

**Draft Agenda**  
**Estes Park Health Board of Directors' Special Meeting by GoToWebinar**  
**Focusing Only On**  
**Considering Any Objections to the Proposed Estes Park Health 2025 Budget, and**  
**Considering a Resolution to Adopt and Appropriate Funds for the Estes Park Health 2025 Budget, and**  
**Considering a Resolution to Determine the Mill Levy Yield for the Park Hospital District**

Friday, December 13, 2024  
8:00 am to 9:00 am

<b>Regular Session</b>		<b>Mins.</b>	<b>Procedure</b>	<b>Presenter(s)</b>
<b>1</b>	Call to Order and Welcome	1	Action	Dr David Batey
<b>2</b>	Approval of the Agenda	1	Action	EPH Board of Directors
<b>3</b>	Public Comments on Items Not on the Agenda	2	Information	Public
<b>4</b>	General Board Member Comments on Items Not on the Agenda	2	Information	EPH Board of Directors
<b>5</b>	Presentations:			
5.1	Consider any objections to the EPH 2025 Proposed Budget	15	Discussion	Mr Vern Carda
5.2	Consider Resolution 2024-07 - Adopting the EPH 2025 Budget and Appropriating Funds for the 2025 Budget	10	Action	EPH Board of Directors
5.3	Consider Resolution 2024-08 - Determining Mill Levy Yield	10	Action	EPH Board of Directors
<b>6</b>	Adjournment	1	Action	EPH Board of Directors
Estimated Total Regular Session Mins.		42		

**Next Regular EPH Board Meeting: Wednesday January 29, 2025**

Possible Next Meeting Agenda Items



To: Estes Park Health Board of Directors  
David Batey, Chair  
Vern Carda, CEO  
From: Suzy Blackhurst, Senior Editor  
Estes Valley Voice  
Date: December 11, 2024

**RE: Objections to 2025 Estes Park Health Budget**

Per October 16, 2024 Public Notice, we officially object to passage of the proposed 2025 Estes Park Health Budget for the following reasons:

1. The proposed budget provided to Park Hospital District taxpayers for review on October 16, 2024 did not meet all requirements set by C.R.S. 29-1-105:
  - a. Estimated revenues listed did not include
    - i. corresponding actual figures for the last completed fiscal year
    - ii. estimated figures projected through the end of the current fiscal year
  - b. Estimated expenses listed did not include
    - i. corresponding actual figures for the last completed fiscal year
    - ii. estimated figures projected through the end of the current fiscal year
    - iii. debt service to be executed
  - c. Estimated beginning and end fund balances
2. Per C.R.S. 29-1-108, Park Hospital did not advertise a date for, or hold a hearing to consider the adoption of the proposed budget at which time objections of the electors of Park Hospital District were considered.
3. Per the October 16, 2024 Public Notice, no review of the 2025 budget occurred during the regular meeting of the board of directors during the November 13, 2024, 5:30 p.m. meeting at Estes Park Town Hall.
4. While the October 16, 2024 printed Public Notice fulfilled state budget law by advertising that written objections to the budget could be filed at any time prior to the final adoption of the budget at the regular Board meeting on December 11, 2024, 5:30 p.m. at Estes Park Town Hall, the meeting was abruptly moved to begin at 4:30 p.m. No location to file those objections was provided on October 16, 2024, so those objecting would have no knowledge of how to provide their concerns.
5. Should those objecting to the budget attempt to hand-deliver their objections at the meeting, arriving at 5:30 p.m. would be after the final adoption of the budget, as advertised on October 16, 2024. Using the timed agenda for the December 11, 2024 meeting, the final adoption of the budget will occur at approximately 5:36 p.m., six minutes after the advertised time for the meeting to begin and one hour, six minutes after the actual start time of the meeting.

c: Patti Brown, Estes Valley Voice, Editor  
Larry Ryckman, Colorado Sun, Publisher  
Dana Coffield, Colorado Sun, Editor  
Jenifer Brown, Colorado Sun, Reporter

## Response to Objections to the 2025 Estes Park Health Budget made by the Estes Valley Voice

Via local Government Budget Law of Colorado, only registered electors can inspect and file objections to the proposed budget. Organizations like Estes Valley Voice do not qualify as registered electors, and therefore have no statutory right to participate in the budget objection process. Because these objections were submitted by and on behalf of the Estes Valley Voice, rather than by and on behalf of a registered elector of the District, the Board's obligation to consider the objections is attenuated at best. However, in the spirit of transparency and to promote public confidence, the Board's thorough consideration and evaluation of the objections may be appropriate notwithstanding the objections' apparent deficiencies.

1. **Objection 1.** Estes Valley Voice's claim that the budget did not meet the requirements of C.R.S.A. § 29-1-105 is inaccurate. The statute outlines the budgetary specifications a special district must follow when preparing and submitting the budget to the designated preparer but does not require the District to share these specifications with taxpayers at this stage.
2. **Objection 2.** The correct citation for the District's obligation to advertise the budget is C.R.S. 29-1-106, which requires publishing a notice containing the hearing details, budget availability for public inspection, and the process for filing objections. The District's compliance with these requirements is demonstrated by the notice published on October 16, 2024, in the Estes Park Trail Gazette.
3. **Objection 3.** Due to an urgent and packed agenda on November 13, 2024, the board was unable to review the 2025 proposed budget. However, a public meeting was held on December 11, 2024, where the budget was presented, reviewed, and considered at length. A subsequent hearing is scheduled to consider the adoption of the budget and any objections from the electors.
4. **Objection 4.** The District's notice met the requirements of C.R.S.A. 29-1-106, including details about the budget's availability for public inspection and the process for filing objections before final adoption at the Board meeting on December 11, 2024. Public notice was also provided in accordance with applicable law for all meetings discussing the budget.
5. **Objection 5.** C.R.S.A. § 29-1-107 grants electors the right to file protests with the governing body before the budget's final adoption. The newspaper notice published on October 16, 2024, gave a 56-day window for electors to file objections, concluding on December 11, 2024, when the budget would be finalized.

Draft

**BUDGET MESSAGE**

(Pursuant to 29-1-103(1)(e), C.R.S.)

