

· MINUTES OF THE
FACILITIES COMMITTEE
of the
BOARD OF GOVERNORS
UNIVERSITY OF MINNESOTA HOSPITALS AND CLINICS

Meeting: Wednesday, June 20, 1979
11:30 a.m., Dining Room III

Present: Harry Atwood, Chairman
Dr. John Tiede
John H. Westerman
Mrs. Timothy Vann
Ms. Cheri Perlmutter
Tom Jones
Ms. Margaret Sandberg
Virgil Moline

Absent: Dr. Paul Quie
Dr. Michael Eisenberg
Dr. Joseph Resch
Clint Hewitt
Mrs. Jeanne Givens

Guests: Al Hanser
Ms. Sally Pillsbury

Staff: Johnelle Foley
Robert Dickler

1. University Hospitals Renewal Project Progress Report

Chairman Atwood asked Mr. Dickler to report to the Facilities Committee the results of the University Hospitals Renewal Project meeting with the Board of Regents on June 7 and 8, 1979.

Mr. Dickler reported that the Board of Regents took a tour of the physical facilities (primarily the Mayo Complex) on June 8th. The intent of the tour was to provide the Regents with some understanding of the scope of facilities which would be replaced through the Renewal Project and they concluded with a tour of the Dialysis Center as an example of a currently existing facility which would remain in its present location. Overall it was the opinion of the Hospital representatives on the tour that it was successful despite the time limitations imposed upon the tour by their unavoidable late arrival. It was noted that all of the Regents availed themselves of this opportunity to tour the facilities.

The actual presentation of the University Hospitals Renewal Project was made at a special meeting of the Committee of the Whole on June 8th in the Regents' Room. This presentation began at approximately 9:30 and lasted until approximately 12:15. The individuals who participated in the presentation included Dr. French, who provided an overview of the Hospitals Mission and Board involvement in the physical facility planning process; Mr. Westerman, who provided an overview of the Hospital Capital Planning Process and the Renewal Project; Dr. Najarian and Dr. Goltz, who provided Medical Staff insights in the planning for this project; and Vice-President Brown, who discussed the possible means of financing this project and the overall costs which are foreseen at this time. It was the general impression of those present at the presentation that there had been a misunderstanding by the Regents at the previous meeting regarding the actual request from the Board of Governors. A key emphasis of the presentation was the clarification that only approval to seek architect and program consultant services was being sought and not approval for the entire project.

There was considerable discussion by the Board of Regents regarding the cost of architectural and program consultant services to bring the project through design schematics. While some possible cost ceilings on those expenditures were discussed by the Regents, it was determined that it would be inappropriate at this time to set a specific dollar figure. The Regents determined that prior to finalization of contracts with program consultants and architects that these contracts should be reviewed by the Regents for final approval. It was noted that this approval may potentially cause a small delay in the acquisition of architect and program consultant services but it was the consensus of those at the presentation that mechanisms to facilitate this review and approval were possible and acceptable to the Regents.

Mr. Atwood further commented on the presentation and then noted that Chairman Moore had discussed with him the possibility of periodic joint meetings between the Board of Governors' Facilities Committee and the Board of Regents' Physical Plant and Investment Committee. This was discussed at some length by the Board of Governors' Facilities Committee with a general agreement that such joint meetings would be worthwhile and should be encouraged. It was therefore moved and approved by the Committee that Chairman Atwood communicate with Chairman Moore the desire of the Facilities Committee to participate in such joint meetings on a schedule to be determined jointly by the Board of Governors and the Board of Regents.

2. Five Year Projections - Certificate of Needs Projects

The Facilities Committee then turned to the second agenda item which was a review of the five-year projections for Certificate of Need Projects. Mr. Jones introduced this topic and noted that this information was being presented to the Committee at this time for information and initial discussion. It was noted that each of the specific items would be discussed in detail prior to the Certificate of Need process.

The Committee then reviewed each of the projects briefly and determined that several were familiar to them from previous discussions. It was also noted that the vast majority of projects which would require a Certificate of Need relate to the replacement of existing equipment which will exceed its useful life expectancy.

A question was raised by the Committee regarding the cost involved in the Certificate of Need process for each of these projects. It was noted by Mr. Jones that while some cost is involved, it is generally felt that minimal additional costs would be incurred other than potential increases resulting from inflation.

There being no further business before the Facilities Committee, it adjourned at approximately 1:00 p.m.

