LAST FRONTIER HEALTHCARE DISTRICT
BOARD OF DIRECTORS
PUBLIC MEETING – PROPOSED NEW HOSPITAL PROJECT MINUTES
Thursday, March 26, 2015

Directors present: Michael Anderson, Jim Cavasso, Carol Cullins, and Dick Steyer
Directors absent: Guy Martin Young
Staff in attendance: Kevin Kramer, CEO; Marty Shaffer, Maintenance Director; Isobel Lechner, Physical Therapy Director, Dee Blondo, District Clerk.

A total of 17 people attended this public meeting.

5:00 pm – CALL TO ORDER
The meeting was called to order at 5:00 pm by Jim Cavasso. The meeting location was the City Hall Council Chambers in Alturas, CA.

1. PLEDGE OF ALLEGIANCE TO THE FLAG OF THE UNITED STATES OF AMERICA

2. AGENDA – Additions/Deletions to the Agenda
Carol Cullins made a motion to approve the agenda as presented, seconded by Michael Anderson and the motion carried.

3. DISCUSSION
A.) K. Kramer – Description and Location of Proposed New Hospital
Kevin told the group that this was the first of four public meetings that will be held to discuss the proposed new hospital.
- Tonight’s meeting will be to present and discuss the Description and Location of the Proposed New Hospital, the Environmental Study Report, the Archaeology Report and the upcoming Geotechnical Study.
- The second and third meetings will discuss the Preliminary Architectural Report, the proposed layout, budget and building of the hospital.
- The fourth meeting will be for the presentation of the Feasibility Study for the new hospital.

Kevin continued by talking about the property where the hospital will be built (29.5 acres) that has already been purchased. He went through the handout with the group showing the pictures of the site and a rough floor plan of the proposed hospital. He noted that there is a sewer line that runs along Nagle Street and that CalTRANS will be building a turnout onto Nagle Street off of Highway 299 this summer. This will be our main point of ingress to the hospital.
Kevin told everyone that we are doing what we have to do to get USDA funding. We are ingathering required studies and the Financial Feasibility Study. We are looking to submit our loan application to the USDA in August or September. One third of the money will have to come from commercial lender(s).

The new facility will offer the same services that we offer today – ER, inpatient beds, CT, ultrasound, radiology, and laboratory, with the buildings separated by an earthquake barrier in the same building to the main hospital for the clinic, physical therapy and support services.

Alan Hopkins asked if the clinic was moving with the hospital and if we have the doctors to staff it. Kevin replied that we are struggling with finding practitioners and mid-levels for the last two years and, in fact, will be interviewing a Family Nurse Practitioner next week.

Doug Knox asked about why we were experiencing such high turnover of employees. Kevin explained that floaters that are hired become permanent employees. The nation is experiencing a severe nursing shortage. Some staff leaves due to pay, relocating or being let go. We are not experiencing a morale issue or issues with management. Kevin further explained that entities such as the County can afford to pay more and provide more benefits. We are currently in negotiations with the Union for the new MOU and will be looking at changes we can make to be more attractive.

Alan Hopkins pointed out that Lakeview is experiencing many of the same issues.

B.) K. Kramer – Environmental Study Report
Enplan performed both preliminary and final environmental studies. They did not find any significant flora and/or fauna that would keep us from building on the property. It was a positive report.

C.) K. Kramer – Archaeology Report Summary
This is the second component required by the USDA. We are not allowed to release the report, by law. We have given out a summary on our letterhead. There were no significant cultural findings that would keep us from building on the site. Enplan, who performed the study, recommended that one cultural monitor be onsite while we do the site preparation work. No mitigation is needed.

D.) K. Kramer – Upcoming Geotechnical Study
This study has not been performed at this time. This study is required by OSHPD for seismic information. A geologist will determine if there is a fault line, what the foundation has to be made of, what soil types are on the site, etc. Then OSHPD will approve or disapprove the construction of the building.

Marty Shaffer stated that OSHPD regulates how the hospital is built. The Geotechnical Study will not occur until we know that the project is funded.

Kevin explained that the next two meetings will be to go through the Preliminary Architectural Report – layout and budget.

Jim Cavasso remarked that it is amazing to realize how much work it takes to just produce the information provided in the meeting packet.

A member of the public asked if the property was paid for. Kevin told him that it is paid for.

Dick Steyer pointed out that the Geotechnical Study will be a major cost.
Judy Mason asked if the Geotechnical Study finds issues, would we be able to move the footprint of the hospital to another part of the site? Kevin replied that we do not expect to have any issues found that would keep us from building on the site. Marty told the group that we are in Seismic Zone 3. Judy asked if the study will include the whole site. Kevin told her that yes it will, and that if there are issues on the site, we would have to move a significant distance away to build. Judy commented that she was concerned about the aquifer, etc. possibly causing sink holes.

A member of the public asked what the general timeframe is for building the hospital. Kevin replied that if everything goes perfectly, we would be breaking ground in about 3 years. This is unlikely as OSHPD can take up to 18 months to approve the Geotechnical Study and an additional 18 months to approve the floor plan. It is more likely to be 5 years before we break ground.

Doug Knox thanked Kevin for “keeping his word” and asked about what exactly are we building. Kevin told him that there are no detailed lists at this time. Everything is in rough estimates, but he is figuring about $3,000,000 for furniture and fixtures. Doug asked if the $35M to $40M budget figure is just for the building. Kevin told him that the budget estimate includes everything – furniture, fixtures and equipment.

A member of the public talked about an upcoming geothermal study at the elementary school and was hoping that we are looking to participate. Kevin told him that LFHD put up a third of the money to submit the grant application and we are planning to utilize geothermal energy for heat, at a minimum.

Kevin responded to Doug about the fact that there are no current plans to do anything further with the tax assessment. Wipfli performed a study years ago showing a $200K debt being incurred in the first year. All the financial information will be covered in the Financial Feasibility Study. The Board is not considering raising taxes and/or debt.

Kevin reminded everyone that there will be three more public meetings. The date and times of these meetings will be published in the newspaper and on our website.

10. MOTION TO ADJOURN
A motion to adjourn the meeting at 5:31 pm was made by Carol Cullins, seconded by Michael Anderson and the motion carried.