

Sales tax proposed to fund hospital

**(KNZA)--A joint city/county advisory committee, that's been working to find solutions to assist the Hiawatha Community Hospital with its current financial crisis, has voted to recommend that financing for the hospital be provided through a 10-year county-wide ½ cent sales tax, which would require voter approval during a special election.**

**That came after the committee agreed Monday to a compromise offered by the hospital Board of Trustees to a recommendation that the hospital retain an independent management firm to run the hospital.**

**In its response to the recommendation, the Trustees said they felt there are significant challenges associated with such a move, and as an alternative, offered to work toward an affiliation with a regional health care provider. The Trustees said if the hospital was not able to develop an affiliation with a health system within a reasonable time, the hospital would seek proposals from management and consulting firms.**

**In response to another recommendation from the committee, the Trustees said they have directed Interim CEO John Broberg to work with an independent consultant to explore and, if the need arises, establish a rural health clinic in Horton. Broberg said the Trustees envision a clinic that will have scheduled patient appointments and will accommodate walk in patients as well.**

**Broberg said Monday the hospital is reducing the amount of financial support its seeking from \$5 to \$2 million up front. He said that will decrease that amount of interest expense and those funds will be available to the hospital for health care in the county.**

**Hiawatha City Administrator Mike Nichols, who serves as committee chair, said the next step is for the hospital is to go before the Brown County Commission to request approval of a resolution to hold a special election on the sales tax issue. That election is expected to take place in mid-June.**

**If approved by voters, the sales tax proceeds, estimated at \$600,000 to \$700,000 annually, would be used to pay off \$2 million in bonds that would be issued to provide funding for the hospital. Once the bonds are paid off, the sales tax proceeds would continue to support the hospital for the remainder of the 10-year period.**

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