

Sierra Vista Hospital
Joint Powers Commission and Governing Board Special Meeting Minutes
August 31, 2022 @ 9:00am

SVH STAFF: Sheila Adams, CNO. Ming Huang, CFO. Zach Heard, Operations. LJ Baker, HR Director. Heather Johnson, HIM Manager/ Compliance.

SPEAKERS AND GUESTS: Mark Wade, Hartman Majewski Design Group. Deborah Mann, Sutin Law Firm. Erika Sundrud, QHR (by phone).

At the initial roll call for the JPC it was determined that there were not enough Members present to have quorum. Travis Day noted that all agenda items for the JPC are discussion only and no action will be taken. At 9:05 JPC Member, Majie Powey joined by phone. At 9:10 JPC Members Deb Stubblefield and Phillip Mortensen joined by phone.

All Members of the Governing Board are present, there is a quorum. There is one item on the agenda requiring action by the Governing Board.

Travis Day handed the meeting over to Chairperson, Bruce Swingle.

JPC & GOVERNING BOARD BUSINESS:

4. Approval of Agenda

Kathi Pape motioned to approve the agenda. Katharine Elverum seconded. Motion carried unanimously.

5. Existing Building Reuse Study & Options

Frank Corcoran introduced architect Mark Wade with the Hartman Majewski Design Group. Mark was the designer for the new building that we are in now and he is very familiar with our old building.

Mark gave a history of his involvement with this old building back to the days of David Faulkner. In 2020, we looked at what it would take to stabilize the building and bring it up to code for exiting and fire purposes. The cost at the time was approximately \$3 million for exiting and fire compliance. In 2021, we looked at the possibility of creating a behavioral health hospital in the old building. That estimate came in at about \$40 million.

Considering the opportunities, constraints and needs of the community and the hospital, three options have been developed some of which contain parts or all of the existing facilities and some don't. Mark proceeded with in depth description and explanation of each option.

Summary:

Option 1 = Shell existing and construct new building with option for portables. Cost estimate \$27,952,258. Completion of project in May 2026.

Option 2 = Demo clinic, shell existing, construct new building with option for portables. Cost estimate \$28,069,604. Completion of project in September 2026.

Option 3 = Demo existing, construct new building with option for portables. Cost estimate \$27,102,651. Completion of project in February 2026.

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All options include a 10% contingency for design and construction scope and an inflation contingency of 9% on top of that. New construction of hospitals is in the range of \$600 to \$700 per square foot which is a big jump in the last couple of years. The new SVH facility built three years ago was \$450 per square foot.

Frank Corcoran stated that our first attempt at funding this project will be to go to the state legislature. Meetings were held last year with the state, and they know the situation we face with the old facility.

Discussion was held regarding demolition and abatement costs, the need for a full kitchen facility or a warming kitchen and options for that, the placement of the IT equipment and the ER doctors sleeping area.

Discussion was held regarding the needs of the community now and years from now. Regardless of the population increase or decrease, the Fire Marshal's office wants this old building issue addressed and completely vacated, that is the bottom line. The hospital must keep functioning and growing.

Travis Day recommended selecting an option to move forward on today. An informal poll was held with all JPC and GB members. Option number three was the unanimous selection of both boards. Extensive discussion was held regarding how to obtain the funds.

A finalized option three presentation will be brought back to the board.

6. Special Hospital District- Travis Day, Chairperson, gave a summary of the efforts of the past to create a special hospital district through the legislative process and attempted ballot referendum. A special hospital district functions very much like a school district. It is its own political subdivision of local government made up of five people elected by the voters of Sierra County. There are currently 21 people making decisions about the hospital on the JPC and Governing Boards.

We will have significantly more time to gather signatures for the election in 2023. The number of signatures needed will be based on the turnout of voters in Sierra County for the November 2022 election. 10% of the voter turnout will establish the number of signatures needed to put this issue on the ballot in 2023. If the Special Hospital District is approved in 2023, candidates interested in serving would then be elected at the next election.

There was an abundance of misinformation circulated during the last effort to obtain signatures. If SVH becomes a special hospital district, it will not raise taxes. It will create a new taxing entity in the County, but any property tax increase has to be approved by vote of the residence of Sierra County.

The hospital's former attorney, David Johnson, attended and participated in the JPC meetings regarding special hospital district and recommended the hospital pursue this option. Members of the New Mexico Hospital Association and the Legislative Finance Authority have recommended the hospital move forward in this direction. The current pledges from the four entities will stay as is.

Bruce Swingle stated that it is all about the sustainability of the hospital. Senator John Arthur Smith was the first to suggest that the hospital pursue this.

The elected hospital representatives will come from the three County Commission districts in Sierra County. The suggestion is one person from each district and two at large. This is not set in stone and will be determined by what is put in the referendum.

Jim Paxon stated that this puts the management of this much needed facility in the hands of the citizens through an elected representative.

Deborah Mann, Sutin Law Firm, advised that she had worked with David Johnson for 27 years. In recent discussion, David said that both boards are well informed and knew a lot about Special Hospital Districts. Everything discussed and stated here today is what she would have said to the boards.

The election of representative would fall in odd years and be bipartisan. The first election would be on staggered terms; two members would have two-year terms, two members would have four-year

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terms and one member would have a five-year term. Anyone who is a registered voter in Sierra County can run for these positions. Anyone who is on the board now can run for these positions.

Rolf Hechler stated that we have to have a united front. The Governing Board has to be on board if this is to succeed this time.

Frank Corcoran asked that 1:49:25

GOVERNING BOARD BUSINESS:

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| 7. EMR Selection | Frank Corcoran, CEO | Action |
| 8. Adjournment | | Action |
| JB | | 10/25/22 |
| _____ | | _____ |
| Jennifer Burns, Recording Secretary | | Date |
| _____ | | _____ |
| Travis Day, JPC Chairperson | | Date |
| _____ | | _____ |
| Bruce Swingle, Governing Board Chairperson | | Date |

DRAFT