

Current Facility

Previous Projects:

The hospital has the following debt for previous projects:

2001 Certificate of Obligations - renovated ER and Radiology - \$3,585,000 – expires in 2021 will pay off \$225,000 this year

2006 Notes – purchased Brice Building – 5 yr Note - \$230,000 remaining – due Feb 2011

CT/MRI Notes – purchase CT/MRI in 2009 – 7 yr note - \$2,128,571

All of the debt payment is included in the .27 tax rate currently and no increase is needed. If we have to have a short term loan on the new hospital it will be less than \$10,000,000 and be paid back in a year to 2 years.

Current maintenance, repairs and utilities:

The annual cost of maintenance and repairs to the current facility is over \$500,000. The average annual cost for utilities runs roughly around \$600,000. The current facility wasn't built for energy efficiency. The new hospital will have several energy efficiency qualities such as, new more efficient heating and cooling systems; a smaller area to heat and cool; use of energy saving materials and techniques, i.e. double pane windows, etc; heating and air conditioner ducts that are totally sealed and won't lose the conditioned air, and a building design that minimizes western exposure to the hot sun.

A new hospital building will save roughly \$250,000 in maintenance and repairs. An energy efficient building will reduce the cost of utilities by approximately \$250,000 per year bringing a total savings of \$500,000 per year.

Future plans for current facility:

Misconception: If the tower can be used for an Assisted Living Center why can't it be renovated to continue hospital operations?

Fact: The standards set forth by the Texas Administrative Code, Texas Health & Safety Code as well as the Life Safety Code are different for hospitals and Assisted Living Centers. Different state agencies also govern the two facilities. While the structure (concrete support pillars) can be worked around in the assisted living areas to create sufficient space for the number of apartments needed for our town, according to the report from our consultants a fourth floor would have to be added to create a sufficient number of patient rooms. In addition a separate assisted living center would have to be built to house the current residents of the top floor provided the plan was to have an assisted living residence. However the primary reason for not renovating the three story as a hospital is the cost of lost business during the construction period. That cost was estimated to be as much or more than the cost of the renovations.

The most southern part of the current hospital (part built in 1951) will have to be torn down due the extensive and costly repairs that are needed. The three story tower (built in 1973) and the area around it would be used to expand the Assisted Living Center.

Additional Funds:

We have been watching for federal and state funds through several different agencies that may be used for the new building project. We will apply for any funding in which we meet the eligibility requirements and that meets our needs.