

BILL NO. 2015-026

ORDINANCE NO.

A SPECIAL ORDINANCE OF THE CITY OF NEVADA, MISSOURI, AUTHORIZING EMPLOYMENT OF JAMES M. SNEED, HOSPITAL FINANCIAL CONSULTANT, TO PROVIDE CONSULTATION WITH RESPECT TO FINANCIAL ISSUES ASSOCIATED WITH NEVADA REGIONAL MEDICAL CENTER.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF NEVADA, MISSOURI THAT:

Section 1. The City Manager is hereby authorized and directed to employ at the expense of the City of Nevada, Missouri, James M. Sneed, hospital financial consultant of St. Augustine, Florida, under the terms of the letter of understanding attached hereto and incorporated herein by reference.

Section 2. In order to permit Mr. Sneed to timely make transportation arrangements and to be involved in impending meetings of the hospital governing body, it is found necessary that this bill be treated as an emergency ordinance.

Section 3. This ordinance shall be in full force and effect upon its passage and approval.

PASSED, APPROVED and ADOPTED by the City Council of the City of Nevada, Missouri, this 19th day of May, 2015.

(SEAL)

Brian L. Leonard, Mayor

Attest:

Bev Baker, City Clerk

James M. Sneed

Hospital Financial Consultant and Strategic Planner

360 Sophia Terrace, St. Augustine, Florida 32095

jsneed@hcrco.com

727-599-6101

Mr. JD Kehrman, City Manager

Mayor Brian Leonard

Members of the City Council

Brian Breckenridge, general counsel for the hospital

Bill McCaffree, attorney for the city

City of Nevada, Missouri

This is a letter of understanding between James M. Sneed (consultant) and the city of Nevada, Missouri to provide assistance in connection with Nevada Regional Medical Center which is owned by the city of Nevada but under the direct control of a hospital board as appointed by the City. The hospital is currently managed by Quorum Health Resources, a hospital management company. In addition, the hospital, due to not meeting the bond covenant requirement of maintaining 70 days of cash on hand, is currently undergoing a review by the Solic consulting firm based in Chicago, Illinois at the direction of the bond trustee, UMB of Kansas City, Missouri.

Specifically consultant will provide the following services:

- Perform as the city's liaison with the hospital board to better enable the city and the hospital board to jointly agree to a long term strategic plan for the hospital.
- Participate in the presentation by Solic of their conclusions and recommendations and advise the city and board accordingly.
- Assist the city and hospital board in the oversight of implementation of the recommendations made by the Solic consulting firm that would better enable the hospital to meet all loan covenants.
- Assist the city and hospital board in looking at several alternatives in how to effectively manage the hospital when the Quorum contract expires later this year. This could include requesting proposals from various management companies or perhaps health care systems but could also include retaining a CEO that would report directly to the board.

- Based on the conclusions reached by Solic consultant assist the city on the advantages and disadvantages of utilizing nursing home reserves as part of accomplishing the hospital's long term strategic plan.
- Other as mutually agreed to by the city and consultant.

Consultant anticipates visiting the hospital and city monthly during the term of this engagement, which could take 6-12 months depending on the directions taken after review of the Solic report. In between visits consultant will be available via email or phone and can review various hospital documents. Each visit will entail 2-3 days and could include participation at hospital board meetings and or city council meetings. Due to prior commitments consultant will not be able to make site visits in August and September but can be available for scheduled phone conversations. Consultant will notify the city if such consultant's fees accumulate to \$20,000 and will not proceed without authorization once fees accumulate \$25,000.

The consultant will bill the city at the rate of \$150 per hour plus out of pocket expenses. Travel time outside of normal business hours will not be billed but will be absorbed by the consultant. Invoices will be sent monthly and will be expected to be paid within 30 days of receipt.

Please sign below and return one copy to the consultant.

Yours truly,

James M. Sneed

We agree to the terms of this letter.

(Signature)

(Title)

(Date)

James M. Sneed
360 Sophia Terrace
St. Augustine, Florida 32095
jsneed@hcrco.com
727-599-6101

Resume

Professional Experience

James M. Sneed, Financial Consultant and Strategic Planner
2003 –2011 and 2014 to present

Provide on-site financial consulting and strategic planning services to rural health care providers, including performing as interim chief financial officer and providing financial assistance to management and board of directors. Jim has assisted rural hospitals that were in financial distress including violation of loan covenants.

Hospital Management Company, Kansas City
2011-2013

Performed as Chief Financial Officer for this hospital ownership company that was in financial distress. The company owned 12 rural hospitals located in 5 Midwest and southern states. Assisted in the reorganization of the company which included successfully utilizing Chapter 11 Bankruptcy provisions, restructuring debt, and developing a strategic plan accepted by the creditors and the bankruptcy court. After exiting Chapter 11 assisted in the recruitment of a replacement CFO.

Healthcare Capital Resources, Inc.
2005 – 2011

One of the founding owners and President of this company which was only involved in financing rural hospitals projects to replace or expand facilities. Financing assistance includes evaluating the feasibility of the project, then developing appropriate financing packages, which could include HUD guarantee programs (Section 242), USDA direct loans or guarantees, and private financing. During six years HCR assisted rural hospitals with projects totaling over \$325 million, which included total replacements or major renovations/additions.

BKD, LLP
1970 – 2000

Retired in 2000 as audit/consulting partner. During his tenure with this firm, Jim developed the health care practice in the Kansas City office, which grew from 1 to over 50 professionals, and during the last 5-8 years with the firm developed the general not-for-profit practice from about 25 clients to over 75. Consulting expertise included strategic planning, financial management, board development, cash management, alternative services, revenue enhancement, and organizational structure.

Assisted hospital and not-for-profit clients with complying with various regulations, maintaining appropriate financial ratios, maintaining controls over financial reporting, and improving overall financial operations.

Professional Qualifications

Certified Public Accountant, 1973 to present (passed CPA exam on first sitting). During his active career in public accounting, Jim was licensed in Missouri, Kansas, Iowa, California, Florida, Ohio and Indiana. Jim was never subject to any disciplinary action by any licensing or regulatory agency. He was never involved in any litigation regarding providing professional services.