

MINUTES
SEVIER COUNTY QUORUM COURT MEETING
2:00 P.M., MONDAY OCTOBER 10, 2022

The Sevier County Quorum Court met at 2:00 P.M., Monday, October 10, 2022, in the Sevier County Courthouse Conference Room with County Judge Dick Tallman presiding. The roll was called with the following Justices present: Marilyn Archer, Earl Battiest, Kenneth Currence, Evelyn Keels, Roxy Stephens, Roger Whitmore, and David Wright. Absent – Angie Walker and Greg Wright. Upon a motion by Roxy Stephens and second by Roger Whitmore, the Quorum Court voted to dispense with the reading of the minutes of the last meeting and to approve the minutes as emailed.

Committee and Other Reports –

Lori House, CEO of Sevier County Medical Center was present to report on the progress of the new hospital construction and Financial report for same. Ms. House said that she would not have a financial report today. The Hospital Board meetings have been changed to the 2nd Thursday of each month and she will have financials at that time.

She reported that the date is firm for the Hospital opening on December 6. She states that the majority of the work is complete in the patient care wings and cleaning is being done. The equipment has not been installed in the kitchen but the dining area is complete. November 10 is the scheduled date for occupancy license. November 15 is the date for the licensure survey by Arkansas Dept. Of Health. Judge Tallman asked about the employee training. Lori stated that it is on track. She explained the training schedule. Earl Battiest told Lori that a question we have is, where are we at right now financially and what do we need to be finished. She said it is probably going to take a couple of more million. She stated that they are working on budget to determine what they will need till they start bringing in revenue. She anticipates that will be in March. Lori mentioned the hospital needing a line of credit. Earl stated that he had talked to the County Attorney and that would have to be approved through the Quorum Court. Lori stated that this would need to be done asap so that she could start talking to banks. Lori said she had visited with some hospitals recently who had been able to get specialty loans with .5 % interest because it was a loan to a municipality. She also said that Horne had some special funding possibilities for credit. David asked how AirEvac was progressing. Lori said they are waiting on our equipment, etc. to be out of the way, but all is going well. They plan to have pad ready and helicopter there on the day we open the hospital. AirEvac is planning on completion of their facility by the end of February or March. Earl Battiest asked again if they had been able to put on a spreadsheet, figures on how much is still lacked financially for completion. He addressed this to Lori and the Horne representatives who were in attendance. Lori said they were putting together change orders done before she came on board. The Horne rep said they are looking at those and matching up to contracts and they should have figures very soon. It was mentioned that there were some change orders that were caused by design or construction errors. Lori said these would be addressed by the attorney at the end of the project. Lori also stated that they were holding some invoices to the construction company until the project is complete.

New Business –

1. The first agenda item is a request to appropriate \$97,908.00 from the Hospital Construction Fund – 4001 for construction of a helipad at the county hospital. The State Aeronautics Agency will reimburse the county for \$88,117 which is 90% of the cost. A motion was made by David Wright and seconded by Roxy Stephens to approve the appropriation. A Roll Call Vote was taken- Yes – Marilyn Archer, Earl Battiest, Kenneth Currence, Evelyn Keels, Roxy Stephens, Roger Whitmore, and David Wright. No – None, Absent – Angie Walker and Greg Wright. The motion passed.
2. Agenda item 2 is a request to approve an ordinance appropriating \$2,158.39 from the ARPA Fund – 1006 to pay hospital invoices that are due. \$1,079,069 to line 1006-0302-3009 – Other Professional Services; and \$1,079,070 to line 1006.0302.3100 – Other Misc. Services. Clerk Akin read the ordinance. A motion was made by David Wright and seconded by Earl Battiest to approve the appropriation. A Roll Call Vote was taken- Yes – Marilyn Archer, Earl Battiest, Kenneth Currence, Evelyn Keels, Roxy Stephens, Roger Whitmore, and David Wright. No – None, Absent – Angie Walker and Greg Wright. The motion passed.
3. Third on the agenda was a request to reimburse the County Airport in the amount of \$22,000 for aviation fuel purchased by the Airport Board for the County Airport. Reimbursement funds are derived from an Airport Rescue Grant through the Federal Aviation Administration. Judge Tallman explained that the airport is using fuel faster than normal at a greater cost. This is putting them in a situation to need to purchase fuel more often. David Wright made a motion to approve the appropriation. Roxy Stephens seconded the motion. A Roll Call Vote was taken- Yes – Marilyn Archer, Earl Battiest, Kenneth Currence, Evelyn Keels, Roxy Stephens, Roger Whitmore, and David Wright. No – None, Absent – Angie Walker and Greg Wright. The motion passed.
4. The fourth agenda item is a requested transfer of \$1500 within the Road Dept budget from line 3053 Fleet liability to line 2008 Tires & Tubes. This is to purchase tires for a pickup. Roger Whitmore made a motion, seconded by David Wright to approve the transfer. A Roll Call Vote was taken- Yes – Marilyn Archer, Earl Battiest, Kenneth Currence, Evelyn Keels, Roxy Stephens, Roger Whitmore, and David Wright. No – None, Absent – Angie Walker and Greg Wright. The motion passed. David Wright stated that he had been at the county shop recently and he asked the Judge if he could have things cleaned up there. Judge Tallman said that he would.
5. Item five is a proposed Ordinance establishing a new fund – 3408 9th West JD Drug Task Force/South Central Fund. Treasurer Heather Barnes read the Ordinance. She explained that this a pass-through fund that will be used to disburse funds to the Drug Task Force. David Wright made a motion to suspend the rules and place the ordinance on the 2nd reading by title only. Roxy Stephens seconded the motion. A Roll Call Vote was taken- Yes – Marilyn Archer, Earl Battiest, Kenneth Currence, Evelyn Keels, Roxy Stephens, Roger Whitmore, and

