

HEPPNER

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VOL. 118 NO. 40 6 Pages Wednesday, October 6, 1999 Morrow County, Heppner, Oregon

## New CEO implements cost saving measures

### Health district hears financial report

The Morrow County Health District Board reviewed detailed financial reports presented by district accounting supervisor Nicole Mahoney at the October 4 regular board meeting in Boardman.

Conversion to a new computer system enabled the more detailed reports. The district had to switch systems when they terminated their contract with Western Health Resources for management and computer services.

"This certainly is a step in the right direction," said long-time critic Gene Palmer, Boardman. "I want to congratulate Nicole. I believe you've made some good steps forward."

The new information presented to the board included: a profit-loss statement ending August 31, showing actual costs, budgeted costs and the variance for both the current period and the year to date; a balance sheet; a responsibility report detailing expenses, revenue and gain and loss for all departments and a more detailed responsibility report for the Heppner and Irrigon clinics; aged accounts receivable reports on Pioneer Memorial Hospital, Pioneer Memorial Clinic, the Irrigon Clinic and Home Health; and an aged vendor report.

The health district shows a loss of \$80,289 for the current period and a \$134,432 loss for the year.

The high loss for the month ending August 31 includes a deduction of \$56,289 for contractual (Medicare and Medicaid billings that won't be received) and other adjustments.

Operating revenue for the month of August was \$317,335, with total operating expenses of \$3396,097, plus an additional non-operating loss of \$1,527.

Year to date total operating revenue is \$646,362, with total operating expenses of \$781,254, plus an additional non-operating gain of \$459.

The district has \$193,194 in cash and investments; \$660,484 in net patient accounts receivable; \$183,990 in other receivables; \$19,043 in inventory and prepaid expenses for \$1,140,285 in current assets and \$1,565,778 in long term assets. Total assets amount to \$2,706,063.

Newly-appointed CEO Victor Vander Does said that from now on, all expenditures will cross his desk, with all purchase orders and standing orders other than food reviewed by him. He said that all capital expenditures, both budgeted and non-budgeted will be frozen except those related to serious quality or safety issues.

He told the board that a 10

percent across the board increase was implemented for the hospital and ambulance services September 9. He said that the clinics, however, will have discretion on implementing rate increases, so they do not price themselves out of the market.

Vander Does also ordered all accounts receivable to be rebilled, including Medicare, Medicaid, private and commercial pay. He said that rebilling would pick up any billings that had been missed. In addition he said that he plans to review the cash flow daily.

He reported that he reduced call back expenses for the x-ray department by changing the schedule and is in the process of reviewing the laboratory for expense reduction opportunities.

He also said that he will meet with department heads and all available employees the day after every regular board meeting and plans to attend all individual department meetings for several months.

He said he changed the laundry and housekeeping supervisor from maintenance to dietary and toured the district's facilities in the north end.

In other business, the board approved a phased-in payment plan for WHR for previous management and computer services. The settlement provides an initial payment of \$5,000 to be made the first week of October, a second payment of \$10,000 to be made the first week of November and the remainder of around \$24,000 to be paid the first week in December.

Heard that Dr. Datta, a physician who plans to work for the district, may not be able to start work for the district until mid December. Mahoney said that retaining locum tenens (temporary) physicians is becoming more and more expensive, but that costs will decrease once a permanent physician is hired.

Learned that Vander Does plans to meet this week with a USDA representative concerning funding for the proposed Pioneer Memorial Hospital expansion.

Approved a resolution which would enable the district to receive a tax anticipation note through the Bank of Eastern Oregon for \$350,000 at a low, five percent interest rate. The loan differs from a line of credit in that the entire amount would have to be borrowed at once. Board member Linda LaRue advised that MCHD invest the money until it becomes necessary to use it. The money must be repaid to the bank

by the end of the fiscal year, however, the district anticipates receiving sufficient tax monies to repay the loan.

Discussed with Dr. Robert Boss his request to lease office space from the district at their Boardman clinic which is located near Boss' clinic.

Heard from Vander Does that he plans to research the proper procedure prior to disposing of surplus property.

Received a copy of Home Health policies to review. The board indicated that the MCHD's attorney should review certain portions of the policy.

Approved a request from the Boardman Rural Fire Department for two feet of MCHD property, providing BRFD supplies all legal work involved in the transfer. BRFD requested the property to save them from having to build a fire wall, estimated at around \$7,000.

Received the monthly ambulance report with Heppner receiving 17 runs, Boardman, 21, and Irrigon, 23; and the monthly clinic report with 567 visits to Pioneer Memorial Clinic and 211 visits to the Irrigon Clinic. Sent a letter of congratulations to Carl Lauritsen who received the state distinguished service award.

### Court tryouts

Try-Outs for the Morrow County Fair and Oregon Trail Pro Rodeo Court will be held on Sunday, October 10, starting at 1 p.m.

Everyone is invited to drop by the fairgrounds on Sunday to see who will be ambassadors representing Morrow County during 2000 at parades and rodeos throughout Oregon and Washington.

Anyone wishing to be a court chaperon is asked to contact the fair office.

