

By ROBERT PIERCE • Daily Leader

Officials from Southwest Medical Center heard from the public Thursday at a forum hosted at Liberal's First National Bank.

Hospital CEO and president Norm Lambert was looking for input concerning potential upgrades to the facility at an estimated cost of about \$21 million.

After discussing the specific upgrades to the hospital, Lambert talked about financing for the project. He emphasized SWMC does not receive tax support and has never received a millage from the county to pay off bonds.

"We've paid it off ourselves for the last 45 years with the different construction projects," he said. "We put \$1.5 to \$2 million of capital into the building and equipment every year. We do it all on our own."

Lambert said there is public help, but none of that is through tax dollars.

"If you come as a patient and your insurance pays us, that's how we get our payment," he said.

Lambert then initiated a discussion concerning the two ways hospital officials have considered paying for the upgrades – through public building commission bonds and government obligation bonds.

Liberal resident Tony Whisenant questioned why the hospital was strongly considering the PBC option rather than the GO bond. Lambert said there are a number of reasons for doing so.

“First, the public building commission actually does qualify us for the GO rate,” he said. “It’s a faster way to do this, and there’s some important reasons to do it as quickly as we can.”

Lambert said interest rates are pretty low right now, and construction costs have actually gone down in the last nine months.

“It’s a short window before they start going back up again,” he said.

Lambert said a GO bond would automatically put the project up for a vote.

“With the public building commission, the public has a right to petition for a vote,” he said. Whisenant explained that with a PBC, a charter resolution would have to be established by the county commission, which would then appoint the PBC.

Lambert illustrated the establishment of the PBC by the county commission.

“The way they’re normally set up by statute, they have anywhere from three to nine commissioners on this public building commission,” he said. “Typically, what they would do is we’ve got five county commissioners. Each one of our five county commissioners would appoint one person to that public building commission.”

Lambert said he was unsure of qualifications for PBC members, but he said terms would likely mimic those of the county commissioners.

Lambert said the public building commission would have to meet a few times when the project

was initialized to file paperwork, but after that, they would likely only meet once a year.

“They really aren’t going to have a lot to do,” he said.

Lambert then explained the process of how the hospital would be leased after the PBC is established.

“Right now, we’ve got the county, and we’ve got the hospital,” he said. “The county owns the hospital, but then the county would create the PBC. What’s going to happen is there’s going to be a site lease of the hospital to the public building commission.”

Lambert said the PBC would then turn around and lease the hospital back to the county.

“The county’s going to have an agreement with the hospital to operate the hospital and at the same time pledge money back to the county,”

he said. “The county’s going to turn around and pay the public building commission, and the public building commission’s going to pay the bank.”

Whisenant said he was concerned about creating a larger bureaucracy to handle the situation and that the PBC would not be elected by the people.

“The interest rates between GO bonds and the bonds the public building commission are not that different,” Whisenant said. “I think you have some good ideas. I think it’d probably be easier to just go out and have a GO bond and have people vote on it. It probably would get approved because you are paying for it anyway instead of creating a whole different bureaucracy in which

to operate this under.”

Lambert said hospital officials are also concerned about the added expense of an election.

Whisenant argued that PBCs may be useful in urban areas such as Chicago, but they are not necessary in smaller communities like Liberal.

Lambert said the PBC has little to do with the project other than in the initial stages.

“Somebody’ll sign off agreements on it, and then you meet once a year. There’s not much of a bureaucracy there. We’re paying just like we’re paying now, and they’re never going to know the difference,”

Lambert said.

Whisenant said he still prefers the GO bond because of the public vote.

Lambert said if enough people petition the county commission, the PBC would also go to a vote.

“And then you have a commission that you’ve created, and you really don’t have much of a point of because you’re voting on it anyway,”

Whisenant said. “The bond interest on both GO and public building commission bonds are about the same.”

There will be another public forum at 7 p.m. Tuesday in the FNB community room.

# Hospital CEO lays out financing plan for proposed \$21 million upgrade at public forum

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