

MINUTES OF MEETING  
OF THE  
HOSPITAL AUTHORITY OF COLUMBUS, GEORGIA  
August 29, 2017

A regularly scheduled meeting of the Hospital Authority of Columbus, Georgia was held at 11:00 a.m. on Tuesday, August 29, 2017. The meeting was held in the conference room at Orchard View on Whitesville Road, Columbus, Georgia. A notice was emailed to each member. A copy of the notice was posted more than 24 hours before the meeting on the door of the building in which the meeting was held on Monday, August 28, 2017. Present at the meeting were Chairman Ed Gaffney, Vice Chairman Ernie Smallman, Jim Webster, Betty Tatum, Cynthia Jordan, Susan McKnight and Mike Welch. Sarah Lang and Jason Connally were excused.

Frank Morast, President, Britt Hayes, Vice President, Rick Alibozek, CFO and Kenneth M. Henson, Jr., Secretary/Attorney were also present at this meeting.

DETERMINATION OF QUORUM

Chairman Ed Gaffney announced to the Board that there was a quorum present for the meeting.

INVOCATION AND WELCOME

Chairman Ed Gaffney called the meeting to order. Ed welcomed everyone to the meeting. Betty Tatum gave an invocation.

MINUTES

The Board Minutes from the July 25, 2017 Board Meeting were reviewed and on motion made by Jim Webster and seconded by Susan McKnight the Minutes were unanimously approved by the Board.

BOARD BUSINESS

Chairman Ed Gaffney reported that he and Ernie Smallman had met with Kenneth M. Henson, Jr. and he expressed his desire to remain as Secretary and General Counsel of the Hospital Authority of Columbus, Georgia and therefore, Kenneth M. Henson, Jr. would

continue to serve as Secretary and General Counsel of the Hospital Authority of Columbus, Georgia.

### PRESIDENT'S REPORT

**Construction:** Frank reported that the architectural plans had been finalized and had been submitted to the State Fire Marshal and DCH. While awaiting Fire Marshal and DCH approval, he will put the project out to bid. Frank announced that the Corps of Engineers would not approve a lake feature on the property, so a detention pond will be built to control water on the site.

**Survey Report:** Frank reported that Muscogee Manor had its annual survey. The survey report was not due until the latter part of this week. Based on the conversations with the inspectors, Frank believed they would have two low level violations that would be easily corrected.

**Riverwalk:** Frank reported that the City and the Hospital Authority of Columbus, Georgia were working with Georgia Power to obtain an appropriate easement and ownership so the Riverwalk could continue and be connected below our property. Georgia Power decided the easiest solution was to sell the property needed to the Hospital Authority of Columbus, Georgia for \$35,000. Georgia Power is preparing a survey of the parcel and will show on the survey the area on which no building can occur because it might affect North Highland Dam below the area. The Hospital Authority of Columbus, Georgia will be able to have controlled access points and should have at least two access points on the parcel.

**RiverMill Property:** Frank reported that the RiverMill Event Center needed a new roof. The leaks are causing damage and the best option is to replace the roof so we will not have these continuing problems. They had several roofers look at the problem and make proposals. They are still analyzing the proposals but they plan to replace the entire roof so that it will not need to be repaired again. Frank believes that it will cost approximately \$200,000 but they are still analyzing the best proposal. Any roof they get will have a warranty from the manufacturer.

**Audit:** Frank reported the audit report will be ready in October. They will be waiting on the City to give them the Pension information.

**City Pension:** Frank reported that June 30, 2017 was the last day that new hires with the Hospital Authority of Columbus, Georgia were required to be in the City Pension Plan. Frank and Rick are looking at options for new employees hired after June 30, 2017. They have spoken

with different contractors about different options and different plans. He hopes they will be able to present a new package to the Board soon.

**Orchard View Hot Water Issue:** Frank reported that they had hired Mark Johnson to file suit in regard to the continuing ongoing hot water problems at Orchard View.

**Computer Software:** Frank reported that the Hospital Authority of Columbus, Georgia is looking at new products to keep all their records at all facilities electronically. The current system needs to be updated. He wants to adopt the same system at Orchard View Company-wide at Muscogee Manor, Azalea Trace and the new Orchard View II. He is looking at an upgraded system which requires some additional new hardware and licensing costs. He believes that any new system will increase productivity and optimize reimbursement. It will also improve efficiencies.

#### CFO REPORT

Rick Alibozek gave the statistical and financial reports. For July, the income before depreciation and interest was \$558,000. Occupancy company-wide is up to 91%. This is the highest occupancy in the last year. There are currently 52 Medicare residents. Rick hopes that once the new homes open they should have over 90 Medicare residents in Medicare beds. The Home Health continues to increase every month.

Rick also reported that in October all of the insurance policies will be up for renewal. His team is currently analyzing all of these policies and their insurance needs.

#### STATISCAL REPORT

Attached to these Minutes is the Statistical Report thru July 2017.


#### FINANCIAL REPORT

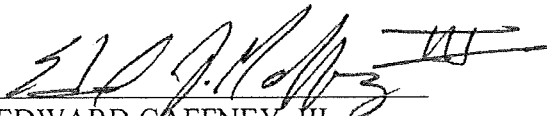
Attached to these Minutes is the Hospital Authority of Columbus Consolidated Summary Report Month Ended July 31, 2017.

#### NEXT MEETING

The next meeting will be Tuesday, September 26, 2017.

There being no further business the meeting was adjourned.

