



MINUTES  
FEBRUARY 21, 2017

STEPHENS COUNTY BOARD OF COMMISSIONERS  
and  
STEPHENS COUNTY HOSPITAL AUTHORITY  
HISTORICAL COURTHOUSE COURTROOM

**PRESENT FOR MEETING:** Commissioners Debbie Whitlock, Dean Scarborough, Stanley London, Dennis Bell and Michelle Ivester; County Clerk Beth Rider; County Administrator Phyllis Ayers; County Attorney Brian Ranck, Max Brock, Jon West, Stan Roberts, Paula Dickerson, Mark Wilkinson, Lynne Anderson, Jeff Laird

Chairman Whitlock welcomed everyone.

Discussion was heard from both boards regarding the Hospital Debt and their request for the Stephens County Board of Commissioners to back them with a \$15 million bond and \$5 million bridge loan.

Commissioner London made a motion stating it is our desire to move forward with the \$15million bond and include the \$5 million bridge loan subject to the terms and ability to refinance the existing bond as presented by Lynne Anderson and board. Commissioner Bell seconded the motion.

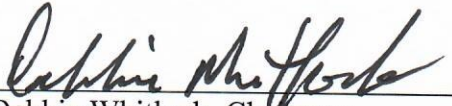
After further discussion Commissioner London amended his motion.

Commissioner London made an amendment to his motion that it is the Board of Commissioners desire to back the hospital with the hospital being the primary borrower for the \$5 million bridge loan, \$10 million bond and the \$3.8 million refinanced as presented. Commissioner Bell seconded the motion. **Motion carried unanimously.** "Exhibit A"

I. ADJOURNMENT

A motion was made by Commissioner London, seconded by Commissioner Bell to adjourn meeting at 8:58 p.m. **Motion carried unanimously.**

Approved this 28th day of March, 2017

  
Debbie Whitlock, Chairman

Attest:

  
Beth Rider, County Clerk

*Exhibit A*

STEPHENS COUNTY HOSPITAL

DEBT DESCRIPTION (NEW AND EXISTING)

\$5M Bridge Loan:

- \$1.5 M Retirement Plan Catch-up Contribution
- \$3.5 M Accounts Payable Catch-up

\$10M Bonds (New Issue)

- \$3.8 M Refinance existing bonds from 2006
- \$1.5 M Radiology Equipment
- \$2.0 M Hospital Building Restoration/Renovation
- \$ .5 M Building Software/Hardware
- \$1.2 M Information Technology
- \$1.0 M Physician Office Building

Additional Existing Debt: (Not backed by county; secured by various equipment, rents etc.)

<u>Project</u>	<u>Lender</u>	<u>Collateral</u>	<u>Payment</u>	<u>Interest</u>	<u>Last Payment</u>
\$1 M Wilkinson Expansion	South State	Rents of units	\$9,752	3.16%	October 2026
\$600,000 GE Vital Sign/Cardiac Monitors	GE Capital	Equipment	\$13,241	1.6%	October 2020
\$320,000 B Braun Infusion	B Braun	Equipment	\$21,700+ supplies	7.5%	February 2018
\$675,000 Wound Care Building	First Citizens	Real Estate+ CD \$100,000	\$6,010	3.99%	October 2028
\$370,000 Surgery Medical Office Building	South State	CD \$400,000	\$ 3,613	1.6%	\$211,000 Balloon 1/27/2021
\$150,000 CT Scanner	First Citizens	Equipment	\$12,933	1.8%	December 2017
\$350,000 Line of Credit	Oconee Fed	CD \$847,000			

## HOSPITAL OPERATIONS: 2010 - 2016

<u>Fiscal Year</u>	<u>Audited Net Income</u>	<u>*Extraordinary Income</u>
FY 2010	\$841,038	0
FY 2011	*(\$438,556)	\$1,596,518
FY 2012	*\$738,623	\$1,902,126
FY 2013	*(\$2,447,690)	\$1,307,443
FY 2014	*\$85,137	\$ 349,098
FY 2015	*\$1,145,348	\$2,218,388
FY 2016	(\$4,571,230)	0

### **Affordable Care Act – Implemented in 2013**

Indigent Care Trust Funds decreased

Medicare Reimbursement was decreased in a phased in approach over each year (resulting in a reduction of cash receipts from 43% to 39% in this most recent fiscal year which is \$4.3M reduction in the past year alone.

### **Physician Recruitment/Alignment –Necessary to ensure physicians remained in community and continued to admit patients to Stephens County Hospital**

FY 2016      Employed 2 General Surgeons  
Began paying for OBGYN coverage to save the OB Service (\$420,000/year)

FY 2017      Employed Primary Care and Orthoped  
Will add two OBGYNs

- Physician Group Gross Revenue up \$1M from last year
- Will be March 1, 2017 before we begin to see collections come in from the last two
- New OBGYNs projected to increase deliveries some 120 babies to put us back at prior year levels
- OB program brings in \$1.7M per year in Indigent Care Trust Funds from State with a national match; will be lost if OB program goes away

### **OPERATIONAL IMPROVEMENTS TO DATE:**

Staffing

Supplies/vendor renegotiations