

**MINUTES OF THE BOARD OF  
CARBON COUNTY COMMISSIONERS  
SPECIAL MEETING  
Wednesday, September 30, 2009  
County Courthouse  
Rawlins, Wyoming**

A special meeting of the Board of Carbon County Commissioners (BOCC) commenced Wednesday, September 30, 2009 at the County Courthouse in Rawlins, Wyoming to discuss Memorial Hospital of Carbon County funding. Attending the meeting were Chairman Terry Weickum; Vice Chairman Jerry Paxton; Commissioner Charles Young; County Attorney Cindy DeLancey; County Treasurer Cindy Baldwin and Deputy Clerk Kathy Turner.

Attending the meeting on behalf of the Memorial Hospital of Carbon County (MHCC) Board of Trustees were Paul Zamora and Dr. David Cesko.

Chairman Weickum called the meeting to order at 3:00 p.m.

**BOARD RESIGNATIONS**

Chairman Weickum stated the BOCC has received a letter with the resignations from James M. Reed, Rex Baldwin and Art Canaday effective immediately.

Commissioner Paxton moved to accept the resignations of James M. Reed, Rex Baldwin and Art Canaday from the Memorial Hospital of Carbon County Board of Trustees effective September 30, 2009. Commissioner Young seconded and the motion carried unanimously.

Commissioner Paxton moved to advertise the vacancies created by the resignations of the three individuals and the Board of Carbon County Commissioners conduct interviews at their regular meeting on October 6, 2009. Commissioner Young seconded and the motion carried unanimously.

Commissioner Paxton moved to amend the previous motion to include that the applications must be received by 12:00 p.m. on October 5, 2009. Commissioner Young seconded and the amended motion carried unanimously.

**SPECIFIC PURPOSE TAX BONDING**

Commissioner Weickum discussed the issues created with bonding for the specific purpose tax bonding due to MHCC's unsure future and financial troubles. He stated he has invited Mary Keating-Scott and Barbara Bonds to join this meeting via telephone to discuss this. Mary Keating-Scott from George K. Baum & Company joined the meeting at 3:08 p.m. by telephone. Tom Weihe with Kutak, underwriter's counsel, joined the meeting at 3:20 p.m. by telephone as Barbara Bonds was unavailable.

Ms. Keating-Scott explained that George K. Baum & Company are the underwriters of the bonds who find potential investors to purchase the bonds through a preliminary official statement drafted by Ms. Bonds. She advised all of the necessary documents have been sent to a rating agency and it is the decision of the bonding counsel, Ms. Bonds, on how much information to disclose of the hospital's current situation. Ms. Keating-Scott stated it is Ms. Bonds' opinion that MHCC's financial situation must be disclosed. Ms. Keating-Scott stated that since the disclosure document must be revised anyway, the County should seriously consider separating MHCC's project into its own bond issue.

Mr. Weihe explained that the disclosure document is required by Federal Security Laws, disclosure counsel is required to deliver the document to the underwriter at the closing of the bond issue and that the official statement includes all material facts relating to the transaction. He stated he agrees with Ms. Bonds that the factors Ms. Keating-Scott described are items that need to be described in the document for federal anti-fraud purposes. Mr. Weihe stated the document provided to rating agencies could have a detrimental affect on the credit rating which could affect the interest rate if MHCC's project were to be left in the bond issue. He stated that at least 85% of the proceeds of the bonds must be spent within a three year period, and with the

uncertainty of the hospital it would be difficult for Ms. Bonds to accept the reasonableness of any representation to that affect from the Specific Purpose Tax Joint Powers.

Chairman Weickum recapped that if the hospital project is left in with the community projects the interest rate would be raised considerably and might influence the time it would take to sell the bonds. Ms. Keating-Scott replied the interest rate would be higher and it would be harder to sell the bonds because of MHCC's condition.

Mr. Weihe stated that Ms. Bonds would not be able to accept the representation of the reasonable expectation to complete the project within three years and with the hospital project to be included in the financing they likely would not be able to go to the rating agencies and proceed.

Chairman Weickum clarified that if the hospital project was pulled out to get the best interest rate for municipalities, and in the meantime get the issues at MHCC straightened out, this project could be bonded later and Ms. Keating-Scott replied this is correct.

County Treasurer Cindy Baldwin asked if the 85% over three years just applies to the federal stimulus monies or to all of the grants. Mr. Weihe said it applied to all of the bond proceeds the same rule applies that 85% of the proceeds generated from the sale of the bonds be spent within three years of the date the bonds are issued.

