



**BOARD OF DIRECTORS
MEETING
May 28, 2013**

**Health District Office Building
120 Bristlecone Drive, Fort Collins**

MINUTES

BOARD MEMBERS PRESENT: Celeste Holder Kling, President
Bernard J. Birnbaum, MD, Vice President
Timothy S. O'Neill, Secretary
Steven J. Thorson, MD, Treasurer
Joe D. Hendrickson, Liaison to PVHS Board

STAFF PRESENT: Carol Plock, Executive Director
Bruce Cooper, M.D., Medical Director
Richard Cox, Communications Director
Lorraine Haywood, Finance Director
Laura Mai, Accountant
Dan Sapienza, Policy Coordinator
Thea Sapienza, Health Care Matters Coordinator
Chris Sheafor, Support Services Director
Nancy Stirling, Assistant to Executive Director
Lin Wilder, Community Impact/Health Promotion Director
Nichole Wilkins, Health Care Matters Coordinator

OTHERS MEMBERS

OF THE PUBLIC PRESENT: Eric Sutherland
Leaht Feldman

CALL TO ORDER: APPROVAL OF AGENDA

President Celeste Kling called the meeting to order at 5:50 p.m. No changes were made to the agenda.

MOTION: To approve the agenda as presented.
Motion/Seconded/Carried Unanimously

PUBLIC COMMENTS

Mr. Eric Sutherland spoke concerning his belief that the Fort Collins Urban Renewal Authority is not following state law and is over-collecting tax increment financing (TIF) dollars in our community. This practice, he believes, is shortchanging taxing entities such as the Health District in dollars they would otherwise receive. He is in the process of filing a complaint with the State, and asked the Board to consider joining him with his complaint.

PRESENTATIONS

Tax Increment Financing 101

Mr. Chris Sheafor, Support Services Director, presented an overview of tax increment financing (TIF), including the history, who sets it up, how it is used, and how it works. (See presentation slides for full details.)

Briefly, tax increment financing was first used in 1952 in California, and later adopted by Colorado in 1958. It was rarely used until the 80's, but use increased after TABOR was passed. The theory behind TIF is that it would be used towards redevelopment of "blighted" areas, or to bring about development that would not otherwise happen but for this public infusion of funding. Communities would later then be able to capture new or incremental increases in taxes from those newly developed areas.

Municipalities are the entities that can start a TIF project. In Fort Collins, the city approves TIFs, and they are developed by either: 1) the Downtown Development Authority (with a 30 year time limit, plus an option for a 20 year extension); or 2) the Urban Renewal Authority (with a 25 year time limit). The Foothills Mall area and North College Urban Renewal area are current projects included under the Urban Renewal Authority. An approval process is required for any TIF project, and includes a public hearing, with final decision made by City Council. Once set up, TIF funds are used to support project financing as well as operating costs of the authority. Most of the new developments are paid for through bonding, which can go through either the City or the developer; the risk is the same no matter which method is used.

Tax increment financing works in this way: a Property Tax Base Assessment is set up at the time of approval of the project. The base amount plus any biennial reassessment increases go to local property tax collecting entities (such as the Health District). Any increases in assessed value because of redevelopment – called the tax increment - go to the project, which generally uses it to retire bonds. The Health District currently receives a \$139,917 reduction for TIF Districts (Timnath URA, Fort Collins DDA, North College Avenue URA), and there are two other new districts created that have not yet taken tax increments: Midtown Prospect South, and Midtown Foothills Mall. In the case of the mall project, it has been estimated that the TIF reduction to the Health District would be an additional \$54,839 in 2018, when it is anticipated to be fully built out.

There are people who hold opinions on both sides of the argument of whether tax increment financing is beneficial. Those who promote TIFs tend to believe that it is a good deal for everybody ("a rising tide lifts all boats"), and that if that area improves in value, the surrounding ones will as well. Those in opposition tend to believe that development in one area takes from adjacent areas, and it generally turns out to be a "zero sum game." Research around proving which side is right is scant, and what exists is not conclusive. Definitive statements about financial results are difficult, if not impossible, to prove.

