

To: Springdale Town Council

From: Judith Figlo, Ronald Rakos

RE: Special Town Council Meeting 5/29/26 – Medical Clinic Funding Decision

Date: May 28, 2026

Dear Mayor and Town Council Members,

We have reviewed the document prepared by Mr. Tom Dansie, Town Manager for the upcoming Special Town Council Meeting this Friday. Mr. Dansie provides an overview of the project to date and raises key issues that need to be carefully considered by the Council in deciding whether to proceed with the medical clinic project. Importantly, he points out that “the next steps in the clinic project process require more significant commitment from the Town” which will be “more difficult to unravel”.

We **strongly** oppose the Town moving forward with building a new medical clinic. The Town and the Family Health Clinic (FHC) have not provided any evidence that a new medical clinic is needed nor financially sustainable.

- In my experience (Judith) working in strategic planning in for-profit companies, investments such as this would require scenario planning, modeling and financial projections to evaluate the risks and benefits to inform decision making on acquiring an asset or not. These models were based on market analysis utilizing industry benchmarks, key inputs/ factors and clearly defined assumptions. In my view, it would be reckless to make a decision on this type of investment without analyzing potential outcomes and financial risks. To my knowledge, none of this has been presented to the citizens of Springdale who ultimately would be responsible for the burden of financing the building and its operating costs. (Note: the above referenced document indicates that outside funding is very unlikely).
- While it may be convenient for some individuals to get healthcare within the town, in my view it is not necessary. The types of **non**-emergency services that the clinic does and would continue to provide could be addressed at the FHC in Hurricane or other providers in Hurricane e.g., Intermountain Health InstaCare and local pharmacies. It is also important to note that services would still be limited to a few days a week and would **not** be available on the evenings or weekends.
- Given that it appears scenario analyses have not been presented, one could do some “back of the envelope” calculations. As projections on expected growth of use / office visits over time have not provided, one could look at 2025 visits provided by FHC. They reported that 180 residents received care totaling 500 visits. There were even less non-resident visits at 304 visits. As grant funding appears unlikely, Mr. Dansie provides some estimates on the annual debt servicing of loans for a 4,000 or 2,700 sq ft building. Using his example for the latter, the annual debt service for the clinic would be \$166k less

\$14k annual rent from FHC would translate to a cost to Springdale of \$190 per person visit to use the clinic. Even a 5% increase in visits for 2026 would only reduce this amount to \$180 pp visit. This doesn't even include the costs to operate and maintain the building. In our opinion, this is not a good use of taxpayer dollars.

- Currently, FHC states it is losing money servicing the medical clinic that is now in place and is unable to afford an increase in rent that a new facility would require. It has also stated in a recent Town Council meeting that it would not be able to sustain the healthcare services it provides without a medical clinic pharmacy. If FHC is unable to commit to utilizing this space or unable to make it financially feasible, what are the back-up options and how financially robust and secure are they?

In our view, there are too many unknowns and a lack of critical analyses to support moving forward with a new medical clinic in Springdale. Therefore, we strongly oppose any efforts by the Town Council to commit any more funds or resources in furtherance of this project.

Thank you for your thoughtful consideration of our comments and concerns,

Judith Figlo, PharmD

Ronald Rakos, PhD, MBA

