. Motion carried unanimously at 1:55pm.

JB

Jennifer Burns, Recording Secretary

12-3-25

Jim Paxon, Chairperson