Going into the future, there will be a financial impact to the Health District from the two new districts. The City of Fort Collins has an impact model that they have used to project what impacts may be, what additional growth will do, etc. They have started to work with the County to redesign their model, and to collect input from all entities affected, and hope to have that

project completed within six months. Both the City and the County agree that the model that they're currently using needs improvements.

There has also been some discussion of legislative changes at the state level, but there are no details yet.

Ms. Plock noted that Commissioner Steve Johnson, as a County representative, would be willing to meet with the board to provide further information on this issue if they are interested. The Board was in agreement of this suggestion and asked that the conversation also be balanced with a representative from the City as well. The Board is also interested in learning whether there are any other projects lined up for TIF financing, how this area compares with other communities such as Boulder and Longmont, the detail of any specific proposals for state law changes if some should emerge, and whether an error in calculation may have been made that would have impacted the Health District.

Dr. Thorson commented that the situation may often be a "glass half empty/glass half full situation" – for example, if the mall were to stay vacant, community property values might go down, so using the TIF methodology might be protecting our investment in the community. If the only organization willing to develop the mall is unwilling or unable to do so without incentive, and developing the mall means that shoppers will come back to the mall from Centerra, there could be a significant benefit to the community and an investment in the future. The board discussed that, on the other hand, it is important to consider whether constituents are being negatively impacted by the misapplication of a rule or a miscalculation.

Health Care Matters Status Report

Ms. Thea Sapienza, Health Care Matters Project Coordinator, and Ms. Nichole Wilkins, Project Specialist, provided an update on the grant project "Health Care Matters." Health Care Matters is a 3-year grant from The Colorado Trust that was begun in November 2010, and is one among 14 grantee partners given the task to engage people in discussions around health care. After considerable presentation development, Health Care Matters was piloted in Spring 2012 and formal presentations were begun in April 2012 and continued in July 2012 when Thea and Nichole were hired. The objective of the project is to engage individuals in discussions about health care, provide some education, learn from them their perspectives and concerns, and convey the information to health decision makers. To date, over 735 people have participated in discussions since the project was piloted. Board members were invited to participate in a full presentation.

Lessons learned – 1) it is very hard to keep politics out of the discussion, despite every effort; and 2) successful recruitment methods to secure participation in discussions included: incentives, customization and flexibility with content and length (depending upon the group), and word of mouth (or having trusted people invite them).

From the many discussions, both quantitative and qualitative data have been collected and compiled. Quantitative data comes from having the audience answer questions to what we wanted to know in regard to various topics (i.e., protections, options, costs, etc). Quantitative data also includes collection of basic demographic information and measurement of knowledge, understanding, and change attitudes from an on-site survey and a post-survey. From the post-surveys we learned that 80% of participants gained a better understanding of individual health

care experiences in Colorado; 77% spoke to someone about what they learned; 56% gained increased understanding of key Accountable Care Act (ACA) provisions, and 51% said their likelihood of sharing information from the conversation had increased. Qualitative data is basically what was heard from audience members in their own words, and was collected from responses to discussion questions (i.e., What's working? What could be improved?), note cards or survey comments.

Once all the information and data is collected and organized, the goal is to make the data accessible via the internet that will include interactive infographics, charts, etc. The information will also be shared with decision makers at the state and local levels, including legislators, hospitals, employers, etc.

DISCUSSION AND ACTIONS

Policy

Mr. Dan Sapienza, Policy Coordinator, reviewed briefly this past legislative session. During the session, 613 bills were introduced and more than 400 of them went to the Governor's desk for his signature. Health District staff reviewed 98 of the bills, and the Board either took a position or requested monitoring of 24 of those bills. Mr. Sapienza distributed to the board a "Bill List" of the outcomes of each of the bills staff followed during the session. Also distributed was a summary of the bills the Board took positions on and their outcomes. Staff will continue to follow the following topics that are likely to either show up in the next legislative session or as ballot initiatives: Medicaid, mental health, and the health care cooperative.

