

**HUMBOLDT GENERAL HOSPITAL  
DISTRICT BOARD OF TRUSTEES  
MAY 28, 2014 MEETING  
SARAH WINNEMUCCA CONFERENCE ROOM**

**BOARD PRESENT:**

Moe Hanzlik, Chairman  
Mel Hummel, Secretary  
Ed Hopfer, Member  
Kevin Chatfield, Member  
Marlene Brissenden, County Comm. Member

Kent Maher, Legal Counsel

**BOARD NOT PRESENT:**

**STAFF PRESENT:**

James Parrish, Administrator  
Sandi Lehman, CFO  
Eddy Davis, Controller  
Rose Marie Green, Human Resource Director  
Darlene Bryan, Director of Nursing  
Mike Bell, IT Director  
Alicia Wogan, Administrative Assistant  
Lonnie Hammargren, Clinic Manager  
Leonard Perkinson, M.D.  
Robin Gillis, SNF Manager  
Melissa Lopez, Administrative Support  
Theresa Bell, Materials Management Manager  
Rick McComb, IT Support  
Shar Pedersen, Quality Manager  
Louis Mendiola, Wellness Coordinator  
Pat Songer, Administrative Director  
Ken Whittaker, EMS  
Jared Oscarson, EMS

**GUESTS:**

Nicole Maher (Public Relations Director), Cecil Martin, Lewis Trout, Garth Amos, Marsha Colby (Auxiliary) Robin Granath, Ken Hladek, Gini Cunningham, Sherry Smith (Hospice), Dee Holzel (Silver Pinyon) and Mike Sheppard (Owners Representative).

**CALL TO ORDER:**

Board chairman Hanzlik called the May 28, 2014 board meeting to order at 5:31 p.m.

**PUBLIC COMMENTARY:**

Lewis Trout advised he would like the board to not take action and continue the agenda item regarding the purchase of a modular structure for the parcel across the street for the reason that the entitlements have not yet been resolved (Trout's belief), that is, the planning commission has not met and has not approved the site plan for the proposed project. Trout said he had a chance to review the parking study information that was provided to the board members, and Trout did not see a correlation between the City zoning code and the physical analysis that was done by the traffic engineer. Trout commented on the relocation (previously propounded by Trout) of the ambulance barn, and said a 60 x 120 feet building will fit on the City fire station site (behind the golf course on E. Winnemucca Blvd.). Trout said a cost analysis has not been done (the cost to move the ambulance facility off the Hospital campus to the City fire station site), nor have the security issues (which may be created by moving the ambulance facility and EMS personnel off campus) been evaluated.

Gini Cunningham, a member of the Northern Nevada Advocacy group for Alzheimer's, a member of the State of Nevada task force for Alzheimer's disease, and a facilitator for the Alzheimer's support group in Winnemucca, read a statement asking board members to consider moving ahead with the construction of the planned memory unit facility. Cunningham provided information on the disease.

**MEDICAL STAFF REPORT:**

Dr. Perkinson said things are going well, and they are anxiously looking toward some new providers coming on board. Medical staff is extremely happy with planned new construction and appreciative of the opportunity to be able to participate in the pre-construction planning process. Perkinson commented there are space needs for the residency program and new providers.

**EMS UPDATE:**

EMS Administrative Director Songer advised in April there were 210 call outs and 32 inter-facility transports. Songer presented a video on the Community Paramedicine Program. Songer explained why the ambulance facility should stay on the hospital campus, and how the EMS services and personnel are integrated with the hospital operations and services. Songer explained the differences between REMSA (a private ambulance service operating in the Reno, Nevada area) and the HGH EMS ambulance services, and why the ways the two services are used are not comparable. Songer explained the hospital security operations and the use of body armor. Board member Brissenden asked if the kitchen in the ambulance facility is used. Songer advised it is used quite a bit. Board member Hopfer asked about the video presentation and questioned how the paramedicine program services are billed. Songer advised that currently there is no charge for any of the services, that the services were planned in part to prepare for the requirements of the affordable care act.

**Administration Report:**

Administrator Parrish said the April data for the charity care program indicates the number of applications has dropped off; there were 8 applications and the total program cost was \$8,149. The Patient Access Department assisted 12 patients with Medicaid applications, and responded to 563 inquiries, including 45 billing adjustments.

Parrish presented a Top-20 Certificate for 2014 which was awarded the hospital.

Parrish said an employees' committee consisting of Rick McComb, Lonnie Hammargren and Louis Mendiola was formed to address the concerns raised about the hospital employees parking in the on-street public parking areas near the hospital. The parking committee gave a presentation on the parking plan which was voluntarily implemented by the hospital employees.

