

Nehalem Bay Health District

Report to the Community

May 2018

Introduction:

The Nehalem Bay Health District (the district) is undertaking a community-wide strategic planning process in 2018 in order to determine how the district can best serve its constituents in the future. As a first step in the plan development we want to provide information on the current state of the district, its assets, its challenges, as well as its opportunities.

To aid in the dissemination of information, including various reports and studies the district has commissioned relative to its facilities, and to encourage the broadest possible public involvement, the district has created a new website, which is still under construction, www.nehalembayhd.org. We encourage our constituents to review the material and use the site to stay informed about meetings and issues.

Our goal is to utilize the website as a portal to provide information, among other things, about the district's assets, budget, regular meetings and minutes.

We also hope the information contained in this report will assist residents with background and insights into the district's structure, its budget and revenue, and its assets. We intend that this information will be useful as we plan for the future.

Overview:

The Nehalem Bay Health District was created through a vote of the people in May 1951 pursuant to ORS 440. Through this vote, it became incorporated as a municipal corporation and was originally known as the North Tillamook County Hospital District. The purpose of the hospital district, as it was first known, was to supply facilities for the care of the sick and injured residents of the area. Later, in 1993, by board order, the name was changed to its current name, Nehalem Bay Health District.

Generally speaking the district covers approximately 26 square miles of the northern portion of Tillamook County, including the communities of Wheeler, Nehalem and Manzanita and the nearby unincorporated areas. The district has, according to the County Clerk's office, 2,968 active registered voters.

The district's office and meeting facility is located inside the old Wheeler hospital at 278 Rowe St. in Wheeler, Oregon. Regularly monthly meetings take place on the first Tuesday of the month at 7:00 pm and the public is encouraged to attend.

The district telephone number is: (503) 368-5119 and email is: info@nehalembayhd.org

The website - <http://nehalembayhd.org> - now contains meeting minutes, budget information, reports on facilities and public notices.

Health Districts in Oregon:

Oregon's health district statute provides extensive authority to districts, as detailed below.

440.360 Powers of health districts. A health district has all powers necessary to carry out the purposes of ORS 440.315 to 440.410, including, but not limited to, the power:

- (1) To provide directly or indirectly any physical or mental health related service.
- (2) To make any contract or agreement, to purchase and lease real and personal property, to enter into business arrangements or relationships with public or private entities and to create and participate fully in the operation of any business structure, including the development of business structures and arrangements for health care delivery systems and managed care plans.
- (3) To participate in community sponsored health screening, prevention, wellness, improvement or other activities that address the physical or mental health needs of district residents. Such participation may include clinical, financial, administrative, volunteer or other support considered appropriate by the board.
- (4) To perform any other acts that in the judgment of the board are necessary or appropriate to accomplish the purposes of ORS 440.315 to 440.410. [Formerly 441.320; 1979 c.520 §2; 1981 c.508 §3; 1983 c.699 §2; 1983 c.740 §155; 1985 c.747 §50; 1987 c.850 §1; 1997 c.857 §1; 1999 c.630 §2; 2003 c.802 §113]

A publicly elected five-person board governs the district, and the board employs an executive director to manage the district's day-to-day operations. The district's office is located in Wheeler, Oregon. All board meetings are open to the public.

The district's taxing and bonding authority is spelled out in state law. The district operates on a fiscal year that runs from July 1 to June 30. Primary revenue for the district is generated from rental income from the buildings on the district property. Secondary revenue comes from the district's permanent taxing authority established by voters approving Measure 50 in 1997. The permanent rate limit is set at .0309 cents per \$1,000 of assessed value. This tax rate represents the lowest rate of all health districts in Oregon. For fiscal year 2017-2018, the district estimated it would receive \$35,000 in property tax revenue and \$11,000 in timber sales revenue.

The district develops an annual budget with the assistance of a group of volunteer community members that is adopted in June. Budget documents will be available on the website.

(Oregon Health Sciences University (OHSU) produced a useful report in 2016 on Oregon's health districts. You can find a copy of the report at: <https://www.ohsu.edu/xd/outreach/oregon-rural-health/data/publications/upload/2016-Health-District-White-Paper.pdf>)

District Mission:

The current stated mission of the district is: "To facilitate delivery of health and community services through responsible fiscal management."