**PARK HOSPITAL DISTRICT (dba Estes Park Health)**

**(INSTRUCTIONS: Pursuant to section 29-1-103(1)(e), C.R.S., the budget must include the Budget Message. Fill in blank spaces and check any items that are applicable.)**

The attached 2025 Budget for PARK HOSPITAL DISTRICT includes these *important features*:\*

1. Average increase in charges: Hospital services 6%, Clinic services 5%, and Urgent Care 5%.
2. FY 2025 budget assumes 2.8% reduction in the physician fee schedule.
3. Service volumes for departments remains similar to projected FY 2024 levels. Clinic volume is anticipated to grow due to the addition of podiatry, urology, and pain management services. Surgical volume will improve due to podiatry, urology, pain management services, and orthopedic surgery.
4. Contractual, uncompensated care and bad debt adjustments of 49% of charges reflect Medicare Cost Report considerations, Medicaid charges, commercial insurance charges, and market impact of self-pay receivables.
5. FY 2025 anticipates market and merit -based salary increases of 4%.
6. Employee Health Insurance is projected to increase by 9% in FY 2025.
7. Acquire capital purchases totaling \$3,094,900 in FY 2025. Major items slated for purchase include: Breast Health Imaging physical facility upgrades, a hospital wide nurse call system, time keeping system upgrade, building physical security upgrades, physical upgrades to wound care and podiatry areas of the clinic, IV pumps, facility roofing, and upgrades to carpet, flooring and paint inside the hospital and clinic facility.
8. Mill levy of 7.505 budgeted at \$4,396,016.
9. The budgetary basis of accounting used to develop the FY 2025 EPH budget is the accrual method.
10. The financial statements of the Park Hospital District dba Estes Park Health (Medical Center) have been prepared in accordance with generally accepted accounting principles in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The major services to be provided/delivered during the FY 2025 budget year are:

Inpatient hospital services, Observation bed services, Swing-bed services, Outpatient services including: Lab and Radiology, Ambulatory clinic services, Emergency Services, Urgent Care services, Chemo Therapy/Infusion services, Outpatient and In-patient Therapy services including: physical therapy, occupational therapy, speech therapy and respiratory therapy, General Surgery, Orthopedic Surgery, and other surgeries, Ambulance services, Cardiac Rehab and other services as provided in FY 2024.

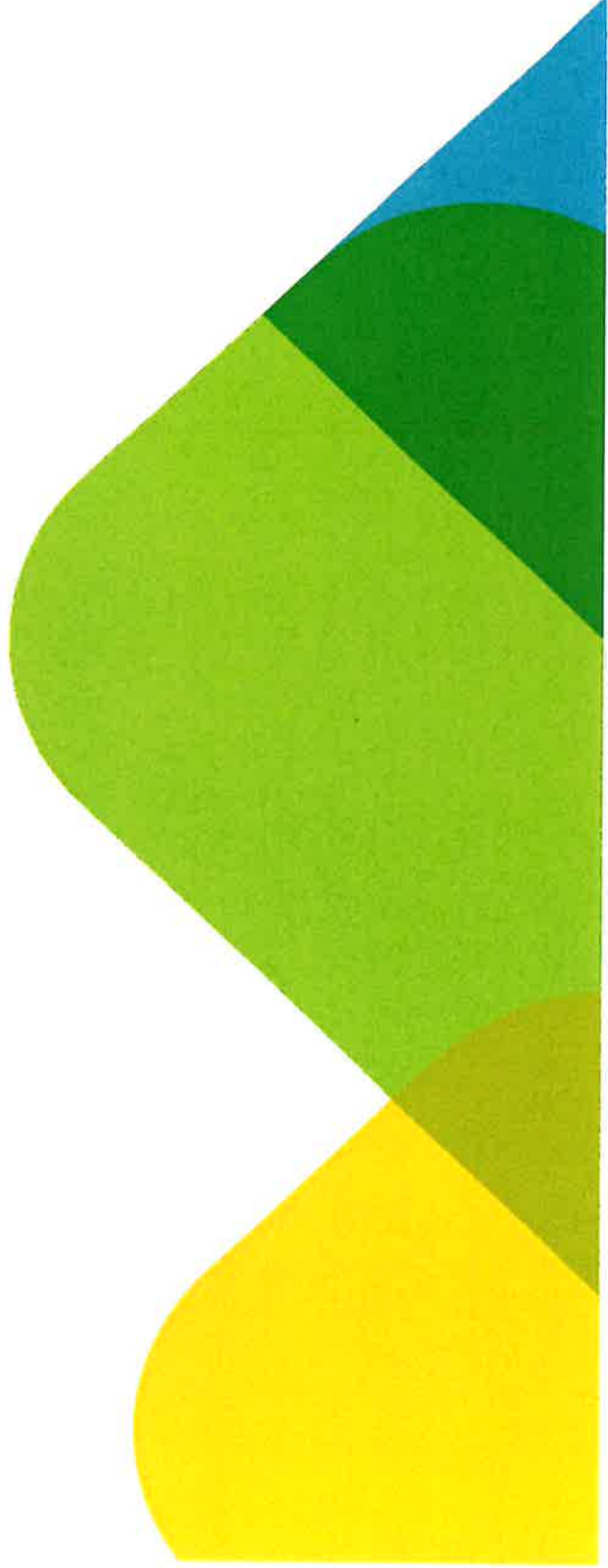
*\*\*important features\*\** are not defined in statute, however, important features of the budget would include starting/ending a service, increases or decreases in levels of services, increases/decreases to revenues (taxes/rates) and/or expenditures, acquisition of new equipment, start or end of capital project, etc.



