



KANE COUNTY HOSPITAL
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**KANE COUNTY HUMAN RESOURCE SPECIAL SERVICE DISTRICT
DBA KANE COUNTY HOSPITAL
REGULAR BOARD MEETING**

Date: August 6, 2024

Place: KANE COUNTY HOSPITAL AMBULANCE BUILDING
98 West 300 North
KANAB, UTAH 84741

TIME: 7:10 p.m.

Members present

Jeff Mosdell, Chairperson; Dr. Stuart Allan, Board Member; Marybeth Kuntz, Board Member; and Ben Beckstead, Treasurer.

Ex-Officio Member

Kurt Loveless, CEO and Dr. Lance Allen

Staff Present

Stephen Howells, CFO; Shauna Crosby, EA; Kim Nuttall, HR; Julia Sbragia, CNO; and Ben Armstrong, EMS Director

Guests Present

Donna Mae Huss, WIPFLI; Mark Anderson, Zions Bank and Bruce Goldberger, Ph.D.

Mr. Mosdell welcomed everyone to the meeting.

Mr. Mosdell asked for the approval of the consent agenda. Mr. Mosdell asked if anyone has any questions concerning the approval of minutes, nursing report, and human resource report.

**Ms. Kuntz made a motion to approve the consent agenda seconded by Ms. Browning.
All in favor-Motion carried.**

Finance

During the recent Audit/Finance Committee meeting, Mr. Mosdell highlighted the comprehensive presentation delivered by Ms. Huss regarding the recent audit conducted by WIPFLI. The committee unanimously recommends accepting the audit, which has yielded favorable results. Key financial ratios, including cash on hand and



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debt ratios, are in alignment with established benchmarks, reflecting a healthy financial position.

Ms. Crosby will be distributing the presentation via email to all the board members. Ms. Huss contact information will be included at the conclusion of the slides for any inquiries or clarifications you may have following your review.

Dr. Stuart Allan made a motion to approve the 2023 audit presented by WIPFLI seconded by Mr. Beckstead. All in favor- motion carried.

Mr. Howells reported that revenue for the month of June showed positive results, exceeding both our budgeted expectations and last year's performance for the same period. He noted that expenses were elevated due to the timing of several quarterly obligations, including expenditures related to EMS and Cerner, which were due in June.

Mr. Loveless formally welcomed Mr. Mark Anderson from Zions Bank to discuss the selection of bond counsel. A crucial aspect of the meeting was to determine the timing and approval of the bond counsel selection in order to initiate the financing process.

Mr. Loveless referred to the summary included in the board packet, highlighting two financing approaches under consideration. The Community Impact Board (CIB) has indicated that they would only provide \$5 million, necessitating alternative financing for the remaining \$15 million. Options for financing are outlined in the summary, with Scenario One proposing CIB combined with private financing. It is important to note that the private financing discussed does not include sales tax or general revenue support; rather, it refers to alternatives outside of the CIB.

The following fees have been identified for legal services related to the financing:

- CIB Financing:
 - Chatwin: \$12,500
 - Farnsworth: \$3,500
 - Gilmore: \$13,000

- Private Financing:
 - Chatwin: \$14,500
 - Farnsworth: \$7,500
 - Gilmore: \$29,000

Should we proceed with both CIB and private financing, the total costs are estimated at:

- Chatwin: \$29,511



- Farnsworth: \$11,000
- Gilmore: \$42,000

Mr. Loveless mentioned in scenario one if the CIB provides funds, the bond counsel will be needed for both CIB and the private offering. Scenario two if there are no funds from CIB, everything will come from private offering and just one bond counsel fee.

Discussion progressed to the nature of private financing in relation to bond counsel. Mr. Anderson elaborated on the distinction between using a bond counsel with an official statement as opposed to without. Official statements are necessary for public market offerings, providing potential purchasers with insights into the organization and often require a bond rating. In contrast, private offerings typically involve direct purchases by banks for their portfolios.

Mr. Loveless noted Mr. Anderson's outreach to several banks willing to participate in a private offering. He indicated that entering the open market could lead to competitive bid scenarios resulting in possibly lower rates. Timing for the private offering emerged as a critical factor, particularly in light of the forthcoming presidential election, which could impact market conditions. According to Mr. Anderson, the fourth quarter historically presents favorable conditions for such offerings.

Mr. Loveless underscored the importance of understanding the distinction between financing and construction. With bids received, a face-to-face meeting is scheduled for August 13th to interview construction companies. The intention is to initiate the project and begin preparations, such as purchasing materials, prior to securing financing. Once a contractor is selected, the project could commence before year-end. Financing documents include provisions for the reimbursement of expenses.

Mr. Anderson explained that the bonding process begins with a declaration of intent to bond, formalized through the adoption of a parameter resolution. This resolution outlines the amount the hospital intends to borrow, the anticipated interest rate, and the financial terms. Importantly, it reserves the right to reimburse incurred expenses prior to bonding.

