

TARRANT COUNTY HOSPITAL DISTRICT

BOND PACKAGE PROPOSAL

INTRODUCTION

The TCHD (JPS) Board of Managers has proposed that the Tarrant County Commissioners Court approve the sale of general obligation bonds to fund the expansion and upgrade of JPS' facilities. While there has been a substantial amount of work performed by JPS staff, the Court determined that there was a need to re-evaluate the current bond proposal. Since that time, both JPS and County staff have worked to develop a go-forward bond strategy. Here are some thoughts that the Court should consider.

Our approach should be based upon the needs of JPS, its patients, the taxpayers and the community, both for today and for decades to come. A thorough understanding of what services JPS will provide in the next ten years and beyond, and how these services will be delivered, should form the basis for the bond proposal. Partnerships with other health care providers should be explored, along with public-private ventures that could maximize both the effectiveness of health care delivery and the potential financial efficiencies derived from this effectiveness.

Leadership is the key to the bond program's success. It is essential that the Commissioners Court be the leadership driver in this effort. We must insure that transparency is ever-present in order to gain the public's understanding and trust in our efforts. Finally, we must strive to develop a bond program that meets the needs of Tarrant County for the benefit of JPS' clients and the public at large. The following steps are recommended to meet our goal: "To develop a bond proposal that provides the necessary facilities and services that JPS will utilize in delivering the needed medical care to our citizens, both today and for future decades".

STEP 1

The Commissioners Court should engage a nationally recognized outside consulting firm to:

- Analyze future health care in Tarrant County and the role that JPS will play in the delivery of that care. The question to be asked is: What will JPS look like, and what services will it provide, in 10 years and beyond?
- Review the work that JPS has already done in preparing for the proposed bond program and determine if its definition of our future needs and the delivery of medical services are aligned.
- Conduct public meetings to receive input from JPS officials, healthcare providers and the general public to gain a thorough understanding of our community's perceived needs.
- Prepare a report for the Commissioners Court on the findings of its efforts.

STEP 2

The Commissioners Court should establish a Citizen's Blue Ribbon Committee to review JPS' current and future needs. The Committee's meetings will be public meetings.

- The Committee should consist of eleven members – two appointed by each of the Court members and one appointed by the Court as a whole, who shall serve as Chair of the Committee.
- The Court should identify two court members to serve as liaisons to the Committee. The liaisons will be responsible for keeping the Court informed as to the Committee's progress.
- The Board of Managers should also appoint two board members to serve as liaisons to the Committee. These liaisons will be responsible for keeping the Board informed as to the Committee's progress.
- The Committee should be charged with evaluating information generated in Steps 1, 3 and 4 (as outlined and recommended in this document), and make recommendations to the Commissioners Court and the JPS Board of Managers.

STEP 3

The Commissioners Court should engage an outside third party to evaluate JPS' current facilities to determine their functional usefulness.

- Evaluate the cost of renovations and status of existing equipment functionality.
- Analyze the validity of using existing facilities to meet the current and future needs of JPS.
- Prepare a report to be presented to the Citizen's Blue Ribbon Committee and the Commissioners Court to assist in their determination of JPS' future needs.

STEP 4

The Commissioners Court should then engage an outside third party to combine the information/outcomes within Steps 1-3 into a comprehensive JPS Strategic Master Plan and Facility Master Plan that will serve as the basis of the proposed bond program and future services at JPS. The Plans shall be presented to the Citizen's Blue Ribbon Committee, the JPS Board of Managers and the Commissioners Court.

TRANSPARENCY

It is critically important that this process be conducted in a manner that provides transparency to the Tarrant County public. In order to accomplish this, the following is recommended:

- The Citizen's Blue Ribbon Committee's meetings should be held in a public place with adequate notice to encourage the public to attend. These meetings should be digitally recorded.
- All reports should become public documents and available for review in a timely manner.
- An interactive website should be developed where meetings can be viewed and documents can be accessed.
- Public comments should be encouraged.

PROGRAM FUNDING

The Citizen's Blue Ribbon Committee, after completing its initial review of information, should consider potential funding sources for the building program. At a minimum, the Committee should consider and recommend funding from existing JPS revenues, private contributions and bond proceeds. Additionally, public-private partnerships should be analyzed to identify realistic opportunities to collaborate with the private sector.

Debt strategies should be developed that will maintain the existing tax rate while providing the necessary funds to finance the bond program. These strategies should include realistic recommendations and contingency recommendations to create a comprehensive financing plan.

JPS BOARD OF MANAGERS AND EXECUTIVE LEADERSHIP

The JPS Board of Managers and Executive Leadership shall provide input and perspective during all stages of the process. Their professional insights will enhance the process and be requested throughout the process.

CONCLUSION

JPS is at a crossroads in the development of facilities to meet the County's rapidly growing health care needs. The last JPS bond package was in 1985. Our current facilities must be thoroughly evaluated to determine if they can meet our current and future needs. We have laid out a strategy that will address this issue. The strategy calls for an analysis of future health care delivery mechanisms, the evaluation of current facilities and the development of a comprehensive master plan, a facilities master plan and a comprehensive financing plan. In order to obtain citizen input and ownership of these efforts, transparency must be ever-present.

Just as important, executive leadership is essential in reaching success in our efforts. The Commissioners Court must provide strong leadership. We must work in partnership with each

other in discussing, compromising, and eventually fully supporting these efforts to be successful. The Board of Managers should do the same.

Please give staff your comments and suggestions concerning this strategy. We stand ready to assist you in these efforts.