Four major bills concerning Amendment 64 (legalization of marijuana for adults) passed pertaining to implementation, taxes, and driving limits. Locally, both the Larimer County Commissioners and City of Fort Collins City Council are having discussions to determine options for how to handle the issue in our community – considering anything ranging from banning it, determining whether to regulate it locally or let the state regulate it, as well as the option of sending it to the citizens for a vote. Staff will compile more information concerning what decisions are likely to be considered at the state and local levels. Board members noted that if the Health District were to have any input on further regulations, it would be most appropriate for us to focus on those things that we know are likely to have a health impact (such as food production, the labeling of food products, etc.).

Old Age Pension Agreement

The Health District received a 4-year grant extension to the Old Age Pension grant project. Due to the short turnaround required, President Kling signed off on the grant contract on behalf of the board with final approval pending the Board's ratification of the agreement.

MOTION: To ratify President Kling's approval of the Old Age Pension grant contract.

Motion/Seconded/Carried Unanimously

UPDATES & REPORTS

Executive Director Updates

- Connect for Health Colorado – The good news is that we have been informed that our project grant proposal has tentatively been approved for \$650,000, though the amount is just 55% of what was originally requested. Most grant applicants in the state were asked for a grant

request revision, so staff members are currently in the process of writing the revision. There were some changes since the original RFP, including a stricter definition of allowable “indirect” costs, which creates some difficulty for our partners. In particular, they may not be able to hire and place their own staff. If another solution can’t be found, and if our partners agree, the Health District may need to take on more responsibility for the hiring and placing of project staff.

- CMMI Grants – There is an opportunity for the community to apply for \$10-15 million dollar innovation grants. Our local Medicaid Accountable Care Collaboration group was asked by the local RCCO, Rocky Mountain Health Plans, to consider the possibility of applying. While the group has not made any solid commitments, they are considering whether our community might be ready for this. A Letter of Intent must be submitted by the end of June and an application submitted in August should the group decide to pursue this. The Board will be informed when more information is available.

PVHS Liaison Update

Mr. Hendrickson gave updates from a recent PVHS Board retreat:

- Finances - The system experienced some losses due to both sequestration (Medicare) and lost cost increases, but has had healthy returns on investments.
- Strategic Partnerships – The board met with Mr. Tony Frank, President of Colorado State University, to explore health-related strategic partnerships between PVHS and CSU such as a health clinic or possibly a satellite location for UCH’s medical school. CSU is projecting that their student numbers will go up to 40,000 by 2030.
- The IRS has yet to approve UCH’s 501(c)(3) designation.
- EDs – In an ED designed for 34,000 visits/year, there are currently 50-60,000 visits at the PVH ED, and PVH is actively planning an entirely new ED. The ER in Greeley is getting about 34 people per day, when they anticipated having a demand of about 17 per day by now.
- Interestingly, Longmont began construction of a clinic on a site in Frederick jointly owned by the Health System and Longmont, without the health system’s knowledge. After discussions, the two parties came up with a favorable lease agreement for that property.

CONSENT AGENDA

- Approval of April 2013 Financial Statements
- Approval of the April 11, 2013 Board Meeting Minutes

MOTION: To approve the agenda as presented.
Motion/Seconded/Carried Unanimously

ANNOUNCEMENTS

- June 25, 5:30 pm – Regular Board of Directors Meeting


Ms. Kling informed the group that she will be unable to attend the June Board meeting.

ADJOURN

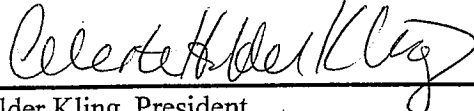
MOTION: To adjourn the meeting.
Moved/Seconded/Carried Unanimously

The meeting was adjourned at 8:10 p.m.


Respectfully submitted:



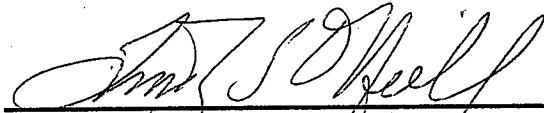
Nancy L. Stirling, Assistant Secretary




Celeste Holder Kling, President



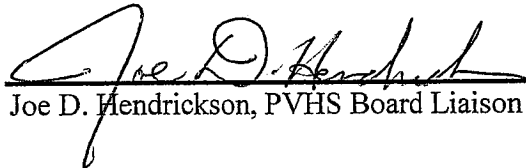
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Joe D. Hendrickson, PVHS Board Liaison