

MINUTES OF THE ARANSAS COUNTY COMMISSIONERS' COURT

SPECIAL MEETING WITH PUBLIC HEARING - FEBRUARY 11, 2021

On the 11th day of February, 2021, there was a Special Meeting with Public Hearing of the Commissioners' Court in the Commissioners' Courtroom, 2840 Hwy 35 N, Rockport, Aransas County, Texas, with the following members present in person, via ZOOM, or via YouTube: **C. H. "Burt" Mills, Jr.**, County Judge; **Jack Chaney**, Commissioner, Precinct 1-1A; **Leslie Casterline**, Commissioner, Precinct 2; **Wendy Laubach**, Commissioner, Precinct 4; and **Carrie Arrington**, County Clerk.

Other County Officers present in person, via YouTube, or via Zoom, were: **Tracy Orr**, Administrative Assistant to County Judge; **Amanda Oster**, County Attorney; **Jennifer O'Steen**, Assistant County Attorney; **Jacky Cockerham**, County Auditor; **Tana Taylor**, First Assistant County Auditor; **Collin Jackson**, IT Director; **John Strothman**, Project Manager; **Kim Foutz**, Long-Term Recovery; **William Whitson**, Long-Term Recovery; and **Mick Timm**, Deputy Sheriff.

Members of Local City Government, Community Groups and other Interested Parties present in person, via YouTube, or via Zoom, were: **Jennifer Day**, Rockport Cultural Arts District; **Diane Probst**, Rockport-Fulton Chamber of Commerce; **Randall Freeze**, Program Specialist & Legislative Liaison, Texas General Land Office; **Patricia Arnold**, ACMSI Executive Director; and **Mike Probst**, Editor and Publisher, The Rockport Pilot.

Aransas County Citizens present in person, via YouTube, or via Zoom, were: **Mary Lynn Rhodes**; **Naomi Freeze**; **Kathy Kane**; **Colleen Fowler**; **Josh Hernandez**; **Katy Jackson**; **Carolyn Howard**; **Kent Howard**; **Barbara Gurtner**; **Mark Uhr**; **Kristie Rutledge**; and **Jeff Hutt**.

The Meeting was convened at 5:05 p.m. at which time roll call was taken and a quorum was declared by Judge Mills, WHEREUPON, the following proceedings were had and done, to wit:

Judge Mills: We are going to strike item 1 from the agenda and we are going to bring it back on the 22nd for contract renewal and this Resolution.

PRESENTATION

William Woods and **Kim Foutz** gave a presentation to update the information on the proposed Micro-Hospital Medical Services Facility, an initiative that came to be part of the Long Term Recovery Plan in response to the public input on the community's needs and changing conditions. Here is the gist of what they said:

They reminded us about the post-Harvey situation with our local medical facilities:

- Hospital in Aransas Pass closed in August 2017
- Twin Fountains Urgent Care closed in August 2017
- Code 3 Emergency Center and Urgent Care closed in April 2020

and referenced their application process for and subsequent award of a CDBG DR grant in August of 2019 for a micro-hospital here in Aransas County, received in October 2020.

By this time, the County had considered several sites for a new micro-hospital - including the former Little Bay Primary site. But, in January 2021, when CCMC (Corpus Christi Medical Center) re-opened the former Code 3 facility as an Emergency Center, the County then negotiated with ACMSI (Aransas County Medical Services, Inc.) for a site near the new Emergency Center as well as draft an MOU to partner with ACMSI on the project.

ACMSI is a not-for-profit 501(c)(3) organization that has a long-established history of providing facilities for healthcare providers, public education, counseling, and liaison services, assisting the citizens of Aransas County. They are a good group to partner with on this project - although, to be clear, our MOU is still in draft form and has not been submitted to GLO for review.

ACMSI and Aransas County will cooperate in issuing an RFP for a medical facility. The facility will be located on the ACMSI site at or adjacent to 400 Enterprise Blvd. A committee will select the operator and related services and make a recommendation to the Commissioners' Court. That operator may be non-profit or for profit.