Respectfully submitted,


Robert M. Dickler

rmd/sm

Facilities Committee
of the
Board of Governors
University of Minnesota Hospitals

Meeting: Wednesday, May 16, 1979
11:30 A.M., Dining Room III
Called to Order: 12:10 P.M.
Adjourned: 1:20 P.M.

Present: Harry Atwood
John Tiede
Cheri Perlmutter
John Westerman
Paul Quie
Tom Jones

Absent: Timothy Vann
Clint Hewitt
Jeanne Givens
Joseph Resch
Michael Eisenberg

Guests: Al Hanser

Staff: Johnelle Foley
Bob Dickler
Ron Klemz

Minutes of the April 18, 1979 meeting were approved as mailed.

University Hospitals Renewal Project - Progress Report

Mr. Atwood commented on the discussion and recommendation of the Facilities Committee at the April 18 meeting to combine projects H and J into a single construction project. This recommendation was accepted by the Board of Governors and forwarded through Vice-President French to the Board of Regents.

Mr. Dickler and Mr. Westerman reported the action of the Board of Regents on May 10 and 11 regarding this recommendation. The item was extensively discussed at the Physical Plant and Investments Committee on May 10. A recommendation was made by this

committee to the full Board of Regents on May 11 to proceed with the combined project. The proceed recommendation was deferred for one month by the full Board to permit time for the Regents to refamiliarize themselves with the project. Chairman Moore will arrange the mechanism to permit this briefing.

Mr. Atwood stated that the Facilities Committee and staff would be prepared to provide the necessary background and briefing information so that the project could proceed as expeditiously as possible.

1979-80 Annual Equipment and Remodeling Budget

Mr. Jones, Mr. Van Hulzen and Mr. Klemz presented the 1979-80 budget recommendations using a briefing information memorandum. Discussion included:

- a) The proposed budget falls within preplanning target figures.
- b) The equipment budget represents 2.8% of the proposed operating budget.
- c) The usual extensive review process was used including review by the Program Committee of the Clinical Chiefs.
- d) The equipment budget, adjusted for extraordinary items such as the linear accelerator in 1978-79 and the C.A.T. scanner in 1979-80, has remained consistently at the 2.1 million level for the past three years. The annual renovation budget has remained at historic spending levels as well.
- e) Three Certificate of Need Items, those exceeding \$100,000 in cost, are part of this budget.
- f) The budget was reduced by \$400,000 compared with total requests and does not include yet to be defined requirements for the proposed bone marrow transplantation and pediatrics intensive care programs.

After discussion, a motion was made by Dr. Tiede and seconded by Dr. Quie to recommend this budget for approval to the Board of Governors. The motion passed unanimously.

Planning Staff Report

Tom Jones commented that architectural development on the clinical laboratory project was moving ahead. This includes renovation of vacated business office and admissions space on the second floor of the Mayo building and completion of shelled space in Unit BC. Schematic development drawings and cost estimates will be brought to the Committee for review and recommendation in the fall.

TJ:jmm

UNIVERSITY OF MINNESOTA
HOSPITALS AND CLINICS

Proposed Annual Equipment
and Remodeling Budget

Fiscal Year 1979-80



UNIVERSITY OF MINNESOTA
TWIN CITIES

University Hospitals and Clinics
420 Delaware Street S.E.
Minneapolis, Minnesota 55455

May 8, 1979

TO: Facilities Committee, Board of Governors
FROM: Hospitals Planning and Operations Staff
SUBJ: Proposed Annual Equipment and Renovation
Budget, Fiscal Year 1979-80

The long range financial plan of the Hospitals and Clinics has established the following as pre-planning objectives for the 1979-80 annual equipment and renovation budget:

Annual Equipment Budget: \$3,000,000
Annual Renovation Budget: \$ 500,000

These target figures are based upon:

- (a) Analysis of historic capital requirements
- (b) Adjustment of historical trends to reflect "extraordinary" equipment needs as identified in the five year equipment plan
- (c) Consistency with industry standards of annual equipment expenditures equaling 2.5 - 4.0% of the annual operating budget.

The proposed 1979-80 capital budget falls within the pre-planning guidelines.

	<u>Pre-Planning Guidelines</u>	<u>Proposed Budget</u>
Annual Equipment Budget:	\$3,000,000	\$2,932,835
Annual Renovation Budget	\$ 500,000	\$ 421,625

The equipment budget figure represents 2.8 percent of the operating budget.