**ESTES PARK**  
HEALTH

# 2025 Proposed Budget

## 12/11/2024



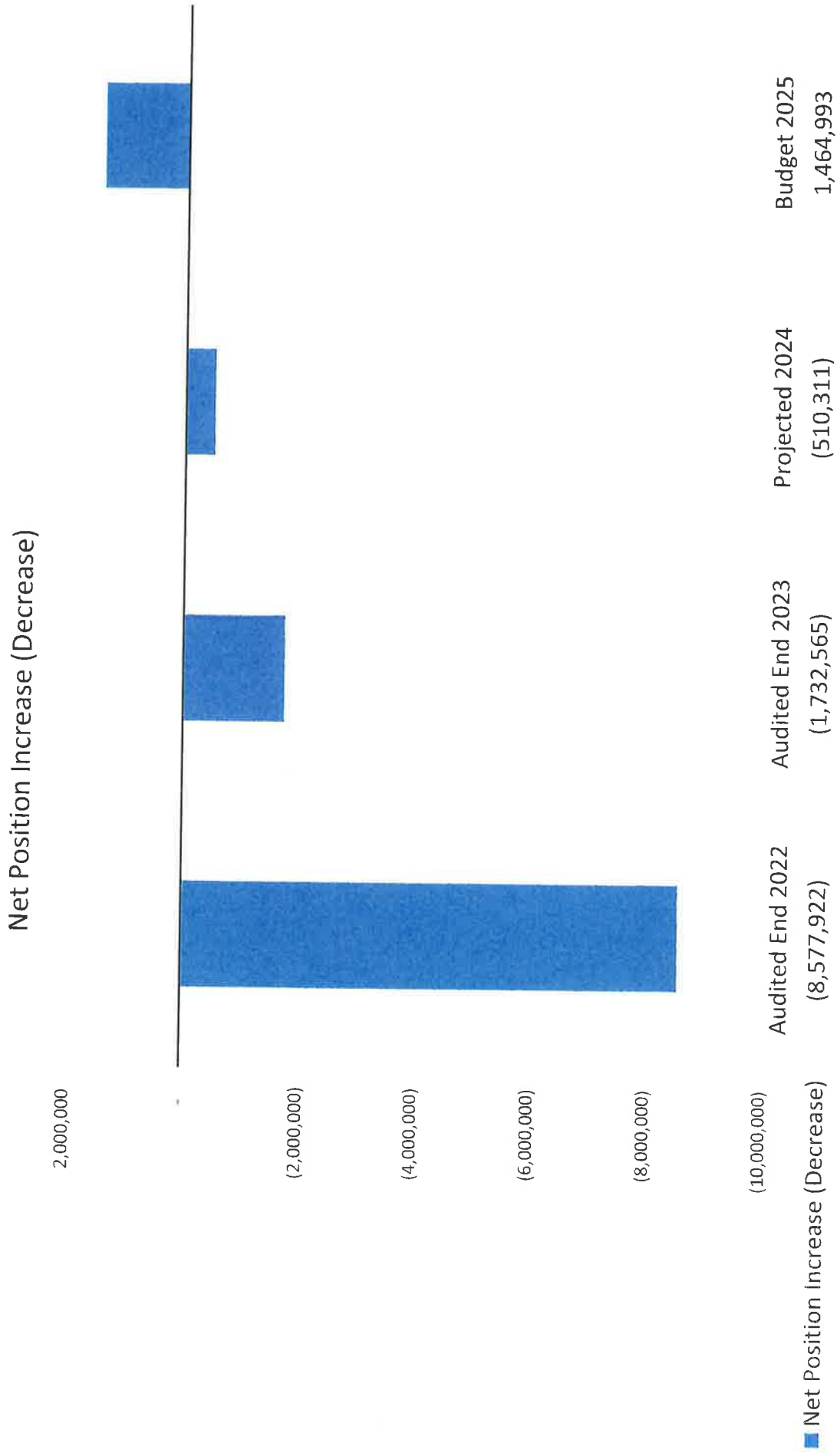


# Overview

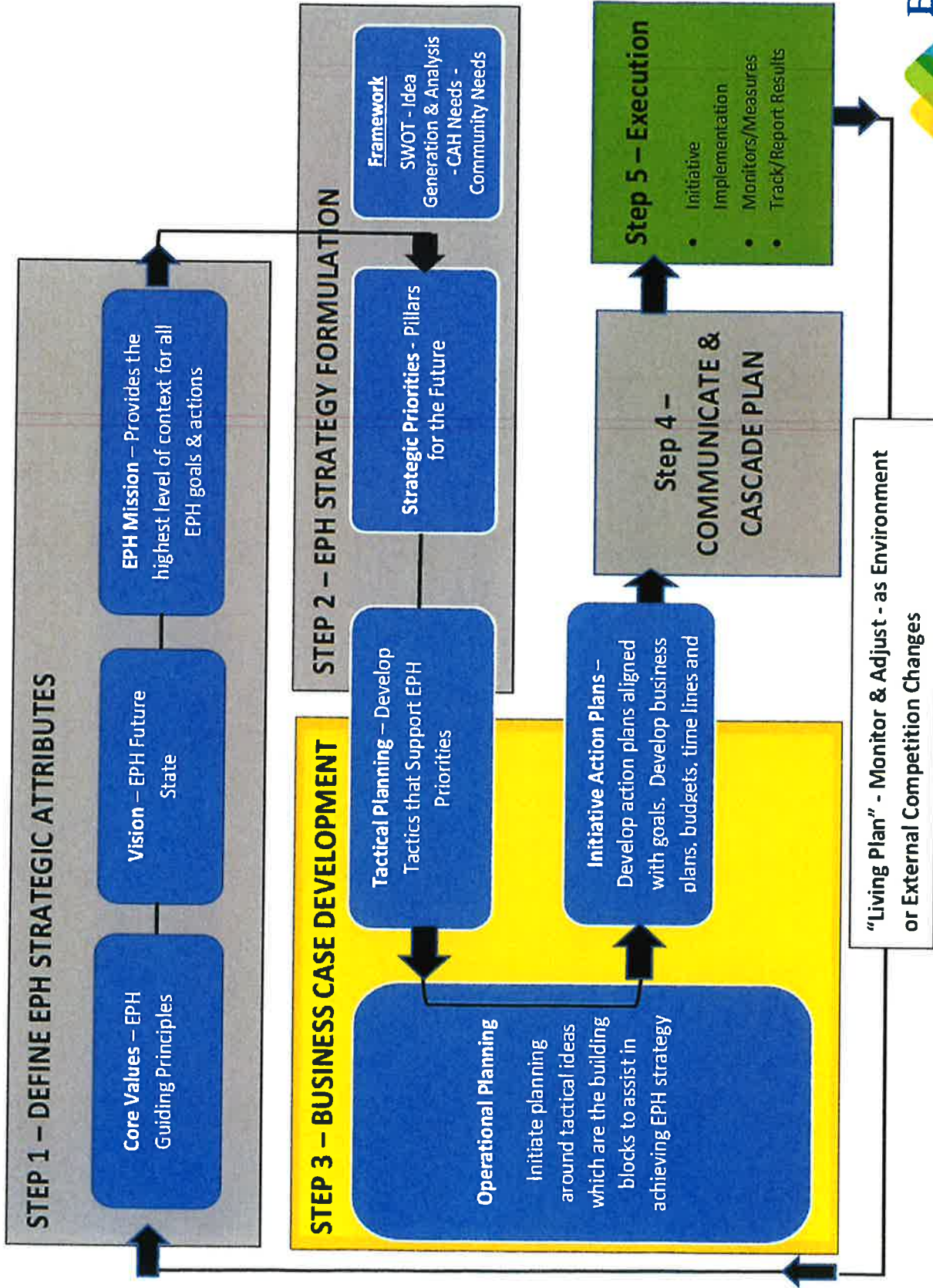
- 2025 Budget Process
- 2025 Proposed Budget Assumptions
- 2025 Proposed Budget Statement
- Industry Trends from Colorado Hospital Association
- 2025 Proposed Capital Budget



