



COOK COUNTY HOSPITAL DISTRICT
BOARD MINUTES FOR MAY 18, 2017

Call to Order – Kay Olson called the meeting of the Cook County Hospital District Board of Directors to order on May 18, 2017 at 9:00 a.m. in the meeting room.

Adjourn to Closed Session – The Board recessed from the regular session to a closed session for the Quality Improvement/Peer Review Report and Medical Staff Report.

Closed Session Summary - The Quality Improvement/Peer Review Report from April 2017 and the Medical Staff Report from April 2017 were discussed.

Reconvene - The North Shore Health Board reconvened in regular session at 9:30 a.m.

Roll Call

Members Present: Sharon Bloomquist, Randy Wiitala, Justin Mueller, Kay Olson, and Steve Nielsen

Others Present: Kimber Wraalstad, Vera Schumann, Casey Bronikowski, Dr. Schmidt (p), Heidi Doo-Kirk (p), Sandra Barkley (p), John Strange (p), John Geissler (p), Josh Christensen (p), Josh Kostiuik (p)

Via Tele-Conference: Darryn McGarvey (p)

Approval of Agenda – S. Nielsen made a motion to accept the Agenda for May 18, 2017, R. Wiitala 2nd, all ayes.

Public Comments: None

Approval of Minutes for April 20, 2017 – J. Mueller made a motion to approve the minutes for April 20, 2017, as presented. R. Wiitala 2nd, all ayes.

Updates:

- a. **Clinic Board:** Dr. Milan Schmidt reported the clinic held a retreat for its staff where they were able to connect, communicate and look at how they interact with each other. He also announced Kristin DeArruda-Wharton is the recipient of the Bush Fellowship and will begin Nurse Practitioner training. The annual Clinic Board meeting will be on June 26, 2017.
- b. **County Board:** Heidi Doo-Kirk commented the County is still recruiting staff. They will begin budget discussions on June 1. There will soon be a new District 1 Commissioner.

- c. **North Shore Health Care Foundation:** Steve Nielsen stated that the Health Care Foundation is, for their first time, developing their Strategic Plan. Historically, the foundation has provided small grants for health care. They will begin to analyze their historical data to determine how they move forward as a facilitator for health care opportunities.
- d. **Board Members:** On behalf of the Foundation, Steve Nielsen stated that there is a discussion occurring within our community in regards to home care for older adults. Care Partners, PHHS and several other entities are exploring options for how to best deliver and develop these services.
- e. **Correspondence:** None

Board Presentation – 2016 Financial Audit – Darryn McGarvey, CliftonLarsonAllen
 Darryn McGarvey with CliftonLarsonAllen presented the 2016 Audit results via tele-conference. Mr. McGarvey stated that there were no material weaknesses or deficiencies within our internal controls. It was noted one change was made to accounting policies to address the implementation of GASB 72 – Fair Value Measurement and Application. Mr. McGarvey reviewed the impact of GASB 68 - Accounting and Reporting for Pensions as it had a significant impact on our financial statements. The GASB 68 Accounting Standards require participants of multi-employer pension plans to recognize their proportionate share of Net Pension Liability. To provide a perspective of organizational results from operations, Mr. McGarvey provided information factoring our GASB 68. Without GASB 68, our operating margin is -2.4% rather than -5.6% including GASB 68. Various financial ratios comparing North Shore Health to Minnesota Critical Access Hospitals, CLA small size CAH clients and CLA gold standard facilities were presented by Mr. McGarvey. From a financial perspective, Mr. McGarvey stated 2016 was one of our better years. Average net days in accounts receivable for 2016 are 39, with the gold standard and other Minnesota Critical Access Hospitals averaging between 52 and 54. A lower number indicates efficient business office procedures. Mr. McGarvey stated our days are fantastic. Our Percentages of A/R over 90 days old are better than average. Our Average Age of Plant (average age of an organization's fixed assets – a low value is considered to be desirable) has decreased from 20.4 in 2015 to 18.4 in 2016. The Average Age of Plant for other Minnesota Critical Access Hospitals is 10.7. Due to the facility project, the average age of plant will drastically decrease closer to the industry benchmarks of 7.9. There was discussion and Mr. McGarvey thanked Vera Schumann and her staff for their assistance and noted the audit process was very smooth due to their preparation and hard work. S. Nielsen made a motion to accept the 2016 Audited Financial Report for North Shore Health. J. Mueller 2nd, all ayes.

Old Business

- a. **2016 Strategic Plan Update:** Strategic Initiatives 3. Community and 4. Viability were reviewed and discussed.
- b. **Facility Update:** WTIP's Tina Krauz has been working on a series of segments with North Shore Health employees discussing the events and renovations taking place at North Shore Health. The series will be posted on our website. Ben Zwart with the Minnesota Department of Health was on site yesterday and noted a few items that need to be completed before certification. Once the items are completed, Ms. Wraalstad will submit photos to Mr. Zwart. The Fire Marshall has been notified and we are waiting for his visit.
 - o **Change Order Review:** Change Order #11 was reviewed and discussed. The most significant changes were things that needed to be rebuilt in the original structure to accommodate the boom.
- c. **Works of Art Project:** No Report

d. Other: No Report

Financial Reports

Vera Schumann presented the April 2017 Executive Summary and Financial Report. North Shore Health generated a loss from operations of \$177,553 for the month of April, performing \$82,137 behind budget. Gross hospital patient revenues of \$973,334 are \$168,711 (15%) behind budget. Care Center revenues are \$39,057 (15%) less than budget for the month of April. With the non-operating income and tax levy monies, there was a net loss of \$129,109 for the month. April acute patient days of 20 are 3 or 13% less than budget. Swing bed patient days of 56 are 4 or 8% greater than budget. Care Center resident days of 911 are 49 days or 5% less than budgeted with occupancy at 82%. Volumes at or ahead of budget for the month are Colonoscopy 20% and CT/MRI 10%. Volumes behind budget for the month are Observation 73%, Emergency 27%, PT/OT 4%, Laboratory 20%, Home Care 33%, and Ambulance 11%.