Historically, the board of the district has largely operated as a landlord managing the district's physical assets as discussed below.

The strategic planning process the district envisions undertaking over the course of the next several months will seek to better define the district's mission in light of the powers granted health districts under Oregon law. (See above, ORS 440.360)

In order to thoroughly evaluate the district's potential for its greatest impact on the health and well-being of its constituents, it is essential that the planning process asks and answers several important questions:

1. What is the most appropriate role of the district with regard to the health of its residents?
2. What public issues or needs should the district try to address and impact?
3. How can the district provide leadership and resources to, as Oregon law outlines, "address the physical or mental health needs of district residents?"
4. In what new ways can the district be a collaborative partner with other public and private entities in the service area to promote the physical and mental health of its residents?

To complete this assessment and to better define the district's mission for the future will require broad public and stakeholder engagement.

District Physical Assets:

The district owns a 3.2-acre site in Wheeler that includes the Nehalem Valley Care Center building, the building housing the Rinehart Clinic and the old Wheeler hospital. The district also owns parking lots and open space associated with the buildings.

The Care Center building was constructed in the early 1980s to address the increasing demand for more long-term care beds in northern Tillamook County and to replace the deteriorated decommissioned World War II barracks that had been used until the early 1980s for this purpose.

The building housing the Rinehart Clinic was also constructed in the early 1980s. To finance the construction of these vital structures for the community, the district board placed a bond measure before voters in May 1981. The bond measure passed establishing a rate of \$2.75/\$1000 of assessed property value.

The old hospital building was constructed in 1953.

Due to the age of the district's facilities, the board has commissioned a variety of professional studies, reports and evaluations in order to help ascertain the physical condition of the assets,

prepare maintenance plans and provide information regarding potential replacement or dispensation of facilities. All of these reports will be posted to the district's website, and we encourage all interested parties to become familiar with the various reports.

Care Center:

In summary, the Care Center facility is in generally good condition, and the management company operating the center adheres to an annual maintenance plan. The board considers the Care Center a vital community asset since it is the only skilled nursing facility in Tillamook County. It provides essential post-operative and other rehab services, including physical, occupational and speech therapy and skilled nursing for Tillamook and south Clatsop County. Most patients come to the facility after referrals from Providence Seaside or Tillamook General Hospital. Others are area residents wanting to recover close to home following specialized treatment in Portland.

The facility currently has a census capacity of 46 patients but generally the census ranges between 25-28 patients. About two-thirds of patients live permanently at the Care Center and receive long-term care.

The ability to attract and retain adequate staff has limited the center's ability to serve more patients and operate closer to capacity. Addressing this issue presents a significant challenge, as a workforce housing scarcity appears to be one factor impacting staff hiring and retention.

Development of a long-term plan to systematically upgrade the facility is another challenge that has been identified by the district board.

In 2010 the board of the district established, under Oregon law, a not-for-profit Limited Liability (LLC) to assume responsibility for the Care Center. This arrangement became effective on January 1, 2011. At the same time, the district contracted with Aidan Health Services, Inc. to manage the daily operations. The agreement (a copy is posted at the district website) stipulates that Aidan will serve as the day-to-day manager of the Care Center, while the district retains ownership of the physical facility.

The Care Center has its own annual budget, issues monthly financial reports, and Aidan managers report regularly to the district board on the center's operations. Aidan makes a monthly lease payment to the district and receives a management fee for operating and staffing the facility and maintaining all required licenses and permits.

Rinehart Clinic:

The Rinehart Clinic, a non-profit family health center that provides healthcare to everyone who comes through its doors, leases the clinic building from the district. The clinic serves a critical role in the community, including providing essential health care to minority and underserved populations. It is also a federally qualified health center and receives grant funding from the federal government to serve the uninsured and under-insured individuals in our community.

Additionally, the clinic and the district have had a long-term relationship and, in many ways, a shared mission.

The clinic building has some significant issues, including aging heating, air conditioning and electrical infrastructure, and clinic managers have indicated that they will soon need additional space to expand and improve services.

The district's role in addressing the need for improved clinic facilities and the timeframe involved will be important issues for the board to address during its strategic planning process.