# FY 2025 Budget - Progress



# Planning Process FY 2025



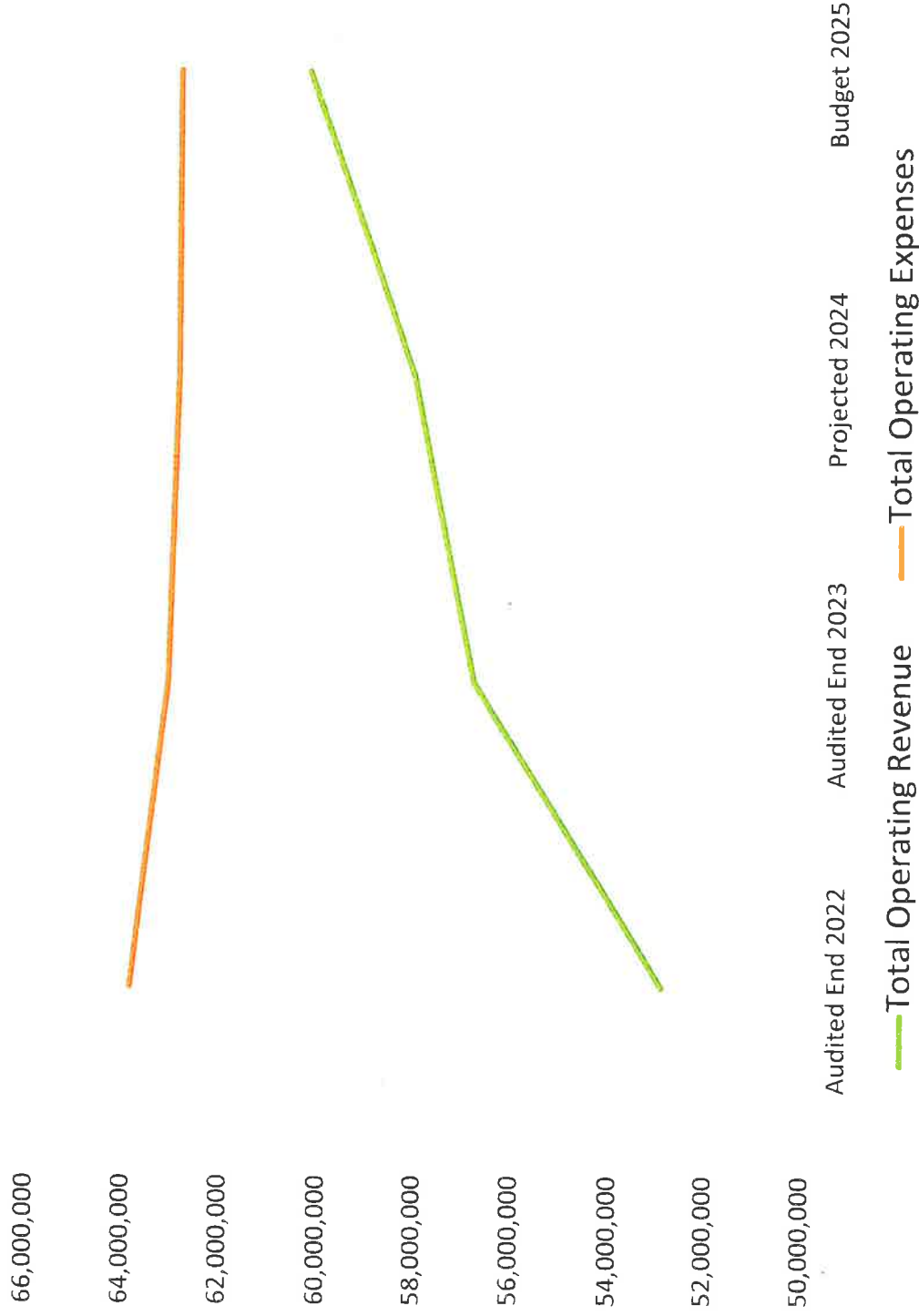


# 2025 Proposed Budget Assumptions

1. Average increase in charges: Hospital services 6%, Clinic services 5%, and Urgent Care 5%.
2. FY 2025 budget assumes 2.8% reduction in the physician fee schedule.
3. Service volumes for departments remains similar to projected FY 2024 levels. Clinic volume is anticipated to grow due to the addition of podiatry, urology, and pain management services. Surgical volume will improve due to podiatry, urology, pain management services, and orthopedic surgery.
4. Contractual, uncompensated care and bad debt adjustments of 49% of charges reflect Medicare Cost Report considerations, Medicaid charges, commercial insurance charges, and market impact of self-pay receivables.
5. FY 2025 anticipates market and merit-based salary increases of 4%.
6. Employee Health Insurance is projected to increase by 9% in FY 2025.
7. Acquire capital purchases totaling \$3,094,900 in FY 2025. Major items slated for purchase include: Breast Health Imaging physical facility upgrades, a hospital wide nurse call system, time keeping system upgrade, building physical security upgrades, physical upgrades to wound care and podiatry areas of the clinic, IV pumps, facility roofing, and upgrades to carpet, flooring and paint inside the hospital and clinic facility.
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9. The budgetary basis of accounting used to develop the FY 2025 EPH budget is the accrual method.



# Operating Revenues and Expenses Trend



# 2025 Proposed Budget Operating Revenue

	2023 Actual	2024 Projected Based on Oct 2024	2025 Proposed Budget	Projected Year Variance	Projected Variance %
7					
8					
9					
10					
11					
12					
13					
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17					
18					
19					
20					
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27					



# 2025 Proposed Budget Operating Expenses

	2023 Actual	2024 Projected		2025 Proposed Budget	Projected Year Variance	Projected Variance %
		Based on Oct 2024				
7						
29	<b>Operating Expenses</b>					
30	Salaries and Wages	26,143,874	26,437,673	28,107,331	(1,669,658)	(5.9%)
31	Employee Benefits	5,941,439	5,999,741	6,506,805	(507,064)	(7.8%)
32	Professional Fees and Purchased Services	16,080,623	15,974,283	13,155,944	2,818,339	21.4%
33	Supplies	6,394,708	6,256,408	6,387,889	(131,481)	(2.1%)
34	Utilities	680,091	700,252	728,920	(28,668)	(3.9%)
35	Leases and Rentals	261,616	268,816	268,834	(18)	(0.0%)
36	Insurance	473,920	501,112	586,330	(85,218)	(14.5%)
37	Repairs and Maintenance	324,797	185,476	278,536	(93,060)	(33.4%)
38	Depreciation and Amortization	3,834,846	3,587,660	3,680,015	(92,355)	(2.5%)
39	Other	2,966,013	3,019,796	3,220,508	(200,712)	(6.2%)
40	<b>Total Operating Expenses (Sum of Rows 30 to 39)</b>	<b>63,101,927</b>	<b>62,931,217</b>	<b>62,921,112</b>	<b>10,105</b>	<b>0.0%</b>
41						
42	<b>TOTAL OPERATING INCOME (LOSS) (Row 27 minus Row 40)</b>	<b>(6,318,800)</b>	<b>(4,893,595)</b>	<b>(2,643,500)</b>	<b>2,250,095</b>	<b>46.0%</b>