  
KENNETH M. HENSON, JR.  
Secretary

  
EDWARD GAFFNEY, III  
Chairman

HOSPITAL AUTHORITY OF COLUMBUS  
CONSOLIDATED SUMMARY REPORT  
MONTH ENDED JULY 31, 2017

	Orchard View	Home Office	Azalia Trace	Muscogee Manor	Total Nursing Home	Cobis PCH	Muscogee Home Health	River Mill	Consolidated
<u>BALANCE SHEET</u>									
Cash	\$ 5,569,121	\$ -	\$ 4,036,724	\$ 2,554,663	\$ 12,210,508	\$ 13,885	\$ 22,554	\$ 234,217	\$ 12,481,164
Other Current Assets	3,445,032	-	1,108,967	2,150,295	6,704,294	14,898	314,730	2,139	7,036,061
Intercompany Balances	23,259,422	-	(2,057,070)	(10,842,401)	10,359,951	(5,796,008)	(1,191,705)	(3,372,238)	-
Noncurrent Assets	35,240,443	-	8,085,794	7,000,845	50,327,087	149,913	127,290	3,384,763	53,989,053
Total Assets	\$ 67,514,023	\$ -	\$ 11,224,415	\$ 863,402	\$ 79,601,840	\$ (5,617,312)	\$ (727,131)	\$ 248,881	\$ 73,506,278
Current Liabilities	\$ 1,249,212	\$ -	\$ 312,442	\$ 634,190	\$ 2,195,844	\$ 49,567	\$ 41,567	\$ 2,226	\$ 2,289,204
Non-current Liabilities (excluding bonds)	5,663,624	-	2,218,528	2,850,034	10,732,186	212,942	307,066	-	11,252,194
Bonds Payable	31,321,914	-	-	-	31,321,914	-	-	-	31,321,914
Total Liabilities	38,234,750	-	2,530,970	3,484,224	44,249,944	262,509	348,633	2,226	44,863,312
Fund Balance	29,279,273	-	8,693,445	(2,620,822)	35,351,895	(5,879,821)	(1,075,764)	246,655	28,642,966
Total Liabilities and Fund Balance	\$ 67,514,023	\$ -	\$ 11,224,415	\$ 863,402	\$ 79,601,840	\$ (5,617,312)	\$ (727,131)	\$ 248,881	\$ 73,506,278
<u>INCOME STATEMENT</u>									
Revenue	\$ 1,607,241	\$ 42,751	\$ 760,650	\$ 1,111,066	\$ 3,521,808	\$ 51,587	\$ 59,781	\$ 22,340	\$ 3,655,516
Operating expenses	1,471,935	112,098	607,985	1,052,757	2,944,775	60,990	86,772	4,406	3,096,943
Net Profit (Loss) before Noncash expense	435,406	(69,347)	152,665	58,309	577,033	(9,403)	(26,991)	17,934	558,573
Provision for Bad debts	(6,433)	-	(3,075)	(3,436)	(12,994)	-	-	-	(12,994)
Interest expense	(78,413)	-	-	-	(78,413)	-	-	-	-
Depreciation and Amortization	(90,061)	-	(3,822)	(20,866)	(114,749)	(294)	-	(6,509)	(121,552)
Current Month Income - (loss)	\$ 260,449	\$ (69,347)	\$ 145,768	\$ 34,007	\$ 370,877	\$ (9,697)	\$ (26,991)	\$ 11,425	\$ 424,027
YTD Income (loss)	\$ 260,449	\$ (69,347)	\$ 145,768	\$ 34,007	\$ 370,877	\$ (9,697)	\$ (26,991)	\$ 11,425	\$ 345,614

HOSPITAL AUTHORITY OF COLUMBUS  
FY 2018 YTD Statistical Report  
Through July 2017

	June	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sept	August	July	Average	Prior Year
<b>Orchard View</b>														
% Occupancy												90.60%	90.60%	84.54%
Medicaid%												61.88%	61.88%	66.83%
Medicare%												13.14%	13.14%	13.16%
Private %												16.24%	16.24%	12.30%
Hospice %												3.13%	3.13%	4.50%
ADV %												5.61%	5.61%	3.21%
Daily Medicare and ADV Census												33.97	33.97	27.89
Employment (Full Time Equivalents)												228.52	228.52	227.38
<b>Azalea Trace</b>														
% Occupancy												92.35%	92.35%	94.24%
Medicaid%												90.44%	90.44%	92.08%
Medicare%												3.18%	3.18%	2.51%
Private %												3.14%	3.14%	2.30%
Hospice %												2.67%	2.67%	3.09%
ADV %												0.57%	0.57%	0.03%
Daily Medicare and ADV Census												3.81	3.81	2.62
Employment (Full Time Equivalents)												90.77	90.77	100.79
<b>Muscogee Manor</b>														
% Occupancy												79.81%	79.81%	77.45%
Medicaid%												77.98%	77.98%	82.92%
Medicare%												8.42%	8.42%	8.14%
Private %												5.42%	5.42%	2.14%
Hospice %												6.11%	6.11%	3.43%
ADV %												2.07%	2.07%	3.37%
Daily Medicare and ADV Census												14.23	14.23	15.18
Employment (Full Time Equivalents)												190.85	190.85	188.15
<b>Cobis</b>														
Average occupancy												19.00	19.00	19.46
Employment (Full Time Equivalents)												12.81	12.81	12.66
<b>Muscogee Home Health</b>														
Employment (Full Time Equivalents)												14.33	14.33	14.27