David Wright. No – None, Absent – Angie Walker and Greg Wright. The motion passed. Heather read the Ordinance for the 2nd reading by title only. Roxy Stephens made a motion seconded by Roger Whitmore to suspend the rules and place the ordinance on the 3rd reading by title only. A Roll Call Vote was taken- Yes – Marilyn Archer, Earl Battiest, Kenneth Currence, Evelyn Keels, Roxy Stephens, Roger Whitmore, and David Wright. No – None, Absent – Angie Walker and Greg Wright. The motion passed. Treasurer Barnes read the ordinance for the third time by title only. Earl Battiest made a motion to approve the ordinance establishing fund 3408. Roxy Stephens seconded the motion. A Roll Call Vote was taken- Yes – Marilyn Archer, Earl Battiest, Kenneth Currence, Evelyn Keels, Roxy Stephens, Roger Whitmore, and David Wright. No – None, Absent – Angie Walker and Greg Wright. The motion passed.

6. The final agenda item is a proposed resolution authorizing the Sevier County Judge to apply for SFRF Grant funds on behalf of the Sevier County Medical Center. Lori House, hospital CEO explained that there is money available through ARPA funding and she would like to apply for \$6,000,000.00. David Wright made a motion to approve the resolution. Roger Whitmore seconded the motion. A Roll Call Vote was taken- Yes – Marilyn Archer, Earl Battiest, Kenneth Currence, Evelyn Keels, Roxy Stephens, Roger Whitmore, and David Wright. No – None, Absent – Angie Walker and Greg Wright. The motion passed.
7. The County Judge asked if someone would entertain a motion to hear a non-agenda item. Roger Whitmore made the motion to suspend the rules, seconded by David Wright. A Roll Call Vote was taken- Yes – Marilyn Archer, Earl Battiest, Kenneth Currence, Evelyn Keels, Roxy Stephens, Roger Whitmore, and David Wright. No – None, Absent – Angie Walker and Greg Wright. The motion passed. This is a proposed ordinance establishing a new fund 1007 to be called Local Assistance Tribal Consistency Fund. Treasurer Barnes explained that this is being made available to counties who have federal lands in their counties who receive PILT money on a yearly basis. It is based on the amount of federal lands in the county. The Treasurer read the ordinance. David Wright made a motion to suspend the rule and place the ordinance on the second reading by title only. Roger Whitmore seconded the motion. A Roll Call Vote was taken- Yes – Marilyn Archer, Earl Battiest, Kenneth Currence, Evelyn Keels, Roxy Stephens, Roger Whitmore, and David Wright. No – None, Absent – Angie Walker and Greg Wright. The motion passed. The Treasurer read the ordinance for the second time by title only. David Wright made a motion seconded by Roxy Stephens to suspend the rules and place the ordinance on the third reading by title only. A Roll Call Vote was taken- Yes – Marilyn Archer, Earl Battiest, Kenneth Currence, Evelyn Keels, Roxy Stephens, Roger Whitmore, and David Wright. No – None, Absent – Angie Walker and Greg Wright. The motion passed. Heather Barnes read the ordinance for the third time by title only. Earl Battiest made a motion to approve the ordinance. Roxy Stephens seconded the motion. A Roll Call Vote was taken- Yes – Marilyn Archer, Earl Battiest, Kenneth Currence, Evelyn Keels, Roxy Stephens, Roger Whitmore, and David Wright. No – None, Absent – Angie Walker and Greg Wright. The motion passed.
