

May 26, 2010
Guthrie, Oklahoma
9:15 A.M.

The Board of Logan County Commissioners met in Regular Session with Chairman Mark Sharpton presiding, Member Monty Piearcy present and Member Mike Pearson present and transacted the following:

The Agenda was posted at 8:01 A.M. on May 25, 2010 and was posted at the Courthouse and Annex.

Present at the meeting were: Bill Brown, Mary Murphey and Tim Baker

The meeting was called to Order by the Chairman.

Tim Baker, Principle Valuations, discussed his appraisal of Logan Medical Center. Mr. Baker said that he had visited the hospital and clinics.

Mr. Baker said that the appraisal is made up of three parts: Sales Comparison, which compares similar hospitals; Cost approach, which factors the replacement cost of the assets less depreciation, the cost of land in the area. Cost approach also includes the verifying assets which cost over \$5000.00 and determine the book value; and, Income Approach, which determines the best value for the operations using various industry statistics. He said that all of these approaches will be used to obtain an accurate appraisal of the hospital, clinics and assets. Mr. Baker said he asked hospital CFO, Jane Bissel, to provide him with a capital improvement list as well as a listing of essential equipment needed by the hospital.

Mark Sharpton asked if the doctors' contracts are taken into consideration. Mr. Baker said the contracts as well as patients and referrals are considered.

Mark Sharpton asked if the management contract and fees are compared to other facilities. Mr. Baker said that fees and expenses are normalized for one year and the analysis may identify excessive expenses. He said that on average management fees are typically 1% - 5% of revenue.

Mark Sharpton asked if the governing entity should hire a building inspector to inspect the building annually. Mr. Baker said that is not part of his valuation. He said studies are done on older buildings to incorporate maintenance into budgeting.

Mr. Baker said the staff of the hospital has been very helpful to him and his staff.

Monty Piearcy asked how much acreage is included. Mr. Baker said he is unsure and trying to confirm.

Monty Piearcy asked if land on I-35 was purchased. Bill Brown said the hospital bought an option to purchase land at I-35 and Seward Road. He said the option is for up to fifty acres and the option cost was \$30,000.

Monty Piearcy asked about the surveying being done at the Crescent clinic. Mr. Brown said the hospital board was approached by someone who wants to purchase the land between the clinic and the grocery store. He said the donor of the land made a stipulation that any sale would have an amount directed to Crescent schools. He said the buyer would be trading a piece of land with the hospital for a parking area.

The clerk asked Mr. Brown how long to complete the valuation. Mr. Baker said he hopes for a draft to be available in two weeks.

Mr. Baker said the valuation is based on the income statement and does not include debt. He said the value of equipment is more if it in use than if sold separately. He said the clinic operations are valued higher connected to the hospital than if it were to be sold separately.

Mark Sharpton asked if a new hospital facility were built would it change the value of the current hospital. Mr. Baker said that if the current facility were vacant the value would drop. He the valuation is based on being an actively used business.

(Mark Sharpton left to attend a meeting)

MOTION ADOPTED TO APPROVE BLANKET PURCHASE ORDERS

Monty Piearcy made the motion which was duly seconded by Mike Pearson with the voting as follows: Piearcy ó AYE and Pearson ó AYE;

THAT, Blanket Purchase Orders #105159 - #105168 be approved.

MOTION TO ADJOURN

Monty Piearcy made the motion which was duly seconded by Mike Pearson with the voting as follows: Piearcy ó AYE and Pearson ó AYE;

THAT, there being no further business to come before the board the meeting was adjourned until a 9:00 A.M. May 28, 2010.

ATTEST: _____
Logan County Clerk

Chairman, Board of County Commissioners