

KREMMLING MEMORIAL HOSPITAL DISTRICT
d/b/a Middle Park Health
Board of Directors Meeting Minutes
Thursday, December 14, 2023

With meeting notice, Jodi Docheff called the Kremmling Memorial Hospital District board meeting to order at approximately 6:04 pm. The meeting was held in the Wellness Center Conference Room and virtually via Teams.

Board members present: Jodi Docheff, President; Chris Murphy, Vice President; Mike Ritschard, Member [virtual- online at 6:12]; Kim Cameron (Late Excused- 6:15 arrival), Secretary/Treasurer; Dawna Heller, Member [virtual].

Non-board attendees present: Jason Cleckler, CEO; Deb Plemmons, CNO; Emily Ebert, CFO; Dr. Thomas Coburn, CMO; Becca Norman, Financial Analyst; Tiffany Freitag, Med Staff Coordinator/Marketing Director; Rosalie Rust; Executive Assistant; Adam Lendi, Beyonder Camp Co-owner; Justin Hoggatt, Beyonder Camp Co-owner; Carrie George, real estate agent; Jason Stuermer, ED Medical Director [virtual]; Mike Wilson, IT Director [virtual]

There were no conflicts of interest disclosed at the beginning of the meeting.

Agenda Approval

Motion: Chris made a motion to approve the agenda and Jodi seconded. **Motion adopted on a 3-0 vote.**

There were no public comments.

Minutes Approval

Motion: Chris made a motion to approve the 11/21/2023 minutes; Jodi seconded. **Motion adopted on a 3-0 vote.**

Motion: Jodi made a motion to approve the 11/30/2023 minutes; Chris seconded. **Motion adopted on a 3-0 vote.**

Reports of Good News

Employee Gifts (Jason): New outerwear given as our annual holiday employee gift this year.

Kremmling Land Presentation (Jason, Justin, Adam, Carrie): Several months ago, Beyonder approached the hospital with their interest in purchasing hospital-owned land north of airport. Presentation given on vision for a year-round "Sportsman's Retreat" campground with cabins, RV sites, recreational activities, tent camping, pool, and other amenities. Presenters explained that they consider local community the backbone of their business. Economic development, activities, increased tax base and amenity usage were detailed as potential benefits to the hospital and community. Two plots will be required. Details were provided about meetings with key stakeholders, water/utilities, and timeframe. Jason shares details of airport expansion, which is not likely to reroute US highway 40 at this point. Board discusses with business owners the annexation process into the town and were assured that the

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annexation would not be necessary for the plan to move forward. Board requests a more specific offer to evaluate the merit of the sale.

Middle Park Health / Middle Park Medical Foundation MOU (Jason Cleckler):. MOU will define the relationship between MPH and MPMF. Georgia Noriyuki, attorney, and Kristin Edgar, Special District Attorney, responded to board's questions via email correspondence. More specific details were added to the MOU around section detailing the employment of MPMF executive director. Board member requests edit to the signature lines, which will be incorporated before signatures are completed.

Motion: Jodi made a motion to approve MOU contingent upon signature line edits; Chris seconded. **Motion adopted on a 5-0 vote.**

Budget Hearing (Emily Ebert): Kudos were given to Becca Norman for her detailed analysis of the budget. Overall growth has been budgeted at 3.25%. Budget reflects 3% overall Charge Master increase. Tremendous growth has been the trend in the total revenue over last few years. Budget includes adjustments of around 47% (Contractual, Bad Debt, Charity Care). An adjustment was made to the expected vacancy rate to 10% is reflected in our Salaries budget. Benefits budget includes a new employee benefit for a housing stipend, to help both our recruiting and retention efforts. Further discussion of the housing stipend and its parameters ensued. Contract labor cut at 30% which offsets the increases to salary and benefit line items but is still a conservative approach. Bond Issuance costs and Interest expenses are tied to Fraser closing and consolidation of existing USDA loans. Interest rate on loans was budgeted on high end at 7.25% but may wind up less as interest rates have been dropping. Some income is expected from Fraser funds in an interest-generating account until needed for expenditures. Increases are planned in leases and utilities. Net income budgeted for \$154,000. Jason comments positively on the robustness of this budget process. Board comments on appreciation of conservative budgeting approach, smart growth, size of our business, and efforts of the team during budget process. See Appendix A.