8. The Judge asked for a motion to suspend the rules to hear a second non-agenda item. David Wright made a motion seconded by Roxy Stephens. A Roll Call Vote was taken- Yes – Marilyn Archer, Earl Battiest, Kenneth Currence, Evelyn Keels, Roxy Stephens, Roger Whitmore, and David Wright. No – None, Absent – Angie Walker and Greg Wright. The motion passed. Hospital CEO Lori House asked the court to approve a letter of Financial Responsibility to Medline Industries. This is a company the hospital will be purchasing supplies from and a letter is required to cover up to \$500,000. The court had discussion about this and David Wright made a motion to approve the letter but any letters to other companies would have to be requested as the need arose. Roger Whitmore seconded the motion. A Roll Call Vote was taken- Yes – Marilyn Archer, Earl Battiest, Kenneth Currence, Evelyn Keels, Roxy Stephens, Roger Whitmore, and David Wright. No – None, Absent – Angie Walker and Greg Wright. The motion passed. Clerk Akin will get the letter printed on County Letterhead.

Old Business – There is no old business

Announcements – The November Quorum Court meeting will be held on November 21 at 2:00 P.M.

Judge Tallman explained to the Court that Johnny Marshall had talked to Judge Ray previous to his passing about purchasing an easement. He is in agreement for the timber on the property to be taken as payment. This does not have to be addressed by the court. Judge Tallman just wanted them to be aware.

The Judge stated at the beginning of the meeting that he wanted to express his appreciation to the Quorum Court for placing their confidence in him to finish out Greg Ray's term to end in December.

Roxy Stephens mentioned the possibility of naming something at the hospital in honor of Judge Greg Ray. Lori stated that the Community Room would be named in his honor. Sandra Jackson stated that as a representative of the Hospital Foundation Board, they are taking donations toward the cost of naming that room.

There was discussion about the walking trail. Lori said she had some issues with where it is to be placed. There will need to be some changes because it is in an area that she proposes putting an office building. She said because it is up a steep hill that steps will need to be built. She wants the location to be revisited.

David Wright asked if local doctors had been met with, regarding seeing patients at the hospital. Lori stated that she had met with all of the local doctors and Dr. Lofton is the only one who wants to see his own patients at the hospital. The patients will have to be seen by on-call doctors and hospitalists. Local doctors don't want to take time out of their practice to go to the hospital. These meetings were held within the last six months.

Adjournment – With no further business to discuss, Roger Whitmore made a motion to adjourn. The motion was seconded by David Wright. The motion passed with a unanimous voice vote.

Respectfully Submitted,



Debbie Akin
County Clerk

After the meeting was adjourned the following justices remained to talk with Lori House and the two representatives from Horne Group; Roxy Stephens, David Wright, Earl Battiest, and Dick Tallman.

Lori presented a report of beginning budget for 2022 with expenditures. She gave major expenditures that they will be making in the next few months to the end of the year. (and to Mar 31, 2023) She anticipates beginning to get revenue in April of 2023. She also stated that she anticipates needing a line of credit equal to 3.5 Million dollars. Lori said if they were to start getting revenue before April, they wouldn't need the full 3.5 million. She also stated that when they start bringing in enough to sustain, they will start paying back the loan. The plan is to borrow the full 3.5 million dollars. She talked about an unnamed hospital in southeast Arkansas. David Wright asked if the 2.1 million that was recently appropriated is included in this 3.5 million. She said it was not because the 2.1 was the cost of the sewer and it was never put in their budget to pay for it.

