

**MINUTES
CITY OF PURCELL
PURCELL PUBLIC WORKS AUTHORITY
JOINT SPECIAL MEETING
SEPTEMBER 20, 2022
5:30 P.M.
IN THE DOWNSTARIS COMMUNITY ROOM OF
PURCELL CITY HALL
230 WEST MAIN STREET**

THE CITY OF PURCELL AND THE PURCELL PUBLIC WORKS AUTHORITY WILL HOLD A SPECIAL MEETING AT THE TIME AND PLACE STATED ABOVE. THE FOLLOWING BUSINESS WILL BE CONDUCTED. THE COUNCIL MAY DISCUSS, VOTE TO APPROVE, VOTE TO DISAPPROVE, VOTE TO TABLE, VOTE TO AMEND, OR DECIDE NOT TO VOTE ON ANY ITEM ON THIS AGENDA.

1. Call to order and declaration of a quorum present.

Vice-Mayor Cox called the meeting to order and declared a quorum to be present at 5:36 p.m.

2. Roll Call.

Roll call was conducted by Treasurer, Victor Lohn, with the following results:

Councilmen present: Ted Cox, Graham Fishburn, Theda Engert, Jay Tate, Allen Eubanks.

Councilman absent: None.

Staff present: Victor Lohn and Dale Bunn.

Counsel: Greg Dixon

3. Pledge of Allegiance.

Vice-Mayor Cox led the Pledge of Allegiance.

Greg Dixon offered the invocation.

4. Welcome.

Vice Mayor Cox welcomed guests, staff, and council members.

Mayor Fishburn noted that in the order of the agenda, Agenda Item No. 6 will be discussed prior to Agenda Item No. 5.

5. Discussion between the Purcell PWA, Purcell Municipal Hospital staff and SSM staff regarding financial and marketing plans for the new hospital.

Chris Wright presented on behalf of the hospital. Noted several things such as pandemic and other matters have placed a burden on the hospital that was unforeseen. This tax money will help. Mr. Cox asked how many employees the hospital currently has. Mr. Wright noted 86. Mr. Cox asked if the hospital had looked into the Employee Retention Tax Credit and they had not. Mr. Cox explained that if government shut down or partial government shutdown that impacted services by a nominal percentage of any quarter in 2020 is 50% of the first \$10,000.00 you pay an employee during those quarters. In 2021, any quarter 20% down in revenues compared to the same quarter in 2019, any of those quarters for the first 23 quarters, we could get 70% of the first \$10,000.00 paid to an employee back, \$7,000.00/employee. It doesn't matter if the employee was paid \$200,000.00 or \$20,000.00 during that quarter, its 70% of the first \$10,000.00. Mr. Eubanks asked if that's above and beyond the PPP? Mr. Cox said no they have rescinded the original qualification and you get this regardless. Additional discussion was had about this program.

Discussion was had about where the hospital would stand after the \$550,000.00. It was noted by Renee Barber that the number would be put in the cash flow spreadsheet, and she would email it the following day.

Mr. Wright gave particulars about the decline in particular areas of the hospital such as labs and imaging, x-ray's, CT's, etc. Was noted some of the decrease in lab was due to the urgent clinic shutdown. Was asked by Mr. Cox if this is something that will come back. Mr. Wright noted that was part of the marketing plan to gain those back. SSM will have an urgent care in the new building. Staff for urgent care is underway. Discussion was had about procedures between urgent care and the hospital.

Mr. Wright noted budgeted and unbudgeted moving capital expenses in the sum of \$1.88 million and the unbudgeted portion is \$1.13 million and that's items such as Epic, SSM subsidized \$200,000 for that; x-ray room was unbudgeted, the portable chest x-ray died and a was \$125,000.00 to replace; nuclear med machine was end of life and transformer went out \$265,000.00; an ultrasound sound machine \$121,000.00; defibrillators \$50,000.00; trauma room lights, \$12,000.00; piece of lab equipment \$54,000.00; lab freezer \$10,000.00; EKG machine \$30,000.00. Noted was a delay in Epic has cost over \$100,000.00-111,000.00. Additional expenses have been the AC, the boiler, the nuclear medicine machine at \$25,000.00. \$539,000.00 for contract labor, currently \$10,000.00/week in contract labor. Discussion was had about how much contract labor would be expected after the move and the staff noted that due to such high health insurance costs for employees, the didn't think the contract labor would decrease much.