Old Wheeler hospital:

A hospital of some kind in Wheeler dates back to the 1920s. The building now referred to as the Old Hospital was built in 1953 and closed as a hospital in 1989. The district owns this building and currently leases office space there to several healthcare practitioners. This build also houses the North County Food Pantry, another vital service that takes place on district property. The district's office and meeting space is in the building, as well, but most of the old hospital is empty. There is no debt associated with the building.

As an aging facility, constructed at a time when building codes and construction processes were much different than they are today, the hospital building – sometimes referred to as The Annex – suffers numerous problems. Routine maintenance has generally not been done since the hospital closed. The foundation has and continues to settle, the heating system is antiquated and expensive to maintain, and the building would be unlikely to survive even a minor earthquake.

The board has commissioned a number of studies over the last several months in the interest of assessing the future of the old hospital building. These reports, including structural assessments of the building, the geology of the building site and a review of challenges involved in potential demolition have been posted to the district's website.

In brief summary of those reports:

- Renovation and restoration of the building in order to re-purpose the facility for new uses is likely cost prohibitive since restoration would need to address asbestos, HVAC, electricity and a host of structural issues. (See Stricker Engineering, LLC report, January 20, 2018)
- It appears when the building was constructed in the early 1950s site preparation did not involve the type of foundation and structural work that is now routine practice. However, the underlying geology of the site appears to be suitable for new construction that would obviously involve modern site preparation. (See report of Horning Geosciences, February 7, 2018)
- Demolition of the building will be expensive. A study by MC Consultants, retained by the district to perform environmental consulting services, (letter dated January 29, 2018) estimates the total price of environmental management, asbestos abatement, demolition and disposal would be nearly \$680,000.

- Proper asbestos abatement is a challenge with older buildings, but MC Consultants has consulted the Oregon Department of Environmental Quality about the use of an innovative removal process called FoamShield that utilizes engineered foam to remove asbestos material. If the district decides to proceed to demolition, DEQ has indicated this process would be appropriate under Oregon hazardous materials management regulations.
- Demolition of the building, while expensive would potentially create a buildable site for some type of new construction.
- Among the issues the district will need to address in its strategic plan are whether to demolish the building, how to pay for the cost of demolition, the timing of any demolition, how to mitigate the impacts on existing tenants in the building and what future uses of the land might be appropriate and in keeping with the district's mission. All of these issues are interrelated and ideally should be considered in the context of an overall forward-looking strategy for the district.

Strategic Planning Process:

The board envisions a several monthlong process as outlined in preliminary fashion below:

April 2018

- Board adopts strategic planning approach and timeline.
- Budget committee meets and develops district's 2018-2019 budget

May 2018

- May 1 – Regular board meeting and adoption of agenda for special meeting on strategic planning
- May 9 – Special board meeting devoted to strategic planning process and discussion with key stakeholders and consideration of appointment of a citizen's advisory committee
- Website launched
- Board issues "report to the community" on the condition of the district's assets, challenges and approach to strategic planning.

June 2018

- June 5 – Regular board meeting
- Should the board decide to appoint a citizen's advisory committee it is projected that the committee would be appointed in the June time frame.
- Initiate outreach to local elected officials, including:
- Presentations on the development of a district strategic plan and district challenges to Manzanita, Wheeler and Nehalem city councils, Tillamook County Commission and potentially others to request participation and ideas.
- Week of June 18: Information and listening session focused on the old hospital building/ and likely Food Bank and tenant relocation needs.
- Week of June 26 – Information and listing session focused on the Rinehart Clinic.

July 2018

- July 3 – Regular board meeting
- Week of July 09 – Information and listing session focused on the Care Center.

August 2018

- August 7 – Regular board meeting

September 2018

- September 4 – Regular board meeting
- Week of September 10 – Board convenes public visioning session(s) at an appropriate venue with a facilitated conversation that addresses, among other issues:
 - Future mission of the district
 - Addressing unmet health needs
 - Issues and opportunities related to current district assets
 - How do we improve the district’s collaboration/partnerships?
- Board (and potentially citizen’s advisory committee) prepares “draft” strategic plan for the health district and schedules public meeting(s) for feedback and refinement

October 2018

- October 2- Regular board meeting

November 2018

- November 6 – Regular board meeting (also election day)
- Adoption of district strategic plan