David asked about the building contracts. He stated that when you sign a contract the contractor should be held to the amount that the contract was signed for. Lori said the subcontractors cannot absorb a loss if the contract goes over the bid. Earl asked if the Board of Governors is approving it when they go over contract. Lori stated that she would take these overages to the Board of Governors and after their approval it would go to Judge Ray for approval.

Judge Tallman stated that he knew Lori was walking a chalk line, but to be sure not to bring in employees until absolutely necessary. Lori stated that she was bringing employees on as training dates require they be on board. She also stated that the majority of the employees would not start work until the middle of November which is just a couple of weeks prior to opening. Lori indicated that the hospital attorney Linda Johnson will be addressing issues such as salaries for employees who were brought on in anticipation of hospital completion, as well as some changes that had to be made due to architectural errors, etc. David Wright stated that he did not want Lori to come under question when the public sees that the hospital is needing to get 3.5 million credit to operate the hospital. The Horne representative stated that they are looking at vendor costs to determine if the costs are reasonable prior to purchases. David said that he was confident in Lori's ability and he didn't know how we could have done this without someone who knew how to spend this kind of money and come up with something. The contractors who do this kind of thing missed the cost by \$4,000,000.

Lori explained that when she receives invoices that she sends them to Horne and they actually write the checks for them. This is more oversight.

Earl Battiest stated that if a contract is made and the cost goes over the contracted amount, the Board of Governors should vote for approval of the overage. The Board vote is then tied to that particular contract. He also explained that with the county spending some of this federal grant money for the hospital expenses, we will be under audit to be sure that everything is done correctly.

Lori asked if the hospital is getting a grant, would they have to come before the Quorum Court before every grant is applied for, even if it might not be money, but product. David Wright said that if it is in the name of the Sevier County Hospital it does have to be approved by the court. She gave as an example that they would be receiving something like Nar-can to be administered in the ER. David explained that if they receive money or goods it must be approved. Lori said she would address issues like this at the next QC meeting.

David asked what the Horne Representatives are doing for the hospital. They explained that they are the virtual CFO for the hospital. They are helping to ensure that the hospital will be set up to get the best reimbursement that they can. David asked what was going to happen when they are no longer CFO for the hospital. The Horne rep explained that Horne is doing payroll and tax payments as well as budgeting and financial reports, etc. Earl explained that the Board of Governors hired Horne Group rather than hiring a CFO. Lori stated that when she was hired, she suggested they not hire a CFO but use Horne. This request was due to what she knew about the previous hospital history.

Lori told the group that the Board of Governors moved their monthly meeting to the 3rd Thursday of each month so that they could have up to date financials to provide at the meeting. She states that they can't have them by the 2nd Thursday. This will provide financials for the previous month on the 3rd Thursday of the month following. Earl said this means the QC will get the financials the 2nd Monday following the Board meeting. (five weeks after the month end) Lori said she plans to ask the Financial Committee to approve the figures before the Board meeting so that she can get figures to the Quorum Court before-hand.

Lori stated that they have a set meeting every week and if there are things that they need to discuss they talk about them between meetings. "it's as if they are just in an office in another building."

Earl Stated that he will have to get with the County Attorney, Kaylen about the 3.5 million credit line. Earl asked if these budget figures are for construction of the hospital. Lori said that they are not. They are for operating expenses through March of next year. Earl asked if that is true, how do you plan to pay for the rest of the construction. Lori stated that is what we need to figure out. Earl explained that they have already almost spent the amount budgeted for this year. Lori explained that the hospital budget for this year will probably be depleted in November. She also explained that the projection for this budget was based on what they thought would be spent through July. She said if the hospital had opened as planned that the money would have lasted a lot longer. Earl said he is trying to figure out how much more they are going to need. Lori stated that it is going to take about \$2,000,000 to finish the construction.

Lori told the group that when the county gets the invoices paid that she has turned over to them, she will be able to come up with a figure for what will be needed. She reiterated that if they get the \$6,000,000 that they are applying for, they will be fine. Lori said that at the end of September, there is about 2.5 million left to be paid. Earl states that it appears that they will need about 1.5 million to finish the hospital. The county has that in ARPA funds. He suggests that we might loan that to the hospital at no interest with the understanding that if they get the grants they mentioned, they would pay the county back the 1.5 million. This is strictly an idea that could be brought to the Quorum Court.