Motion: A motion was made by Jodi and seconded by Chris to approve the 2024 Operating budget. **Motion adopted on a 5-0 vote.**

Capital Budget (Emily Ebert): Equipment, Facilities and Software are the three categories in the Capital Budget. Items additionally are designated either as new or replacement. 2024 Capital Budget similar to what has been seen in last few years at \$1.4 million. Most leases will fall into the category of capital leases due to new accounting standards. New capital leases on 2 vehicles are intended to offset travel expenses. Future needs for MRI replacement and MRI relocation costs approach within the next three years. Savings for the MRI will be set aside in a board designated line item, which has been budgeted in a Future CAPEX Savings category. Board discusses timing of this savings plan. See Appendix B.

Motion: A motion was made by Kim and seconded by Chris to approve the 2024 Capital budget **Motion adopted on a 5-0 vote.**

Spine Drill Lease Approval(Jason): Dr. Allison will be doing spine surgery at MPH in January. Dry run in OR is planned for Monday to ensure all equipment is set up for his needs. Spine drill will be leased at \$3400/month and has a potential buyout at end of lease for \$1.

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Motion: A motion was made by Kim and seconded by Chris to approve new capital lease of a spine drill. **Motion adopted on a 5-0 vote.**

Consent Agenda

a. Credentialing Committee:

PURPOSE: To ensure quality patient care by providing a quality system of credentialing and privileging for physicians interested in providing services at Middle Park Health.

Members: Dr. Robert Ratcliff, Chief of Staff; Dr. Shawna Langstaff, Vice Chief of Staff; Dr. Shane Tong, Immediate Past Chief; Dr. Jason Stuermer, ED Medical Director

Review/discussion of approval of privileges for:

- Bart Petrini MD, Full Active Privileges in Radiology
- Joe Parkey MD, Full Active Privileges in Radiology
- Jason Zhang MD, Full Active Privileges in Family Medicine
- Jodi Fitzgerald MD, Full Active Privileges in Family Medicine

Next Meeting: December 21, 2023

With the consideration and approval by the Credentialing Committee, we recommend that the Board of Directors approve the above-named physicians for privileges at Middle Park Health

b. Policies – Reviewed/Revised 10; New 0; Archived 0

c. Quality Report

d. SDA Compliance Calendar

- i. December 10: County Assessor certifies district's valuation for assessment.

Motion: Jodi made a motion to approve the consent agenda and Chris seconded. **Motion adopted on a 5-0 vote.**

Communication Report

Board Chair Report

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- a. MPH/MPMF Board-to-Board Dinner MPH hospital board and MPMF board have worked together through the MOU process, and it is important to develop relationships between the boards. Board discusses availability in January for this event.
- b. Board Self Evaluation Email will be sent out soon with Board Self Evaluation tool.
- c. Western Healthcare Alliance Board Member Peer Network Jodi describes attending WHA peer group to meet board members from other facilities. Topics included elections and education. Links to relevant articles or definitions can be included in board meeting agendas. Classes can be required for self-nominated board candidates to provide insight on extent of board demands, time commitment, expectations, and other requirements. Mentoring of new board members could also be part of the process.

CNO Report

- a. Retirement Deb has announced to leadership group that she will be retiring this spring. She has already made relocation plans. Recruitment efforts have already begun to hire this position, with a transition plan for new CNO to train on site with Deb before she leaves. Jason and Board express appreciation for all her hard work and her willingness to be involved in the transition process.

CMO Report

- a. Physician Contracts Two to three year process of getting all new contracts with our providers is coming to a close. Prior to this, 2016 was the last date they had been revised. At this point, all but 3 have been completed. Contract, Exhibit A and B have been streamlined and will not change much from year to year. Contracts will just need to be updated with cost of living increases, new role types, etc.

CEO Report

- a. Employee Engagement Survey Town Halls will be held in second week of January to roll out the results of the employee engagement survey. Team Innovate will join the town halls to discuss metrics they are continuing to work on regarding employee engagement. Updates will be given on budget, housing stipend, 2023 financials, Goals for 2024, Fraser update, and surgery service lines. Due to survey fatigue, one pulse survey is planned for 2024.
- b. Fraser Financing Timeline Board met in November and approved resolution which allowed Middle Park Health to take the next steps. Full package will be going out to investors for purchase of COPs. If financing packet falls within the parameters approved in the board resolution, we will move forward and continue to share the information with the board as this moves along. Mid to end of January will have document signings. Site visit was conducted this week with facilities, construction company and owner's rep. MPMF fundraising efforts are ramping up for support of the Fraser Hospital efforts as well. Board recommends getting signage up once signing is completed. Owner's rep will be giving updates to the board on the construction timeline and budget. Groundbreaking is still planned for April. Town Manager of Winter Park has been given an update as well. Improving access to mental and behavioral

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health is a major focus of theirs. Completion of neighboring buildings and hotels will increase new hospital's visibility.