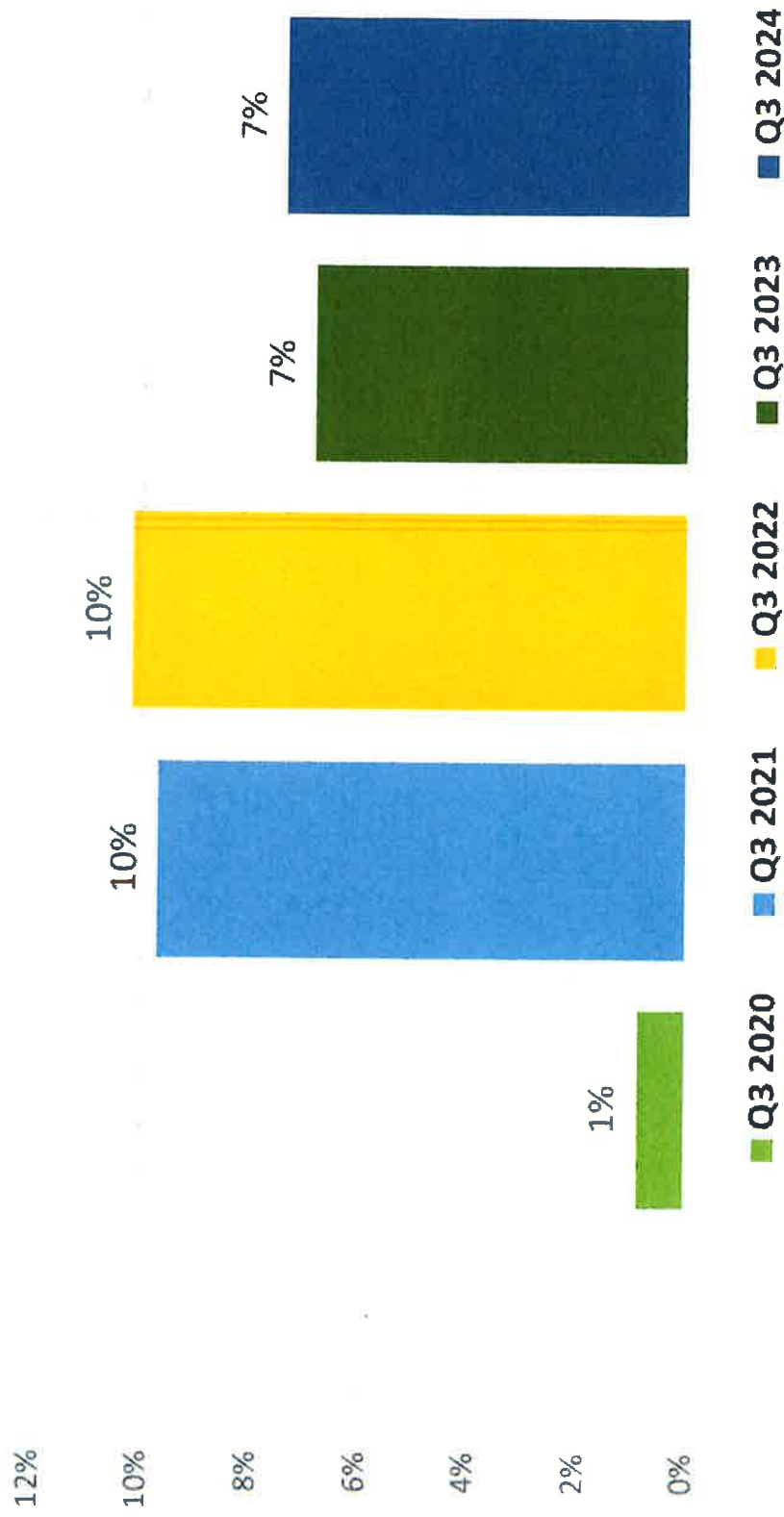


# 2025 Proposed Budget Non-Operating Revenues & Expenses

	2023 Actual	2024 Projected Based on Oct 2024	2025 Proposed Budget	2025 Proposed Variance	Projected Variance %
<b>44 NONOPERATING REVENUES (EXPENSES)</b>					
45 Property Tax Revenues, Net	3,442,966	4,302,303	4,306,368	4,065	0.1%
46 Interest Expense	(805,946)	(547,454)	(497,075)	50,379	9.2%
47 Investment Income	520,185	538,617	315,000	(223,617)	(41.5%)
48 Gain (Loss) on Disposal of Capital Assets	(43,806)	5,535	-	(5,535)	(100.0%)
49 Noncapital Grants and Contributions	14,206	6,940	25,000	18,060	260.2%
50 Other	1,247,880	(163,349)	(215,800)	(52,451)	(32.1%)
<b>51 TOTAL NONOPERATING REVENUES, NET (Sum of Rows 45 to 50)</b>	<b>4,375,485</b>	<b>4,142,592</b>	<b>3,933,493</b>	<b>(209,099)</b>	<b>(5.0%)</b>
52					
<b>53 SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES BEFORE CAPITAL</b>	<b>(1,943,315)</b>	<b>(751,003)</b>	<b>1,289,993</b>	<b>2,040,996</b>	<b>271.8%</b>
54					
55 Capital Contributions	210,750	240,692	175,000	(65,692)	(27.3%)
56					
<b>57 NET POSITION INCREASE (DECREASE) (Row 53 + Row 55)</b>	<b>(1,732,565)</b>	<b>(510,311)</b>	<b>1,464,993</b>	<b>1,975,304</b>	<b>387.1%</b>
58 <i>Total Margin = Net Position ÷ Total Operating Revenues</i>	<i>(3.1%)</i>	<i>(0.9%)</i>	<i>2.4%</i>		
59					
60 Net Position - Beginning of Period	40,971,722	39,239,157	38,728,846		
61					
<b>62 NET POSITION - END OF PERIOD</b>	<b>39,239,157</b>	<b>38,728,846</b>	<b>40,193,839</b>		
63					
64 EBITDA - Earnings Before Interest, Depreciation, and Amortization	2,908,227	3,624,803	5,642,083	2,017,280	55.7%