Insurance policy on the old hospital was changed to catastrophic and went down to \$106, 000.00 or \$10,00.00/month and also paying insurance on the new building as of yesterday and will be around \$5,000.00/month.

Clinic is to open February 1st and there will be insurance on that.

Discussion was had about insuring the old building, the value, and who is to keep the insurance on the building when the hospital moves.

Discussion was had about new equipment and current equipment deliveries and moves.

Relocation timeline was discussed. Final completion was done on 9/19/22, 10/18/22 State Health Department inspection, 10/24/22 6 p.m. will be the VIP open house, 10/28/22 2 p.m., Chamber Ribbon Cutting

Was noted Purcell's fire code approved today.

Vice Mayor Cox asked what the hospital would expect to see as far as additional funding from Purcell after the \$550,000.00 use tax. It was noted that \$100,000.00 for 6 months would be needed. Mr. Cox asked again if that was over the \$550,000.00 just paid.

Conversation moved on to the marketing plan. Mr. Wright noted that \$31,000.00 was the figure for 2 billboards, video services, social media. SSM Marketing's suggestion is what was presented. Additional discussion was had. Mr. Eubanks and Mr. Bunn had discussion about billboards. Discussions were had about different types of marketing for the hospital vs. urgent care.

Vice Mayor Cox made a motion second by Councilwoman Engert to table any more discussion on Agenda Item No. 5 to the October 3, 2022 regular meeting so the hospital can reevaluate its financial needs after receiving the \$550,000.00 and city to review its reserve capabilities.

Yes: Cox, Engert, Eubanks, Tate, Fishburn

No: None Absent: None

6. Discussion and possible action to distribute to the operating funds of Purcell Municipal Hospital the use tax collected following the passage of a one cent sales tax to support the hospital.

Voters passed a 1% Sales Tax for the hospital. Mr. Cox had discussion about how sales on Amazon and other internet companies pay tax on products purchased by people in our city is designated by as a "use tax" and not as a sales tax and believes it is that way be the business does not have an actual storefront in our community. The City of Purcell has not been remitting the 1% of the "use tax" to the hospital. In order to get the bonds passed for construction of the new hospital, we had to pledge 2 cents. Our current ordinance says that those 2 cents will be spent first with the bond payment, then any bond payments that were in arrears, then after that was to go to the city's general fund for any legal purpose. We need to clarify that if 1 percent of the Use Tax is in excess of the bond payment, then that money should be attributed to the needs of the hospital. According to what the paper reported, this last month approximately \$10,000.00 was collected over and above the bond payment. Adding up the money from the time the sales tax was collected until recently, the calculation has come up to approximately \$550,000.00 Mr. Eubanks asked if that was total use tax or is that use tax netted down to make up the difference on the bond payment that the sales tax did not pay for. Mr. Bunn noted this was collected before the bond payments. Mr. Lohn noted this is

the 1% use tax from January 1, 2017 through February 2022. We started making bond payments in March 2022.

Vice Chairman Cox made a motion second by Councilman Eubanks to pay the hospital \$550,000.00 to remedy the matter.

Yes: Cox, Eubanks, Engert, Tate, Fishburn

No: None Absent: None

7. City Council comments.

Vice Mayor Cox:

Councilwoman Engert: None

Councilman Tate: None.

Councilman Eubanks: None.

Mayor Fishburn: None.

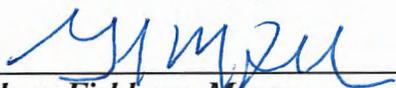
City Manager and staff comments.

Mr. Dixon explained about a Scrivener's error in signage ordinance.

8. Adjourn.

Mayor Fishburn declared the meeting to be adjourned at 6:59 p.m.

Approved this 26th day of October 2022



Graham Fishburn, Mayor

Attest:



Andrea Millsap, City Clerk