Chairman Weickum asked when the final decision must be made and Ms. Keating-Scott stated she must have the decision soon then Ms. Bonds will have to redraft the documents and then resubmit to the rating agencies which will take three weeks for their review. Mr. Weihe stated that if the hospital is removed from the current financing, Ms. Bonds could begin the process of making the changes in the documents and if the decision is made at the BOCC's October 6, 2009 meeting, the documents could be resubmitted to the rating agencies.

There was further discussion of the effect on the interest rate if MHCC were removed from the bond issue.

## **MEMORIAL HOSPITAL FUNDING**

Chairman Weickum discussed emergency funding for MHCC stating the BOCC's appreciation for the employees there.

Chairman Weickum asked the two remaining board members, Mr. Zamora and Dr. Cesko, what their business plan is for MHCC.

Mr. Zamora stated MHCC's board will begin recruitment of a management company over the next four weeks. He stated they are bringing in Wyoming Medical Center, and Gene Balzer, a CEO from Campbell County, to perform an evaluation to determine where they are. He reported they have also hired the architect for their HMS (billing) system who identified several problems and has generated some revenue after only a couple of days.

Dr. Cesko discussed his understanding for the BOCC's accountability for funding, he knows a management company is necessary but they have to be careful. He stated they do not want to delay getting a management company or take a long time but will have to make sure the management company wants to keep the County hospital as a County hospital and manage it and give the people the services they desire and are used to and can't let them turn it into a satellite hospital which would be a disservice to the community. Commissioner Paxton requested that the County Attorney be allowed to review the contract once a management company is chosen and Dr. Cesko agreed.

There was further discussion of the billing system and the steps being taken to correct it. Commissioner Paxton asked how much money the hospital would need to get by for the next couple of days and Rick White, Memorial Hospital of Carbon County Chief Financial Officer stated they need \$1.2 million total with approximately \$450,000.00 within a week. There was discussion that this would help MHCC catch up with late invoices due to various vendors. Commissioner Paxton verified with Treasurer Baldwin that the County could have that amount of funding in one week.

Treasurer Baldwin asked if they will be returning to ask for additional funds. Mr. White stated that until they get new physicians they anticipate returning. Treasurer Baldwin discussed her concern about the County's ability for continued financial support.

Commissioner Young stated he would not be participating in a vote due to a conflict.

Commissioner Paxton moved to give the hospital \$450,000.00 to make up for the budget deficiencies that they have at this time and try to make this available as quickly as possible with the conditions that the Commissioners have a monthly balance sheet and income statement noting that these might be one or two months behind depending on when the Commissioners meet, the Hospital Board should provide a monthly report to the Commissioners stating the progress being made at the hospital, the status of the billing system and how current they are on getting bills out to patients, what they are doing to improve collections if they are becoming more aggressive and so forth, how collections for this fiscal year compare to the prior year, an accounts receivable aging report would help us monitor this, what improvements are being made in the hospital's accounting department, are reconciliations being done on a monthly basis, especially cash reconciliations, make sure the patients and insurance companies are being billed in a timely fashion, are the accounts payable being monitored and payment plans being worked out with the vendors. Chairman Weickum seconded and there was discussion by Mr. Zamora asking who should present these items to the BOCC. Chairman Weickum stated someone who can answer any and all questions. Mr. White asked if they would like to see the vouchers for the payments for the month and Chairman Weickum replied it would be helpful. Chairman Weickum stated they do not need and will not tolerate another crash. The motion carried with Chairman Weickum and Commissioner Paxton voting for the motion. Commissioner Young recused himself due to a conflict.

Commissioner Paxton stated that if they are contemplating removing the hospital project from the bonding issue that it is important to ensure that no funds are being encumbered and that we are not moving forward with that project. Chairman Weickum stated he would like Greg Olson of LM Olson Construction to attend the October 6, 2009 meeting to discuss the specific purpose tax project and added the Hospital Board should also try to attend the meeting.

#### **ADJOURNMENT**

Chairman Weickum adjourned the meeting at 4:31 p.m.

-s- Kathy Turner, Deputy Clerk

Approved this 20th day of October 2009.

BOARD OF COUNTY COMMISSIONERS  
CARBON COUNTY, WYOMING

-s- Terry Weickum, Chairman