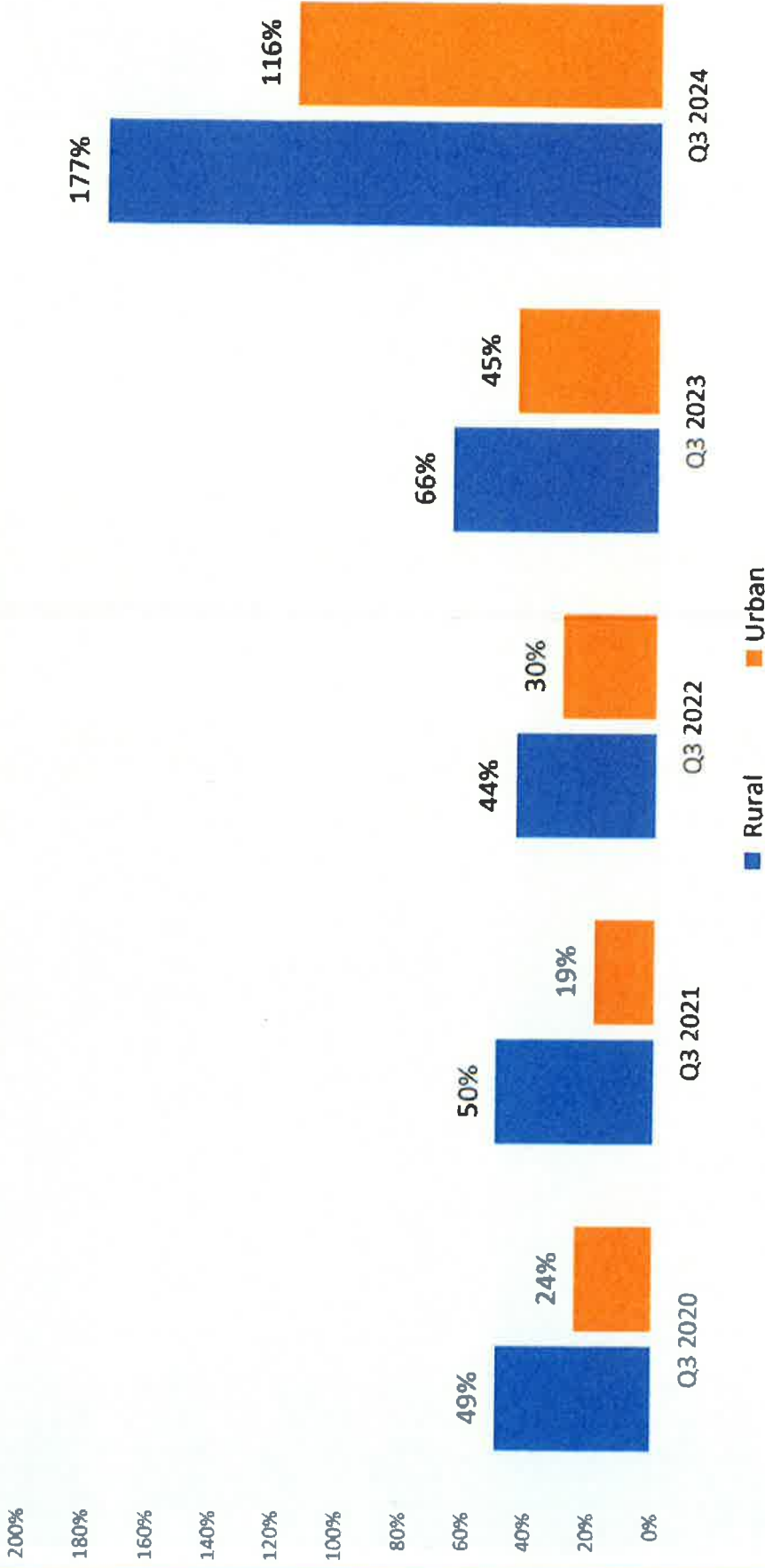
Year-Over-Year Percent Change in Total Operating Expenses



Data obtained from CHA Databank reported through September 2024



Percent Increase in Charity Care Compared to 2019



Quarterly comparison Data obtained from CHA Databank reported through September 2024



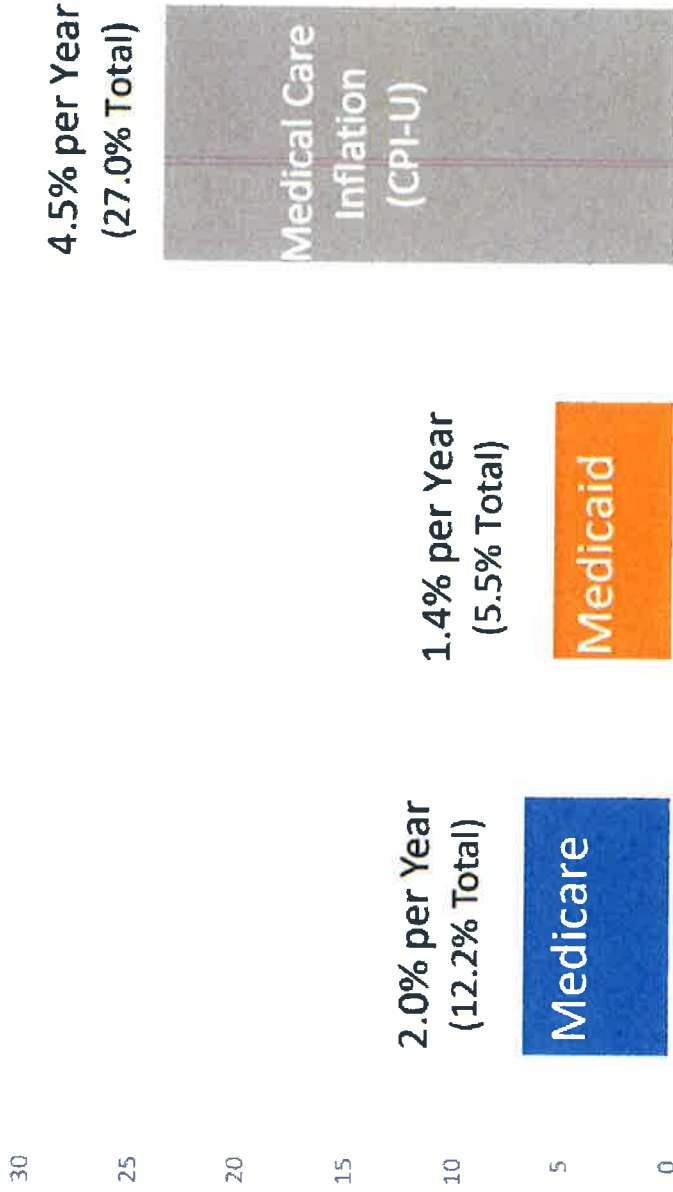
ESTES PARK  
HEALTH

5.1.13

# Government Payer Rate Changes Fall Short of Inflation



Payment Rates Changes vs Medical Care Inflation (2018-2023)



## Key Takeaways

- Medicare and Medicaid payment rates have not kept up with inflation resulting in reimbursement falling short of costs
- Over the last six years, shortfalls have been 2.5% to 3% per year.