**CONSENT AGENDA:**

Motion by board member Hummel and second by board member Chatfield to approve the medical staff appointments-reappointments. Motion carried unanimously.

Motion by board member Chatfield and second by board member Hopfer to approve the April 22, 2014 board meeting minutes as presented. Motion carried unanimously.

**PRESENTATION REVIEW/ APPROVAL OF FINANCIAL REPORTS:**

Administrator Parrish presented the April 2014 financial report. There was discussion on the net proceeds of mines tax and how it is structured. Board member Chatfield asked if a date can be set to consider the air ambulance program. Parrish said there should be enough data available by the 4<sup>th</sup> quarter to make a recommendation.

Motion by board member Hopfer and second by board member Hummel to approve the April 2014 financial reports as presented. Motion carried unanimously.

#### **DISCUSSION / ACTION ON ITEMS OF BUSINESS & OTHER REPORTS:**

##### **1. Employment agreement for Jade L. Whitesell, PA / Administrator**

Administrator Parrish provided information on Whitesell's qualifications and employment history, the application interview and the proposed contract, which has a start date of July 2014. Leonard Perkinson, M.D., participated in the application consideration process and gave a positive recommendation.

Motion by board member Brissenden and second by board member Hopfer to approve the employment agreement for Jade L. Whitesell, PA. Motion carried unanimously.

##### **2. Employment agreement for Jeremy L. Hurst, MSN, FNP-C / Administrator**

Administrator Parrish provided information on Hurst's qualifications and employment history, the application interview and the proposed contract, which has a start date of November 2014. Leonard Perkinson, M.D., participated in the application consideration process and gave a positive recommendation.

Motion by board member Chatfield and second by board member Hopfer to approve the employment agreement for Jeremy L. Hurst, MSN, FNP-C. Motion carried unanimously.

##### **3. Purchase of modular building / Administrator**

Administrator Parrish gave a presentation on the planned building expansion project and the reasons for having the proposed modular unit. Parrish said the project should not be placed on hold as suggested earlier in the meeting. The architects, engineers and owners representative have many years of experience planning and building projects, and the entitlements have been considered and planned for. Parrish thanked employees for their input and help on the project. Mike Sheppard, Owners Representative, went over project design and addressed the alleged concerns about the entitlements. Sheppard met with the Planning Department staff informally, and there are no concerns about the site plan. Summit Engineering, the project engineer, has had several meetings with the City Engineer and has been in contact with the Planning Department; neither indicated there are any problems with the project as proposed. The modular building company has dedicated a time in their building production schedule for the building, if the purchase is approved. Sheppard feels the hospital district is very well prepared and recommended approval of the purchase. The bid price is about \$100,000 lower than expected.

Board member Chatfield asked about installation fee, shipping and depreciation. Sheppard advised the installation cost is estimated at about \$85,000, the shipping is included in the purchase price of the modular unit, and he deferred the depreciation question to staff. Chatfield asked about operation costs; Sheppard advised it will be similar to or less than the costs for medical office building 1. Board member Brissenden inquired about the traffic study and asked if Sheppard has heard from City Manager West regarding the study. Sheppard said he has not heard from West. Sheppard noted the study should be beneficial for the City (the recommendation of the traffic engineer is consistent with the City proposal for the Haskell-Bridge traffic control). Board member Hopfer said he spoke with West, and was informed that West briefly reviewed the document and was agreeable with the report findings. Sheppard explained parking for the project site. Chatfield asked about the pedestrian crossing lights. Sheppard noted the traffic study suggests a crossing light at Mizpah intersection. Board chairman Hanzlik asked about bid option number one (aluminum windows); Sheppard explained the first and second options. Hopfer inquired about the life expectancy of the building. Sheppard noted it could easily be used for 20 years or more because the construction is very similar to a "stick built" structure. Board member Hummel asked if any further consideration was given to using the former Kafoury Armstrong building. Sheppard said he had reviewed

his project files for the structure, since he had remodeled the building for Kafoury, and after working through the numbers and considering the existing building plan and the work that would have to be undertaken to retrofit the structure for medical clinic purposes, it is not cost effective to rehabilitate the structure. Sheppard feels that there has been due diligence in considering other options.

Motion by board member Chatfield and second by board member Hopfer to approve purchase of modular building from US Modular to include the two options (aluminum windows and siding) in the amount of \$1,091,018. Motion carried with Hummel, Hanzlik, Hopfer and Chatfield voting aye and Brissenden voting nay. Later in the meeting it was pointed out that the \$1,091,018 figure included the sum of \$100,000 which was shown in the project budget for the installation of the building, and installation was not part of the bid. Motion by board member Chatfield and second by board member Hopfer to amend the earlier motion approving the purchase of modular building from US Modular with the two bid options included for the total sum of \$991,018. Motion carried with Hummel, Hanzlik, Hopfer and Chatfield voting aye and Brissenden voting nay.