Budgeting Process
Annual Capital Equipment
and Remodeling Budget

Step:

1. Hospital/clinical departments identify needs and recommend budget items. Pre-planning target figures reviewed by General Director's Group.
2. Administrative staff review.
3. Certificate of Need items reviewed by Program Committee, Clinical Chiefs
4. General Director's Group Review
5. Facilities Committee Review
6. Board of Governors Review

SUMMARYAnnual Equipment Budget 1979-80

Equipment budgets are "zero based" and it is therefore difficult to draw conclusions from a year to year comparison. However, comparisons do help illustrate capital requirement trends.

<u>1976-77</u>	<u>1977-78</u>	<u>1978-79</u>	<u>Proposed 1979-80</u>
\$1,612,405	\$2,138,924	\$3,383,800*	\$2,932,835

*Includes \$1,050,000 Linear Accelerator project-Radiation Therapy

SUMMARYAnnual Renovation Budget 1979-80

Although renovation budgets are "zero based", historical comparison does illustrate the constant requirements of this type of expenditure.

<u>1976-77</u>	<u>1977-78</u>	<u>1978-79</u>	<u>Proposed 1979-80</u>
\$476,373	\$343,290	\$497,100	\$421,625

The annual renovation budget is developed and based upon the following principles:

- a) Highest priority is given to expenditures which will have a positive effect on direct patient care and/or are regulatory agency required.
- b) Renovation in areas which will be moved to new clinical facilities must be acutely essential and/or minor in scope.

Proposed 1979-80
Capital Budget-Equipment

Description of Budget Composition

The equipment budget is composed of 842 individual items, plus 3 items which will require Certificate of Need approval. Twenty-nine (29) of the 842 items cost \$10,000 or more individually. These items total \$805,088 at an average cost of \$27,762. The remaining 813 items (842 minus 29) have an average cost of \$1,141 per item and these items total \$927,747.

Items \$10,000 or more (29)	\$ 805,088
Items less than \$10,000 (813)	927,747
Sub-total.....	<u>\$1,732,835</u>
Certificate of Need Items	\$1,100,000
Contingency	100,000
Proposed 1979-80 Equipment Budget...	<u><u>\$2,932,835</u></u>

Following is a breakdown of the equipment budget by department/functional groupings (excluding Certificate of Need items):

<u>Department</u>	<u>#Equipment Items</u>	<u>Average Cost/Item</u>	<u>Budget Amount</u>
Nursing Services	67	\$1,036	\$ 69,405
Operating Room/Anesthesiology	111	1,200	133,193
Laboratories	99	5,167	511,524
Outpatient Clinics	53	1,018	53,944
Rehabilitation Center	11	1,289	14,180
Respiratory Therapy	41	3,037	124,500
Therapeutic Radiology	9	2,232	20,092
Medical Records	24	2,090	50,159
Pharmacy	21	2,117	44,450
Material Services	60	1,912	114,700
Psychiatry/Clinical Psychology	34	392	13,330
Diagnostic/Nuclear Medicine	35	8,682	303,870
Environmental Services - Laundry/Linen	131	849	111,250
Nutrition	78	177	13,775
Business Office/Accounting	6	1,090	6,540
Patient Monitoring	23	4,567	105,050
Bio-Medical Engineering	3	3,667	11,000
Infection Control	12	903	10,837
Administrative Services	24	877	21,036
	<hr/>	<hr/>	<hr/>
All departments....	842	\$2,058	<u>\$1,732,835</u>