Inflation data from BLS Medical Care (CPI-U) Denver/Lakewood MSA; Medicare rates from CHA Databen; Medicaid rates from State Budget

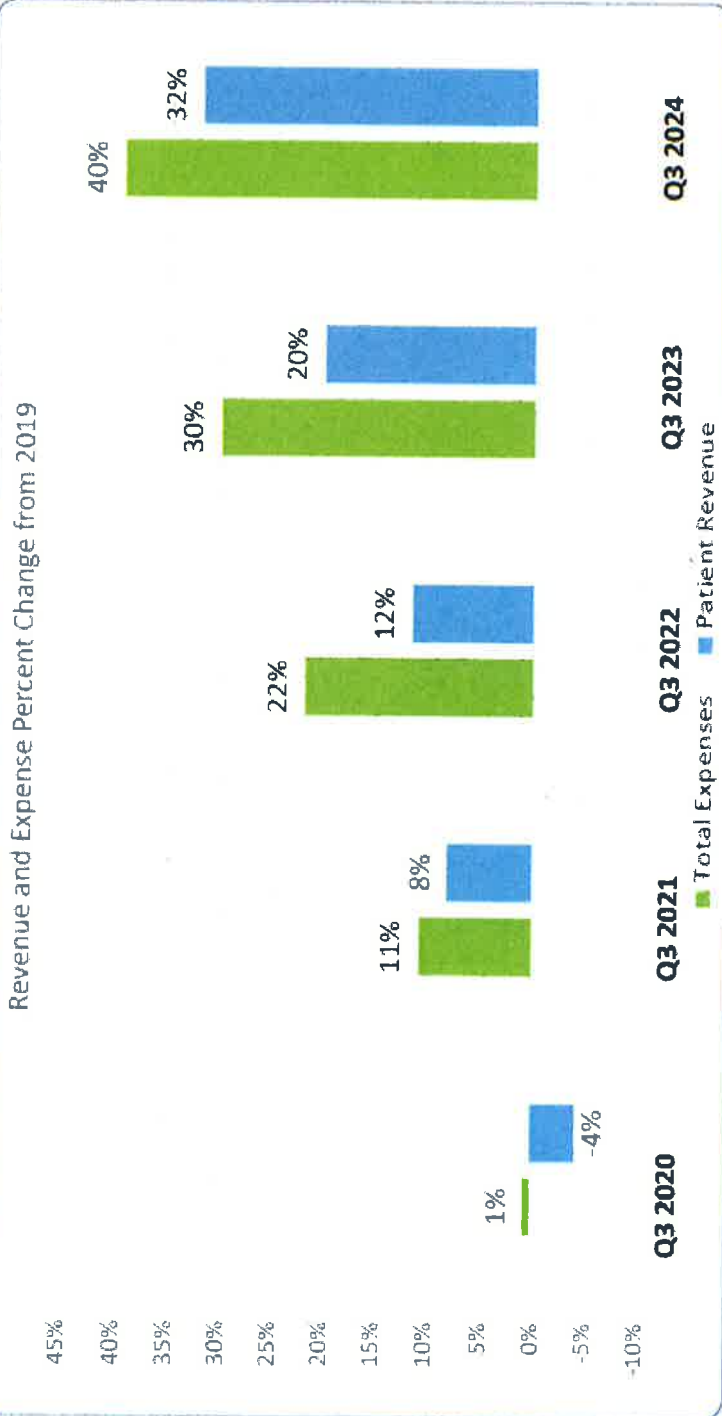


ESTES PARK HEALTH

5.1.14



# Expense Trends Remain Higher than Revenue Increases



- ### Key Takeaways
- Increases in operating expenses have exceeded revenues since 2019 – a cumulative 8% differential as of 2024, slightly improved from prior year.
  - The significant decline in operating margins constrains future investments, increases the need for alternative payment sources, such as local tax revenues, and creates more hospitals vulnerable for closure or reduction in services

Data obtained from CHA Databank reported through September 2024



# 2025 Proposed Capital Budget

Department	Equipment Item	2025
Hospital Wide	Nurse Call System	800,000
Master Planning	Breast Health Center	450,000
Information Technology	UKG Dimensions	159,000
Information Technology	C-Cure IQ - system to update badge access	150,000
Podiatry/Wound Care	New exam table and remodel	150,000
Hospital Wide	IV Pumps	113,000
Surgery	Surgical Lights	90,000
Master Planning	Cardiac Rehab Relocation	80,000
Pharmacy	Pharmacy Compounding Rooms Upgrade	80,000
Infusion	Infusion Remodel	50,000
Lab	Dual head teaching scope	20,000
Sleep Lab	Sleep Lab equipment and software	25,000
Urgent Care	Microscope	12,000
Rehab	Ultrasound/Electrical Stim Combo Machine with cart	7,000
Rehab	NuStep T5XR	7,000