Old Business

Possible sale of property will be further discussed at upcoming meeting when offer has been received by the purchasing party.

Executive Session

1. Executive Session for Personnel Matters: Discussion of CEO, CFO evaluation metrics for at-risk pay. §24-6-402(4)(f), C.R.S.

Motion: Kim made a motion to move to executive session at 7:41 pm. Chris seconded. **Motion adopted on a 5-0 vote.**

Board Members Present: Jodi Docheff, President; Chris Murphy, Vice President; Mike Ritschard, Member; Kim Cameron, Secretary/Treasurer; Dawna Heller, Member.

Non-Board Members Present: Jason Cleckler, Emily Ebert.

Motion: A motion was made by Jodi and seconded by Kim to adjourn the executive session.
Motion adopted on a 5-0 vote.

Resumption of open meeting at 8:38 pm

Metrics for CEO at-risk pay were presented to CEO and CFO.

Motion: A motion was made by Dawna and seconded by Kim to approve the CEO/CFO At Risk metrics for 2024 with edits. **Motion adopted on a 5-0 vote**

Adjournment of meeting at 8:39 pm

Motion: A motion was made by Mike and seconded by Chris to adjourn the meeting at 8:39 pm.
Motion adopted on a 5-0 vote.



Jodi Docheff, Board President



Kim Cameron, Secretary/Treasurer

Approval Date: 1-25-2024

Minutes taken by: Rosalie Rust

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Appendix A. Signed Budget Resolutions and Letter to Local Governments 2023-12-01 and 2023-12-02



December 14, 2023

Division of Local Government
225 E. 16th Avenue, Ste. 555
Denver, CO 80203

Board of County Commissioners
Summit County
PO Box 276
Breckenridge, CO 80424

Division of Property Taxation
1313 Sherman Street, Rm. 521
Denver, CO 80203

Board of County Commissioners
Grand County
PO Box 302
Hot Sulphur Springs, CO 80451

To Whom It May Concern:

Attached is the 2024 Budget for the Kremmling Memorial Hospital District in Grand and Summit Counties, Colorado submitted pursuant to CRS 39-1-111(5). This budget was adopted on December 14, 2023, and has taken into consideration the final assessed valuations from each of these counties and changes in operations year to date. If there are any questions on the budget, please contact Emily Ebert at (970) 668-9531 or PO Box 399, Kremmling, CO 80459. The general operating property tax mill levy certified to the County Commissioners is 7.045 mills.

I hereby certify that the enclosed are true and accurate copies of the budget and certification of tax levies to the Board of County Commissioners.



Jason Cleckler, CEO



Jodi Docheff, President



Kim Cameron, Secretary/Treasurer

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**RESOLUTION #2023-12-01
To Adopt 2024 Budget**

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES AND ADOPTING A BUDGET FOR THE KREMMLING MEMORIAL HOSPITAL DISTRICT, SUMMIT AND GRAND COUNTIES, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2024 AND ENDING ON THE LAST DAY OF DECEMBER 2024.

WHEREAS, the Board of Directors of the Kremmling Memorial Hospital District has appointed the Chief Financial Officer of the District to prepare and submit a proposed budget to said governing body at the proper time, and,

WHEREAS the District operates as an Enterprise District with less than 10% of District revenues coming from the assessed Mill Levy, and,

WHEREAS, the Chief Financial Officer has submitted a proposed budget to this governing body on December 14, 2023, for its consideration, and,

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place on October 9th, 2023, and interested taxpayers were given the opportunity to file or register any objections to said proposed budget, and,

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

NOW, THEREFORE, BE IT RESOLVED BY THE Board of Directors of the Kremmling Memorial Hospital District, Grand and Summit Counties, Colorado:

Section 1. That budget revenues are as follows:

General Fund and Emergency Reserves	\$	52,953,642
Other Revenues	\$	1,422,692
General Property Taxes	\$	1,030,282
Provider Payment	\$	3,655,896
TOTAL	\$	59,062,512

Section 2. That budgeted expenditures are as follows:

General Operating and Enterprise Expenditures	\$	51,178,792
Depreciation Expense	\$	2,440,513
Interest Expense	\$	5,289,598
Debt Service Principal Payment	\$	3,299,000
TOTAL	\$	62,207,903

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**Resolution #2023-12-02
To Adopt Mill Levy**

**Budget Message
Kremmling Memorial Hospital District**

The district, a quasi-municipal corporation, is governed pursuant to provisions of the Colorado Special District Act. The district operates as an Enterprise District and provides services in Grand, Summit, and Jackson Counties, Colorado. The district was established to provide emergency medical services, acute care, general hospital-based services, including outpatient surgery, long-term care, and outpatient ancillary services.

