

Special Town Council Meeting

If you care about Springdale's fiscal responsibility, you might want to be aware that the Town Council has a called a special meeting to discuss the medical clinic. The status report is available here: <https://www.springdale.utah.gov/AgendaCenter/ViewFile/Item/2073?fileID=12081> and makes it clear that Family Health will not be paying significantly more for more space. No reference was made to any other potential healthcare providers.

Though town council is allowed to take public comments, it's at the Mayor's discretion and no such item was put on the agenda. Kyndal Sagers suggested the written word was always a safe bet as written comments will get read.

From the Clinic Status TC Report

"The Town charges FHC $1,170 per month ($14,040 annually) in rent at the current clinic building. The Town's lease agreement with FHC states that rent will be increased if and when the Town constructs a new replacement clinic. The increased rent will be based on the market rates for Class A office space in Springdale, or as otherwise agreed to by the Town. FHC has recently indicated they are currently losing money operating the Springdale clinic. Thus their ability to pay additional rent is limited. Staff has requested more information of FHC's ability to pay increased rent by the time of the meeting. In any case, it is unlikely that FHC will be able to make a rent payment that will cover a significant portion of the Town's debt service on the new building. Realizing the rent payment will cover a minor part of the loan payment of the clinic building, the Council needs to determine whether or not to expend Town resources on this project (essentially, is the clinic enough of a priority to warrant a subsidy from the Town)."

One should replace the word *priority* in the parenthetical remark with *need*. Does Springdale need this new clinic with a pharmacy?

There are at least 3 pharmacies in Hurricane which deliver to Springdale. None delivers controlled substances. The town could hire someone at $25.00/hours plus gas to pick up such medications, or any medications for that matter, and deliver them to Springdale citizens who needed it. That, or similar, easily and immediately implemented options would be much more cost effective. It would actually be more effective all around as it would not be constrained by the limits of the proposed pharmacy in town whose hours will be tied to the hours of the medical clinic itself.

Importantly, the town should also ask how long a time commitment Family Health is willing to make. The last one was for 3 years, fine for that situation, but absurdly short for the kind of commitment building a new clinic on the town's dime should demand.

More from the Clinic Status Report:

1. ➔In 2021 the Town became aware that Helen and Mike McMahan, the long-time operators of the Zion Canyon Medical Clinic, would soon be retiring. The Town then began looking for possible

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healthcare partners to fill the void created by the McMahan's retirement. Through this process the Town developed a relationship with Family Healthcare (FHC), a non-profit healthcare organization which operates a number of community health clinics in southern Utah.

2. ➔The Town adopted the General Plan in July 2022 which contains general direction to develop enhanced medical services in the Town (see: Economic Development Sub-Goal G, Public Health General Goal, and Public Health Sub-Goal A).

3. ➔In January of 2023 the Town Council reviewed the Capital Priorities list which included the design of a new medical clinic building as an immediate priority item, and construction of a medical clinic as a short-term priority. The design and subsequent construction of a medical clinic building have been listed as priorities on the Capital Priorities lists the Council has reviewed in each subsequent year (2024, 2025, and 2026).

4. ➔In October of 2023 the Town purchased the existing medical clinic building from the McMahans and entered into a lease with FHC to operate the clinic space. Since that time FHC has been operating a clinic in the existing building.

There continues to be much discussion about how a medical clinic furthers the goals of the general plan. BUT it appears the goals for a medical clinic as part of the general plan were largely in response to the McMahan's retirement (bullet points 1, 2, and 3) and, thus, largely fulfilled when the small medical clinic formerly run by the McMahans was purchased and agreements with Family Health entered into (bullet point 4). If I am wrong about the timing on this or the conclusions I have drawn, please let me know. Town Staff? Mayor? (Cutting some research corners to get this out today.)

Since the current clinic is loosing money and since the services in the new one would not be expanded, it's difficult to see how this new clinic would fill any real need for Springdale. Regardless of how many grants, loans, etc. obtained to help with the costs, this is a huge financial commitment for Springdale with minimal return in community benefit and a huge financial drain as it is clear this will have to be subsidized at great and ongoing expense.

Again from the Clinic Status Report:

"Paying for public infrastructure and buildings through loans and bonds is a fiscally sound policy." This is a common conception and that reasoning is widely accepted in regards to municipalities, including by accountants and other financial gurus.

After all, if the bond is floated for something (road, building, etc.) that will last 40 years, why not let the people 20-30 years down the road, who will still be benefitting from it, not bear part of the cost? (If this were families and individuals, it would be like leaving your house to your kids, with the understanding they will pay the interest on the loan you had to take out to buy it in the first place?)

Some reasons to not go this route include: 1. you're passing a burden onto those who didn't choose it. 2. Whatever is built might not last as long as predicted. 3. Perhaps the intended benefit might not be realized. Still, it is generally considered appropriate financial practice for municipalities if not overused.

Obviously, if used, it should be used judiciously and for things whose future benefit is pretty darn clear. The benefit of a medical clinic in Springdale does not have that certainty.

Another point to consider then is: if not a medical clinic and pharmacy, what would be the best use of that Public Use land? A new town hall? A post office? Open space? Affordable housing? That is something that the Town Council will be discussing if they decide against building a medical clinic.

If you have an opinion, express it to the powers that be. Contact Kyndal Sagers, ksagers@springdale.utah.gov or 435 772 3434 and she will make sure council members receive your emails.