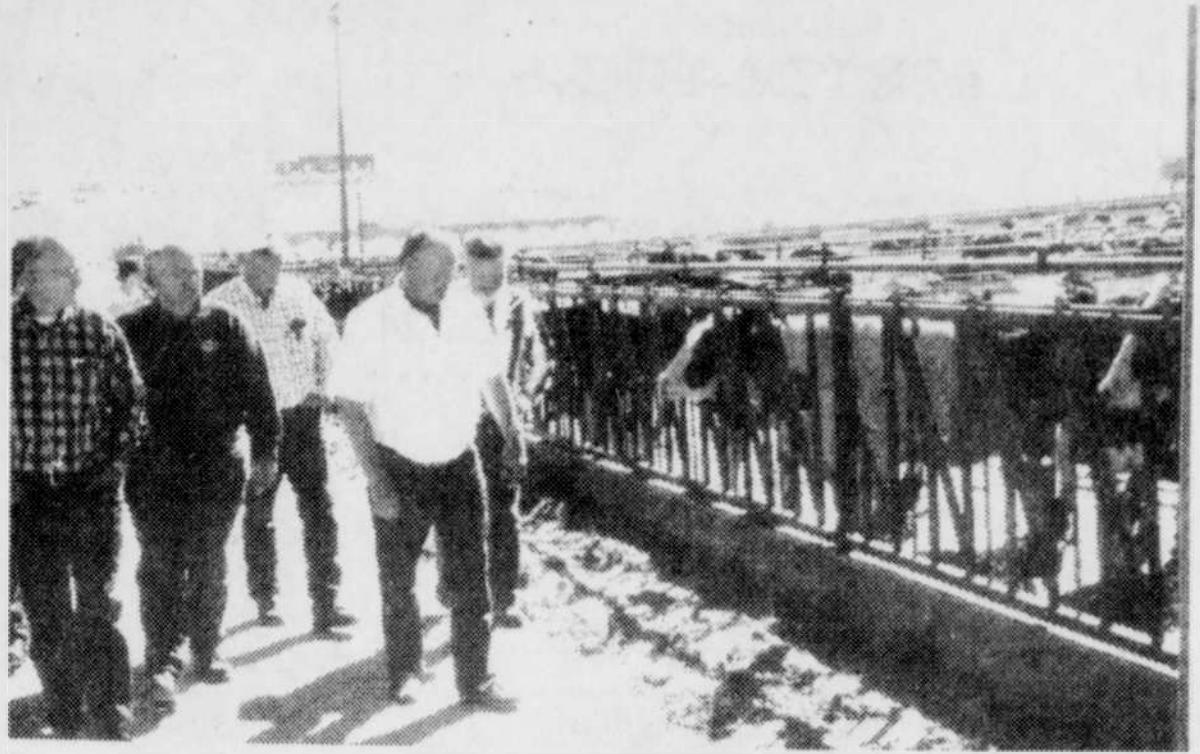
### Workday set

A work day has been planned at Willow Creek Country Club in Heppner on Saturday, October 9, beginning at 8 a.m.

Everyone is invited to bring their garden tools, shovels, rakes, etc., and help out.

Lunch will be provided.

## Heppner group tours Burns area dairy



Monte Carpenter (white shirt) shows Harley Sager, George Koffler Bill Broderick and others his dairy facility near Burns.

A tour of the Sunset Valley Dairy in Burns, called a "state-of-the-art" facility was attended by about 12 people from Heppner last week.

Interest in the dairy business has been prompted by Tillamook Dairy's announcement that they are establishing a dairy at the Port of Morrow. The tour of Sunset Valley was arranged by the Heppner Economic Development Committee.

The dairy is only several months old and was built by Monte and Mary Carpenter. The Carpenters moved to the Burns area from Silverton where they also operated a dairy.

The Carpenters are currently milking about 650 Holsteins at the facility, and they hope to increase that to between 1200 and 1400 in the future.

Monte Carpenter explained how lower feed costs in the Burns area

allows him to truck the milk about 150 miles to Payette Idaho for processing.

The whole facility is computerized with each cow having its own necklace with a computer device to monitor its milk output and other information.

The Carpenters milk twice per day and have two shifts to handle the milking. They are currently using 40 milking stations and are planning on adding 16 more.



The Heppner groups learns the details of the dairy business from Carpenter.



The dairy is currently milking about 650 mostly Holstein cows, shown here in their pens. The dairy is built on a hillside to aid in waste management.

### Lexington advisory questionnaire to be mailed October 6

The town of Lexington advisory questionnaire will be mailed to voters on Wednesday, October 6. The questionnaires were originally scheduled to go out October 4, but a change necessitated a delay.

The question concerning a change in the town city charter was removed from the questionnaire. The questionnaire will still include advisory issues

concerning a position on the city council and two water system questions.

The questionnaire asks Lexington voters which of two candidates, Bob Taylor or Glenn Anderson, they would like to see appointed to the Lexington City Council. Results of the council questionnaire are not binding. The mayor appoints the replacement to the vacant council seat.

The water project advisory questions will indicate to the council whether voters would approve expenditure of \$75,000

for a basic water project and \$45 for an additional water project.

The basic project will revamp the water distribution system, replacing small pipes with larger ones and replacing deteriorated pipes and valves.

The additional expenditure of \$45,000 will be to revamp the cistern at the airport and provide improvements on the wells. It would help alleviate water pressure problems in homes at higher elevations and will reduce maintenance on pipes that have to be repaired.

Mayor John Renfro said that voters may approve or reject either or both of the water system advisory questions.

The water system questions are advisory only and not binding, but rather advise the council as to the voters' preference.

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