

**MINUTES OF SPECIAL
COUNCIL MEETING
October 26, 2011**

- CALL TO ORDER:** A special meeting of the Galena City Council was called to order Wednesday, 26, 2011 at 6:00 pm, in the council chamber with Mayor Dale Ogelsby presiding.
- ROLL CALL:** Roll call indicated the following council members
Present: Mr. Martin; Mr. Alderman; Mr. Nichols;
Mr. Allen
Absent: Mrs. Watkins; Mr. Reed; Mr. Watkins
- EXECUTIVE SESSION;** Moved by Mr. Nichlos; seconded by Mr. Allen; for a ten minute Attorney Client Executive Session.
Ayes: Mr. Martin; Mr. Alderman
Mr. Nichols; Mr. Allen
Motioned carried
Began 6:10 pm Ended 6:25 pm
- ROLL CALL:** Roll call indicated the following council members
Present: Mr. Martin; Mr. Alderman; Mr. Nichols;
Mr. Allen
Absent: Mrs. Watkins; Mr. Reed; Mr. Watkins
- PROPOSED HOSPITAL:** Joe Caputo, Chief Administrating Officer for 4 State Ortho, introduce the doctors in attendance as well as Jenny Morris with Stateline Surgery Center, displayed drawings of future plans for the Hospital, physicians offices and discussed the updated plans for the Hospital. The land and the building will be estimated 13.5 million, 4.5million for equipment and furnishings. Kevin Cure, City Attorney, stated the building will be owned by the physicians, under the contract the city will pay a rental value, the physicians group will supply the management services, and these will be done through two different corporations. The management services, equipment rental, and the building rental have all been negotiated and the suggested price will be in the contract that will be presented tomorrow. The city will be appointing a board which will be the supervising agency of the hospital with an anticipated once a month

meeting. Primarily Joe Caputo and/or management service team, will be providing information on the operations and letting us know where the current budgets stands and six months before the beginning of the fiscal year providing us with an estimated budget so the city can time it into the city's budget, essentially it will be another branch of our government we'll be running, much of that is subject to Kansas state laws on how to operate it and subject to the budgetary process laws. Initially the profits won't be great it may take a little while, an audit has to be done by an independent agency, before the hospital can receive payments from Medicare for services provided. Before then the hospital will rely on other commercial insurance patients. The revenue estimates were estimated conservatively low, the expense estimates were pretty much what they fully anticipate them to be. With the revenue being conservative, it is anticipated that there is a good opportunity for profitability for the hospital perhaps in year one, but certainly in subsequent years. Initially, this will still require some adjustments, but estimates could be from one hundred seventy seven thousand in year one, to one million 6 hundred thousand plus in year ten. There are still a few more things that have to do with expenses, one of the complicating factors will be that most of the employees of the management group will be city employees and will potentially be able to participate in the KPERS(Kansas Public Employees Retirement System) that requires a matching rate. The facility will be called Stateline Specialty Hospital.

REIMBURSEMENT FOR FEES: Moved by Mr. Martin; seconded by Mr. Allen; to reimburse Stateline Surgery Center \$12008.04 for its expenditures for expert fees.
Ayes: Mr. Martin; Mr. Alderman
Mr. Nichols; Mr. Allen
Motioned carried


CALL FOR SPECIAL MEETING: Moved by Mr. Martin; seconded by Mr. Allen; to call for a Special Meeting for Thursday, October 27, at 2:00 to cover the three topics that wasn't addressed or completed tonight. Management contract, lease agreement and license to operate a hospital
Ayes: Mr. Martin; Mr. Alderman
Mr. Nichols; Mr. Allen
Motioned carried

ADJOURN: Moved by Mr. Alderman; seconded by Mr. Allen to adjourn.
Ayes: Mr. Martin; Mr. Alderman
Mr. Nichols; Mr. Allen
Motioned carried



Dale Ogelsby, Mayor

ATTEST:



Flora R Charles, Office Assistant
(Seal)