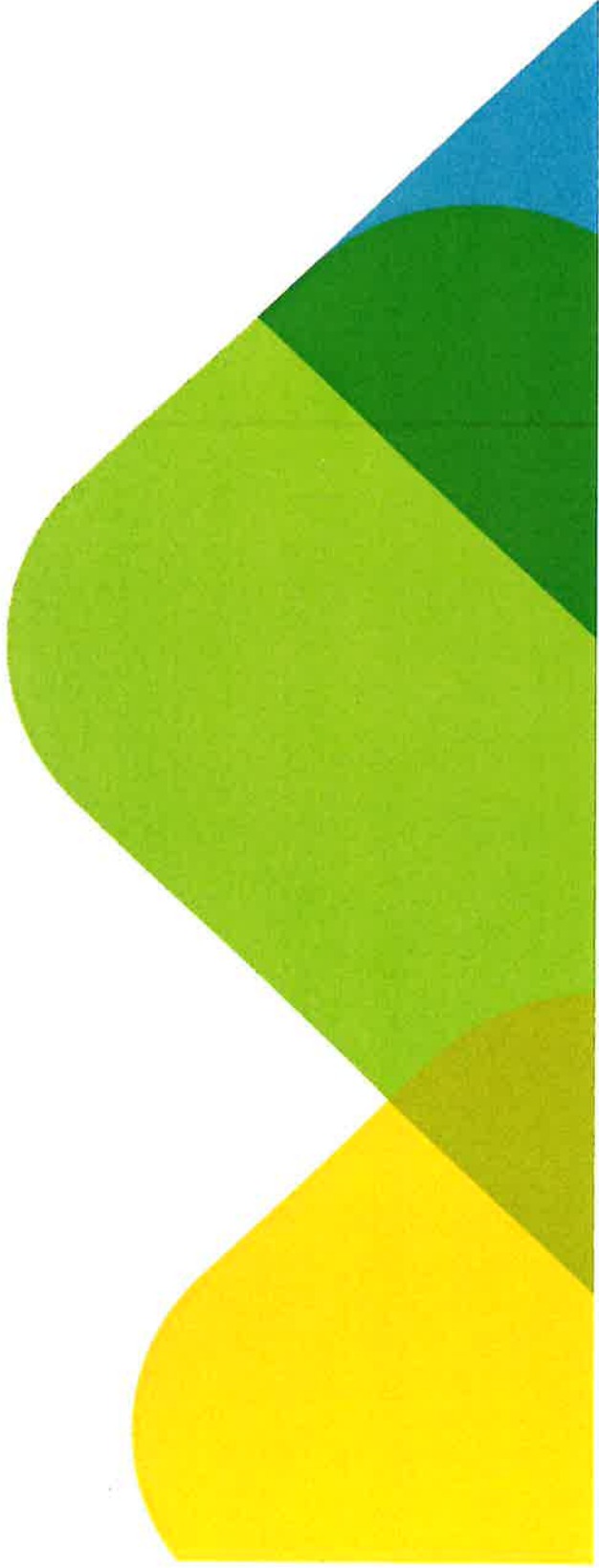


# 2025 Proposed Capital Budget Cont.

Department	Equipment Item	2025
Facilities	TPO roofing system over lab and registration	125,000
Facilities	Resurface back parking lots	90,000
Employee Housing	Aspen Hall Upgrades- carpet rooms, add blinds	100,000
Employee Housing	Renovations, Bighorn house (flooring, expand 2nd floor bath, countertops)	95,000
Employee Housing	Continue reno of condos: flooring, counters, paint, roofing x3 condos	86,000
Employee Housing	Aspen Hall Upgrades- add Laundry room	20,000
Information Technology	IT Office AC Repairs	35,000
Dietary	Café Buildout	15,900
Hospital Wide	Conference Rooms Upgrade	12,000
Environmental Services	Tenant Carpet Extractor	10,000
Dietary	Replace UC Ice machine	6,500
Dietary	Replace ED Ice Machine	6,500
	Contingency Capital	300,000
	<b>Total</b>	<b>\$ 3,094,900</b>



# Questions?





**ESTES PARK  
HEALTH**

**PARK HOSPITAL DISTRICT**

**RESOLUTION 2024-07**

**A COMBINED RESOLUTION CONCERNING THE ADOPTION OF A BUDGET AND  
APPROPRIATION OF FUNDS FOR SUCH BUDGET FOR FISCAL YEAR 2025**

**A. A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING THE BUDGET FOR THE PARK HOSPITAL DISTRICT FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2025 AND ENDING ON THE LAST DAY OF DECEMBER 2025.**

**WHEREAS**, the District's Chief Financial Officer submitted a proposed budget to the Board of Directors on October 15, 2024, for its consideration; and

**WHEREAS**, upon due and proper notice, published in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on December 10, 2024 and December 11, 2024 and interested taxpayers were given the opportunity to file or register any objections to said proposed budget; and

**WHEREAS**, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budgets remain in balance, as required by law.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE PARK HOSPITAL DISTRICT:**

Section 1. That estimated expenditures for each fund are as follows:

<b>GENERAL FUND</b>	\$ 63,723,635
<b>CAPITAL PROJECTS FUND</b>	\$ 0
<b>DEBT SERVICE FUND</b>	\$ 0

Section 2. That estimated revenues for each fund are as follows:

**GENERAL FUND**

From unappropriated surpluses	\$ 0
From sources other than general property tax	\$ 60,792,612
From the general property tax levy	\$ 4,396,016
<b>TOTAL</b>	<b>\$ 65,188,628</b>



**CAPITAL PROJECTS FUND**

From unappropriated surpluses	\$ 0
From sources other than general property tax	\$ 0
From the general property tax levy	\$ 0
TOTAL	\$ 0

Section 3. That the Budget which was submitted, amended, and herein summarized by fund, is hereby approved and adopted as the Budget of the District and made a part of the public records of the District.

**B. A RESOLUTION APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS AND SPENDING AGENCIES, IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH BELOW FOR THE PARK HOSPITAL DISTRICT FOR THE 2025 BUDGET YEAR.**

**WHEREAS**, the Board of Directors of the Park Hospital District has adopted the District's annual budget in accordance with the Local Government Budget; and

**WHEREAS**, the Board of Directors has made provision therein for revenues in an amount equal to, or greater than, the total proposed expenditures as set forth in said budgets; and

**WHEREAS**, it is not only required by law, but also necessary, to appropriate the revenues provided in the budgets to and for the purposes described below, so as not to impair the operations of the District.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE PARK HOSPITAL DISTRICT:**

That the following sums are hereby appropriated from the revenue of each Fund, to each Fund, for the purposes stated:

General Fund	\$ 60,792,612
<i>(indicate if appropriating all reserves, by adding "including reserves" after General Fund)</i>	
Capital Projects Fund	\$0
Debt Service Fund	\$0

5.2.2



ADOPTED: December 11, 2024

PARK HOSPITAL DISTRICT

By \_\_\_\_\_  
President

**ATTEST:**

\_\_\_\_\_

Treasurer

\_\_\_\_\_

Secretary



**PARK HOSPITAL DISTRICT (d/b/a Estes Park Health)**

**RESOLUTION 2024-08**

**RESOLUTION TO DETERMINE MILL LEVY YIELD**

**A RESOLUTION LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2024, TO HELP DEFRAY THE COSTS OF GOVERNMENT FOR THE PARK HOSPITAL DISTRICT, d/b/a ESTES PARK HEALTH, FOR THE 2025 BUDGET YEAR.**

**WHEREAS**, on December 11, 2024, the Board of Directors of the Park Hospital District adopted the District's annual budget, in accordance with the Local Government Budget Law; and

**WHEREAS**, the computed amount of tax Revenue from the Mill Levy, for the District's budget for the General Fund and Capital Projects Fund, is \$4,396,016; and

**WHEREAS**, the valuation for assessment for the District as recently certified by the County Assessor is \$585,744,988.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE PARK HOSPITAL DISTRICT:**

Section 1. That, for the purpose of meeting all general operating expenses of the District during the District's 2025 budget year, there is hereby levied a tax of 7.505 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the previous year (tax year).

Section 2. That, for the purpose of meeting all the District's debt service payments during the 2025 budget year, there is hereby levied a tax of 0 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the previous year (tax year).

Section 3. That the District's Secretary is hereby authorized and directed to certify to the County Commissioners of Larimer County, Colorado, the mill levies for the District as hereinabove determined and set, and to execute such form or forms as may be required by the County Commissioners for such purposes; provided, however, that, in the event that the final notice of assessed valuation will cause an adjustment to such mill levy in order to raise amounts stated to balance the District's budget, the District's Budget Officer is authorized to make such adjustments based upon the final assessed valuations received from the County Assessor. In no event shall such adjustments result in any unauthorized non-voter approved increase in the mill levy.

**ADOPTED:** December 11, 2024

**PARK HOSPITAL DISTRICT**

\_\_\_\_\_  
David M Batey, Chair

\_\_\_\_\_  
Stephen Alper, Treasurer

\_\_\_\_\_  
Brigitte Foust, Secretary