Basis of Accounting

The district's records are maintained on the accrual basis of accounting. Revenue is recognized when services are rendered, and expenses are recognized when the liability is incurred.

Budget

In accordance with the State Budget Law, the District's Board of Directors holds public meetings annually to approve the budget and appropriate the funds for the upcoming year. The appropriation is at the total fund expenditures level and lapses at year end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements.

Encumbrance accounting (open purchase orders, contracts in process and other commitments for the expenditures of funds in future periods) is not used by the district for budget or financial reporting purposes.

Enclosed is the 2024 Operating Budget for Kremmling Memorial Hospital District (KMHD) (d.b.a. Middle Park Health [MPH]). KMHD operates two hospitals and five clinics, providing healthcare and other related health and human services to residents of Grand, Jackson, and northern Summit counties.

Overall revenues (inpatient and outpatient) for KMHD are budgeted for \$99,910,849. With \$46,957,208 of contractual adjustments and bad debt excluding provider payment. The district's net revenue budgeted for 2024 totals \$52,953,642. Budgeted operating expenses for 2024 are \$58,908,903. Other revenue, not from operations, is expected to be \$6,108,870. This includes Provider Payment, Other revenue, and Property Tax revenue. Net income for 2024 is \$153,609.

The budget will assume a 3.25% volume increase and a 3% Charge master increase.

Revenue

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The calculation of the general operating property taxes levied utilizes the adopted mill levy of 7.045 mills.

ADOPTED this 14th day of December 2023.

KREMMLING MEMORIAL HOSPITAL DISTRICT



Jodi Docheff, President



Kim Cameron, Secretary/Treasurer

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Appendix B. Attachment A- Capital Listing

Middle Park Health					
Capital Projects					
2024					
<u>Equipment</u>	<u>Department</u>	<u>Location</u>	<u>New/Replacement</u>	<u>Equipment</u>	<u>Cost</u>
	Surgical Services	Granby	New	Shadowlines Cervical Retractor	15,000
	Lab	Granby	New	Alcor miniSED ESR Analyzer	5,044
	Surgical Services	Granby	Replacement	Autoclave Steris AMSCO 600 Prevac Steam Sterilizer	140,057
	Surgical Services	Granby	Replacement	Sonosite Ultrasound Unit	56,430
	Surgical Services	Granby	Replacement	Washer Steris AMSCO 7052HP 460-480V	75,884
	Laboratory	Granby & Kremmling	Replacement	Siemens RP500e Blood Gas Analyzer	28,606
	Laboratory	Kremmling	Replacement	Cytospin 4 Cyto centrifuge	8,957
	Information Technology	Granby	Replacement	Network Switch Refresh	44,000
	Information Technology	Kremmling	Replacement	Network Switch Refresh	55,000
	Information Technology	Granby	Replacement	Storage Array	54,892
	Information Technology	All MPH locations	Replacement	Laptops	35,750
					<u>529,619</u>
<u>Facilities</u>					
	Plant Ops	Granby	New	DR Chiller Engineering and Architect	40,000
	Plant Ops	Granby	New	MRI Project Phase 1 - Engineers and Architect	50,000
	Wellness Center	Kremmling	New	Secondary Weight Room Renovation	8,000
	Plant Ops	Kremmling	Replacement	ReRoof Original - Hospital	210,000
	Plant Ops	Kremmling	Replacement	5th St Sidewalk Replacement	30,000
	Plant Ops	Kremmling	Replacement	MPH HVAC Kremmling Phase 2 Completion	55,000
					<u>393,000</u>
<u>Software</u>					
	Finance	All MPH locations	New	OnBase - Digital Invoicing System	40,000
	Revenue Cycle	Kremmling	New	FinThrive - Claims Status Advanced	20,400
	Information Technology	All MPH locations	New	Imprivata SSO	78,540
	Human Resources	Granby and Kremmling	Replacement	ADP Upgrades - Completion	20,000
	Quality & Risk	ALL	Replacement	Press Ganey High Reliability Platform	30,000
	Revenue Cycle	Kremmling	Replacement	FinThrive - Claims Management	37,000
	Information Technology	Granby	Replacement	Critical Alert Nurse Call - Granby	109,600
	Information Technology	Kremmling	Replacement	Critical Alert Nurse Call - Long Term Care	91,345
	Information Technology	All MPH locations	Replacement	Everbridge	11,634
	Medical Staff	ALL	Replacement	MD Staff	7,500
					<u>446,216</u>
2024 Capital Budget Total					<u>1,368,877</u>


Jodi Docheff, President


Kim Cameron, Secretary/Treasurer