The RFP will look at different types of medical facilities and focus on the question, "What will our market support?" The overarching goal is to improve our local health care services - including variety and access to all) and could be a micro-hospital, a surgical/procedure center, a healthcare center, an imaging center, or a clinic or similar use facility. The size and configuration of the facility will be mutually determined by the Parties during the design process and in consideration of the local market, medical industry best practices, Provider/Operator proposals, and available budget.

The County will handle procurement to bid and build the facility. The County will also provide subsidy for indigent care, as needed and as allowed by law. Upon the issuance of a certificate of occupancy, the County will convey the property to ACMSI to own and manage, or lease it to ACMSI if conveyance isn't allowed. A separate Operating/Management Agreement may also be established between one or more of the Parties and the Operator that outlines

the relationship between them regarding provision of healthcare services.

There are a lot of details involved in this project and the process has been lengthy and complex. But, the project is also one of the most important and rewarding projects that the recovery team has taken on so we really want to thank the commissioners for this Public Hearing tonight so we can try to explain it all as best as we can. Like you, we want this county to have access to good quality healthcare.

The Commissioners were then given the opportunity to discuss the micro-hospital/medical facilities report and presentation with Will and Kim or ask questions. They asked the following questions:

Commissioner Laubach: Are we still planning on borrowing money to sweeten this deal and add several million dollars-worth of equipment and so forth? No, we likely are not. The equipment can be purchased from the grant in some instances if the facility is operating as a micro-hospital. So, if the facility is something other than a micro-hospital, we will not incur any equipment expenses due to that stipulation within the grant. Typically, though, an operator prefers certain equipment and would want to bring in their own.

Commissioner Laubach: What is the budget on this facility from the award and what happens if we go over our budget? The budget is \$10.4 million, zero match. \$8.8 million of that money is for construction of the facility. The remaining amount of money, \$1.6 million, is for hiring an architect, doing environmental, making sure we have grant administration and follow all the rules. And, the only reason the equipment even came up with GLO is

Commissioner Laubach: *Will the public be able to get information on the progress of this facility along the way, or will confidentiality provisions preclude that?* There is a paragraph on confidentiality, and that particular language came straight out of a recommended document, it's a General Land Office document that they use for transactions for acquisition of property. And so, we used a lot of different resources to come up with the MOU and try to make sure that we were touching all bases. So, there's language in there for confidentiality and we're going to be able to give you a more distinct answer about what that language is trying to accomplish we'll want to go into that for detail but it is from a contract, a sample contract that we were given and we're trying to cover all the bases. There's other language that's in there from the contract that we looked at that was GLO about records management and access to the property and records, which is also a requirement from the federal government.

Commissioner Laubach: *But the general idea is, is that while this process of negotiation is going on during the next several months at least, I guess, the public will be given access to information about what's under consideration, it's not going to be considered all confidential under the MOU.* That's correct. Now that we have a site, that changes the equation quite a bit. So, we will still have some confidentiality issues related to the request for proposal - and this is standard in all of our contracts. If someone is requested to give proprietary information about their company, then they can note that in their proposal and then, if we get a request for that information, then we send it to the Attorney General's office for an opinion whether they deem it propriety. That's in there, that's in the RFP. It's standard language that we've tried to put in most of our contracts because that's how it's recommended in all

Commissioner Laubach: *So, what are the next steps?* We're going to be engaging the GLO again, finding out what kind of documents and revisions that they would like to see and part of that will be that they'll ask for a schedule - an updated schedule - based on where we are now. We'll have a letter of request that talks about opening this up and allowing for other types of medical facilities. And, they're going to want some supporting documentation: tables and things like that that we have to turn in that talk about costs and that type of thing.

Once we get feedback on the MOU, then we would bring this back to ACMSI and Commissioners' Court for consideration. And then, if that goes through, then we would form our committee that would be looking at the RFPs and start getting ready for that - and we would coordinate that effort with the A&M division that we've been working with. And, then we'd start off with our schedule. We do have a tentative schedule that's month by month the things that all the laborious types of steps that we have to take, such as environmental process. There's also the RFP we have to issue for an operator. And, then, of course, the recommendations of the committee would then come back to the Commissioners' Court for consideration.