New Business

a. Other: None

Management Report

Casey Bronikowski, Shelly Starkey and Bob Willis are still continuing to work with ADP to identify and resolve issues with the payroll system. The timekeeping process for employees is improving and Department Managers stated the time card review and approval process is improving with each payroll. The Performance Management/Review module is expected to go live on June 1. In an effort to assist the North Shore Health Ambulance Service address opportunities, Ms. Wraalstad reported we are working with an expert with extensive knowledge in EMS. Joe Grafft, M.S. NREMT, spent two days at North Shore Health assisting the Ambulance Service in developing a needs assessment and action items. North Shore Health was awarded a \$125,000 Rural Hospital Capital Improvement Grant to purchase a new ambulance. The Hospital is responsible to provide at least 20% matching funds and it is anticipated a new ambulance will cost at least \$185,000. Congratulations and thank you to Vera Schumann and Steve DuChien for their hard work in preparing and submitting the grant application!! The 2017 Summer Trustee Conference will be held on July 14 – 16, 2017. The theme for this year's conference is *Strategies for Effective Governance*. Those interested in attending the conference should give their registration forms to Kimber Wraalstad by June 23, 2017.

Construction Update –

Josh Christiansen and Josh Kostiuk from Boldt Construction and John Geissler from DSGW were present to provide a construction update.

The Construction Progress Report for May 2017 was then presented. The following areas were highlighted and discussed in detail:

- Safety Risks and Concerns – No reports since the last month.
- Lost time – None
- Project Update
 - Phase 1 - Care Center (southeast and northwest)
 - No new update, continuing with punchlist items
 - Phase 2 - Care Center
 - Completed casework installations within new Resident Kitchen 2055.
 - Completed flooring installations.
 - Completed ceiling grid installations within Resident Kitchen 2055.


- Completed ceiling tile installations throughout the new Resident Wing and Resident Kitchen 2055.
 - Completed paint and wall protection installations within new Resident Wing and adjacent corridors and common areas.
 - Completed Ceramic Tile installations.
 - Continued siding installations.
 - Boldt has performed and issued their punchlist to corresponding subcontractors and suppliers.
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 - Phase 1 - Hospital (Inpatient Wing)
 - Zone 1**
 - Substantially complete with punchlist items.
 - Zone 2:**
 - Completed taping and finishing new Procedure Room.
 - Completed painting new Procedure Room.
 - Phase 2 – Hospital (ER)
 - Continued taping and finishing installations.
 - Started painting installations.
 - Started ceramic tile installations.
 - Started ceiling grid installations.
 - Completed footings for Ambulance Garage and new vestibule.
 - Completed installation of concrete masonry unit walls for Ambulance Garage and new vestibule.
 - Completed installation of air-vapor barrier for Ambulance Garage and new vestibule.
 - Continued mechanical, electrical, plumbing and fire protection in-wall and above ceiling rough-ins.
 - Continued installation of structural steel framing members.
- Planned work for May
 - Phase 1 - Care Center (southeast and northwest)
 - Continue to coordinate Punchlist Items as areas are available and convenient for Residents
 - Phase 2 - Care Center
 - Complete punch list items as issued by Boldt and DSGW.
 - Turnover new Resident Wing and Resident Kitchen.
 - Phase 1 – Hospital (Inpatient Wing)
 - **Zone 1 and 2:**
 - Complete all punchlist items.
 - Complete Procedure Room ceiling grid installations.
 - Install lights, grills and diffusers within new Procedure Room.
 - Complete flooring installations within new Procedure Room.
 - Coordinate installation of new equipment and light booms with Trumpf.
 - Phase 2 – Hospital (Emergency Department)
 - Complete structural steel installations.

- Complete new roofing installations over Ambulance Garage and new vestibule.
 - Complete interior wall framing installations.
 - Continue taping and finishing installations.
 - Continue painting installations.
 - Continue ceramic tile installations.
 - Continue ceiling grid installations.
 - Complete mechanical, electrical and plumbing in-wall rough-ins.
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- RFIs – 150 requests for information to the Architect, 2 RFIs open at this time
 - ASIs – Twenty-three Architect's Supplemental Instructions
 - RFPs – 79 requests for proposals
 - Submittals – Log reviewed
 - Risks/Opportunities – Reviewed
 - Field Manpower – Jobsite total – 61
 - Equipment Onsite – Reviewed
 - Financial Update
 - Pay application #21 (04-01-2017 to 04-30-2017) for \$1,047,628.69 was approved on May 4, 2017 and is waiting to be paid.
 - Change Orders – Eleven Change Orders have been submitted and approved
 - Contingency Usage – The contingency log was reviewed. The contingency amount has been fully used and exceeded.
 - Communication Plan – The average Blog Site views are 13 per day.


Photos of the project and the project phasing were reviewed.

Adjourn

The regular meeting adjourned at 11:38 a.m.



Chairman



Clerk