Considering the current financial climate, Mr. Anderson forecasted private placement rates to be within the mid-fours. He emphasized the necessity of sales tax renewal every ten years, indicating county support for continued financing.

Mr. Loveless reiterated that selecting the bond counsel marks the commencement of the fee process, which he hopes to finalize during this meeting. Mr. Beckstead noted that Farnsworth's fees are notably lower than competitors, although Mr. Loveless pointed out their scale compared to larger firms like Chatwin or Gilmore. Given the nature of the financing



arrangement, Mr. Loveless recommended Farnsworth based on their experience and fee structure.

Mr. Anderson inquired about the timeline for presenting the perimeter resolution to the board, with suggested dates of either September 3rd or October 1st. Mr. Loveless confirmed he would coordinate with Mr. Anderson to establish a specific date.

Mr. Beckstead made a motion to approve the Farnsworth Johnson for bond council agreement that was proposed seconded by Mr. Szymanski. All in favor-motion carried.

Medical Staff Report

Dr. Lance Allen stated that he has nothing to report.

Nursing Department Report

Ms. Sbragia and Mr. Loveless have been meeting with Press Ganey to discuss improving patient satisfaction scores. A key challenge is that results cannot be reported until 400 patients are admitted.

Starting in January, the satisfaction survey will be revised from 56 questions to a shorter format to increase response rates and provide more actionable insights. These changes must be implemented by a third-party provider, with surveys distributed post-discharge.

Currently, only 120 patients are admitted annually, leading to reliance on paper submissions to the Centers for Medicare & Medicaid Services (CMS), which limits comprehensive data reporting. Although electronic surveys could improve response rates, official reports must comply with CMS's paper requirement.

Human Resources

Ms. Nuttall stated the Auxiliary board meeting is tomorrow night at 5:00 p.m in the board room. Mr. Mosdell asked if we are still doing exit interviews when staff leave. Ms. Nuttall stated yes.

New Business

Mr. Mosdell inquired about the recent board meeting outcomes regarding the selection of a new board member, as he and Mr. Szymanski were unable to attend. Mr. Beckstead reported that the candidates were Dr. Bruce Goldberger and Mr. Cari Reese. After thorough discussion, the board unanimously recommended Dr. Goldberger for the position.



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Mr. Beckstead made a motion to recommend Bruce Goldberger, Ph.D., to the Kane County Commission for appointment as a new member of the Kane County Hospital Board. The motion was seconded by Ms. Kuntz. All in favor-motion carried.

Mr. Loveless has proposed the purchase of an Olympus Scope Washer, a device essential for maintaining and extending the lifespan of our endoscopes, especially as our inventory has tripled. The cost for the washer is \$47,227.27. Additionally, he emphasizes the need for a Ruho testing device to ensure scopes are properly cleaned according to protocols, along with a Steris Leak Tester to verify their functionality. Moving forward with these requests will enhance our scope maintenance and support high standards of patient care.

Ms. Kuntz made a motion to approve the Olympus Scope washer, Ruho cleanliness tester, Steris leak tester and supplies not to exceed \$54,0000 seconded by Mr. Beckstead. All in favor-motion carried.

Mr. Loveless presented the Mission, Vision and Values. We discussed this at Strategic Planning. We have discussed this with our department managers and executive team.

Mission

Providing dignified, compassionate care close to you.

Vision

To expand exceptional, state of the art healthcare to meet the growing needs of our communities.

Values:

Communities
Compassion
Improvement
Integrity
Sustainability

All supported by and in service to the bedrocks of our Staff, Patients, and Families.

Dr. Stuart Allan asked under values to change from community to communities.

Ms. Browning made a motion to approve the Mission, Vision, and Values with the correction under Values to Communities from Community seconded by Dr. Stuart Allan. All in favor-motion carried.



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Mr. Loveless would like to provide an update regarding the upcoming conference. Mr. Loveless has informed us that we will be attending the event at The Broadmoor in Colorado Springs on Saturday, September 7th, with the conference kickoff scheduled for Sunday morning.

If anyone is interested in carpooling or would like us to arrange accommodation in Durango for September 10th, please let us know at your earliest convenience.

There is the USSD conference in November on special service district. If anyone wants to go to that one, please let us know. One of the administrative staff will go as well.

County Commission Business

Commissioner Heaton was excused.

Committee Reports

Planning:

No Planning meeting

OLD BUSINESS

None

Dr. Stuart Allan moved to adjourn the meeting at 8:03 p.m. at Kane County Hospital Ambulance Building, 98 West 300 North, Kanab, UT 84741 with a second by Ms. Kuntz. All in favor-motion carried.

Mr. Jeff Mosdell, Chairperson