**4. Authorization to go to go bid for site improvements to railroad property for placement and utilization of medical and health care services clinic / Administrator**

Owners Representative Sheppard advised Summit Engineering has nearly completed the design work, and the work for the improvements on the railroad property for placement of the clinic building is ready to bid. The detention ponds have been oversized to address any potential flooding issues. Sheppard explained the budget numbers for the modular unit and the site work. Board member Hummel questioned if some of the furniture from medical office building one could be used in the new modular clinic building. Administrator Parrish advised the staff will determine what furnishings, if any, are available for such use.

Motion by board member Hummel and second by board member Chatfield to authorize solicitation of bids for the site improvements to the railroad property to allow placement and utilization of the medical and health care services clinic building. Motion carried with Hummel, Hanzlik, Hopfer and Chatfield voting aye and Brissenden voting nay.

**5. Determination of whether to use low-bid contracting or construction manager at risk contracting for hospital expansion project / Administrator**

Administrator Parrish explained that in addition to the use of the low bid procedure to contract for the work of the proposed hospital expansion, there is the possibility of using a construction manager at risk (CMAR) procedure. The University of Nevada at Reno has successfully used the CMAR method and found it very useful. Owners Representative Sheppard said that CTA asked that the CMAR process be considered. Typically, public entities have used the low bid procedure, but there a couple reasons to look at CMAR project: first, the mechanical, electrical and plumbing components of the proposed expansion projects comprise a greater percentage of the work than is required for a non-medical office building, and it is important to have the ability to select the best subcontractors for that type of work, not just the lowest bidder; and, second, the proposed project is planned for three separate phases, and the use of the low bid procedure could mean three separate general contractors with three separate groups of electricians, plumbers, air handlers, structural workers, etc., which poses significant quality risks in attempting to tie the separate projects together. Sheppard and Legal Counsel Maher explained the CMAR process and potentially how it could work for the proposed project. The board discussed and questioned staff about the process.

Motion by board member Hopfer and second by board member Hummel to authorize use of the CMAR process rather than the low bid process for the proposed expansion project. Motion carried unanimously.

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**6. Physician Recruitment / Administrator**

Administrator Parrish advised there have been discussions with a FPOB, and an interview is expected in June. Parrish said he has also been speaking with an orthopedic group.

**HOSPITAL BOARD OF TRUSTEE COMMENTS / STAFF REPORTS:**

Board member Brissenden said the Senior Center appreciated hospital board members coming to see them.

Board member Hummel questioned if the board should consider placing the modular unit on a permanent foundation to better protect against a possible earthquake event.

Board member Chatfield said he appreciated the EMS presentation on community paramedicine, and remarked what a great resource EMS is to the hospital operations.

Board member Hopfer commented that in his mind he had thoroughly considered the options for the modular building, and he concluded that in order to achieve the desired goal of having a memory care unit it is necessary to take the big step and move forward. It is the board responsibility to look at the available options for providing a quality hospital, and then select the best option. Hopfer believes the best option was selected.

Board chairman Hanzlik remarked that the idea of moving the ambulance facility and operation offsite is not a good thing in his opinion. Hanzlik commented that the REMSA situation is not comparable the HGH EMS situation.

**PUBLIC COMMENTARY:**

Lewis Trout said he spoke with Owners Representative Sheppard regarding the modular unit, and Trout believes earthquakes can affect modular buildings. Summit Engineering should be asked for their perspective about a different foundation. Trout commented again about moving the ambulance facility. Trout suggested the EMS video may not depict paramedics who integrate with a hospital operation.

Owner’s Representative Sheppard said the proposal for moving the ambulance facility to the new City fire station is flawed. Sheppard (the general contractor on the fire station project) spoke this afternoon with Don Smit, the fire station project manager, and Smit advised it is not practical to reuse the ambulance facility metal building (Smit was the hospital representative when the ambulance building was erected), and, even if it was capable of being reused, the fire station site suggested for placement of the ambulance building (the only possible place on the site where the building would fit) is not available because it is planned for a future addition at the firehouse.

Board chairman Hanzlik adjourned the May 28, 2014 meeting of the Humboldt County Hospital District Board of Trustees at 8:31 p.m.

**APPROVED:**

**ATTEST:**

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Maurice Hanzlik, Chairman

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Alicia Wogan, Administrative Assistant