There are multiple, multiple procurements for design, environmental, etc. that have to happen as well as a lot of other steps. That's kind of where we are right now with this. We had to get the site nailed down and now we've done that. And, now we have to get permission from the GLO for the additional facilities as well as the extension. So far, however, during the initial discussion with them, we think they were very receptive. They like the idea of expanding the use because that makes things more viable and makes the market respond and tell us what is best and can be supported for the community.

Commissioner Laubach: *What would you say is the minimum you could expect for a time before something was built, actually built, and put into use? Are we talking years?* We have to meet a grant schedule. We were awarded this grant in October and we have a lot to do on it - which is why we've already asked for an extension. To answer your question though, basically, it will take us 2+ years.

Judge Mills stated that he was supposed to let people know that Commissioner Rousseau is not here today because she went to Robstown to get her second vaccine shot and due to a hiccup over there she didn't make it back in time for Court. She is hopefully on her way home by now but we don't know. **Commissioner Laubach** added that she called her too when she knew she was going to be late and asked me to ask certain questions and since they largely the same ones I was going to ask, my questions pretty much cover her concerns as well as mine.

Commissioner Chaney: *I was confused about the ownership of the property since the building is being built on ACMSI property. At what point would the County own the building?* ACMSI owns the land and we have an agreement that we're working together on and that a new building would be constructed on their land. Then, immediately, upon certificate of occupancy, the ownership of the building goes to ACMSI. That's what they do. You know they were mentioning earlier they've got leases for multiple medical facilities so they're most qualified to be the landlord and have the resources assigned for that kind of activity so we would be transferring the property to them and they would oversee it. They're still bound by all of the requirements that the County has to meet.

Commissioner Chaney: *Well, then that begs my second question. Once they take ownership of the building, what is the County's part of*

doing this if we're not going to operate it as such and if it's going to be owned by the Aransas County Medical Services and it's going to be run by the operator that we get to do it. What is the County's legal position in the organization at that point? We have to ensure compliance with all federal and state regulations that we are bound by through the grant.

Commissioner Chaney: *Does that make us an overseer, like a governing body?* Yes, and also one other role which is, you know, if they - the Operator - have expenses that are eligible for indigent care, then they can access funds that the County has designated for that purpose - which depends on the type of operator we get.

Commissioner Casterline: *But, we're currently funding people with healthcare sales tax money to do the same thing as they would be doing.* Right.

Commissioner Chaney: *Now if it goes beyond the healthcare sales tax, will the County be on the hook for funding the additional expenses? If so, how are we going to control that?* No. If it goes beyond that, the agreements we have in place says you can be reimbursed with the resources that are available and that's it.

Commissioner Casterline: *Would the things funded through the healthcare sales tax would they still go through the qualifying procedure they go through now through the Treasurer's office?* Yes. They would qualify the reimbursement and there's qualifying language even though we don't have an operating agreement yet because we don't know the nature of the facility, in the RFP it's very clear that there's a limitation. Right now, we've put a cap noted on there of \$1.2 million, which was some analysis that was originally done and if they have to qualify and they have to go

through the same procedure qualifying the expense and making the request through the appropriate office.

Commissioner Chaney: *Following along with that, how would the County Auditor make sure that they're getting paid what they need to be paid?* Basically, there are audit requirements that come with the federal monies and as the County is the holder of the grant, we go through our normal audit process and then we communicate with these operations where the money's flowing through and everything lines up and gets reported through our normal audit.

Commissioner Chaney: *At what point will we make the decision whether we are going to go two or eight beds. We're talking about micro-hospital here but in one way we're talking about really an expanded emergency room or special care. Then we've also talked about the hospital that's all in one unit, I would suspect. With your two year time frame, somebody's got to make a decision pretty quickly on how many beds are going to be put in there and how long they're going to go and what we can be authorized to do.* It will be determined by the proposers themselves. They're going to have done their analyses and they'll propose and tell us what will work in our community. Then the Evaluation Committee will take a look at that and have dialogue with the proposer that may change the conversation some. They'll talk about what the right sizing is. But, the private sector has to be willing. They're the driver of what's going to be proposed first and we'll have the conversation and the Committee may differ - maybe they will think we need another bed or whatever and they'll have that conversation before they make their recommendation to the Commissioners' Court.

Commissioner Chaney: *I have one more question - Why would the County even consider negotiating with a provider that was not properly licensed? What would be a condition that we would ever*

do that? We wouldn't. That's why it's in writing in the RFP. We wanted to be very clear that we don't want proposals from somebody that's not licensed and hasn't done this before.

Judge Mills asked if there were other questions from the Court. There were no further questions from them so he opened up the Public Hearing portion of the meeting.

Several people spoke, including:

- **Mary Lynn Rhodes** - There was one thing that did not fit in my brain: ACMSI is a not-for-profit but we can hire an operator that is for-profit. How does that work? *Even though the County is building is being built on ACMSI land, the GLO rules allow us to put a for-profit operator there if we so choose.*
- **Mark Urh** - is in favor of bringing in this type of medical but was concerned that the site was already selected and wondered why it didn't go out to the public so the 12,000 sf former Twin Fountains building wasn't under consideration. He thinks it would be a better deal for the County and that it should be looked at.
- **Kathy Kane** - I am grateful the County is working with ACMSI to bring needed healthcare services here. I am also pleased to hear this Project is embracing the RFP process to solicit a potential Partner.

My experience with managing healthcare EHR projects has taught me gaining support from the end user community is an integral factor for project success. I recommend the selection committee include citizen representatives outside of this Court and ACMSI. This community involvement will help ensure what is being built is what is needed and within our financial constraints.

My concern today is related to Proposition C which was approved in November for a Micro-Hospital. Are you planning to use that bond money? Please don't. The citizens supported a bond to build a hospital. They did not support a bond to build a 'to be determined' medical facility. If funding is needed beyond the Grant, bring the detailed Project to the citizens and ask for a bond with full transparency.

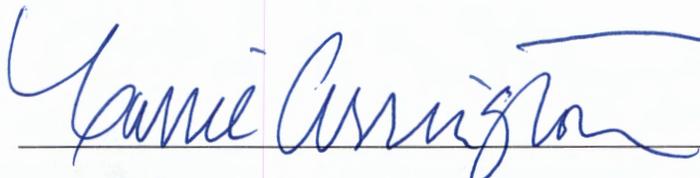
Judge Mills: I have two other people here. They don't want to speak but they are both for the project.

- **Jeff Hutt** - wanted to know where we were in the RFP process and when it would be completed by? *William Whitson repeated the information to him that he had provided earlier in the meeting.*
- **Commissioner Laubach:** What I've been hearing from people I've talked to in the last week or so is that there is a lot of feeling for some type of urgent care facility. I think we all understand there'd be all kinds of medical services that would be handy to have here but a lot of them you can get half an hour away in Portland. Whereas, if you want something like stitches or late night treatment for a UTI, having something in town would be great. So, whatever we build, there's a lot of enthusiasm for it to include some kind of urgent care services because the current ER - great as it is - is strictly an ER not an urgent care so you really can't get kind of reasonably priced non-emergent but urgent care.
- **Commissioner Casterline:** That really depends on what kind of vendors want to respond to us. We could have to have one pop up that exactly sees that market.

- **Judge Mills:** Okay, anything else. If not, thank you for showing your interest in the medical services that we hope to get for Aransas County and its citizens. Do I have a motion?

No further business presenting, the Court adjourned at 6:08 p.m. on a motion duly made by Commissioner Casterline and seconded by Commissioner Chaney.


C. H. "BURT" MILLS, JR., COUNTY JUDGE


CARRIE ARRINGTON, EX-OFFICIO CLERK
OF THE COMMISSIONERS' COURT