Description of Equipment \$10,000 or More

1. Operating Rooms/Major Operating Room Table (\$10,000)- Replacement.
2. Medical Word Processing Center/Central Dictation System (\$41,475) - Replacement
The current system components (8 dictation units) are five years old and have operated 24 hours a day, 7 days a week. Each unit records 100-250 reports a day during the week, and 50 per day on weekends. System has worn out.
3. Labs/Fetal Lung Maturity Analyzer (\$14,000) - New Equipment.
This instrument measures the degree of fetal lung maturity. False positive results for fetal lung maturity can lead to the premature delivery of infants with the consequent development of respiratory distress syndrome, which has a high mortality rate. This new instrument will result in fewer false positive results and is less time consuming (1/2 hour versus 3 hours for the current method) and therefore, could lead to reduced cost and improvement of care provided to patients.
4. Labs/Dupont ACA II (\$76,160) - New Equipment.
This instrument will increase the automation in the handling of specimens. Purchase of this machine will eliminate the need to hire an additional medical technologist, resulting in a projected net cost benefit (savings) of \$1384 per year.
5. Labs/Blood Gas System (\$30,800) - Replacement. Current system has extensive down-time and repair expenses. The computer interface of the replacement system will provide more rapid emergency test results to nursing stations.
6. Labs/Gamma Counter (\$23,000) - Replacement.
Because of current equipment which has worn out, counting capacity has decreased by 25%. During the past year the gamma counting workload has increased 20% and an efficient replacement machine is required.
7. Labs/ABA - 100 Analyzer (\$19,000) - Replacement. This machine will replace an analyzer purchased in 1966. Because of reduced personnel time, purchase of this machine is projected to result in a \$400 per year net cost benefit.
8. Labs/ABA-100 Analyzer (\$19,200) - New Equipment.
An additional instrument is needed to provide sufficient service on chemistry test procedures.

9. Labs/AutoMicrobic System (\$49,500) - New Equipment.

This machine is the first major technological step in microbiologic automation, and can automate urine cultures (2000-3000 tests/month) and biochemical identification of gram negative bacteria (100 tests/month). Currently these two tests require approximately 400 technologist-hours/month, plus test results are available the same day, not the 1 to 2 days currently required. Because of reduced personnel time required with this instrument it is projected that there will be a net cost benefit of \$8,945 per year.
10. Lab/High Pressure Liquid Chromatography Apparatus (\$12,405)-
New Equipment.

This instrument is needed to implement more accurate, faster methods for measuring antibiotic levels. Current workload in this laboratory requires 125 tests per month temporarily performed by the services of an outside laboratory. This is deemed inadequate with regard to quality control. Because of projected increased revenue, purchase of this instrument is expected to result in a net cost benefit of \$7,260 per year.
11. Labs/Scintillation Counters (\$27,000) - Replacement

Current 2 instruments fail 10 times per week. These problems have caused an increase of about 15% in technical time required to process cultures, as well as delays in getting donor selection test results to physicians.
12. Labs/Liquid Nitrogen Refrigerator (\$13,200) - New Equipment

Tests for the assessment of donors and recipients for kidney and bone marrow transplantation requires an extensive library of cells properly frozen so as not to deteriorate. The equipment will eliminate an extreme shortage of space for frozen cells.
13. Labs/Ultramicrotome (\$10,500) - Replacement.

This instrument will replace equipment purchased in 1962, and is used to cut the sections to be viewed with an electron microscope.
14. Labs/Zeiss Microscope (\$11,193) - Replacement

This purchase will replace a ten-year old microscope.
15. Pharmacy/Modular Shelving Systems (\$20,000) - New Equipment

This purchase provides for storage of medications and processing of orders for the satellite pharmacy program.

16. Respiratory Therapy/Ear Oxymeter (\$11,000) - New Equipment
The hospitals are treating an increasing number of patients with acute respiratory failure. A means of rapidly measuring oxygen saturation is required to maintain homeostasis and avoid oxygen toxicity.
17. Materials Services/Steam Sterilizer (\$44,455) - Replacement
Existing unit has approached the end of its useful life. Unit is used to sterilize medical/surgical instruments.
18. Environmental Services/Solid Waste Compactor (\$43,000) - New Equipment.
Because of changes of policy in the metro area with regard to solid waste, and because of increasing volume in solid waste at University Hospitals, a solid waste compactor is needed.
19. Kidney Dialysis/Millipore System (\$11,000) - Replacement.
This machine removes impurities from water used in the process of dialysis.
20. Kidney Dialysis/Foam Detector (\$10,500)-Replacement
The instrument detects minute air bubbles and prevents them from entering the patient's bloodstream during dialysis.
21. Diagnostic Radiology/2 Overhead Suspended Xray Tubes (\$52,000) - New Equipment
The primary function of ceiling mounted tubes is to obtain radiographs with the patient on his side. Existing tubes are coupled to the tables and cannot serve in this capacity. The patient side view is the single most important view for some cancer detection procedures.
22. Diagnostic Radiology/Portable Xray Unit (\$27,000) - New Equipment.
A portable unit is needed to adequately serve patients in conjunction with ambulatory surgery.
23. Diagnostic Radiology/Mobile Xray Film Storage System (\$60,000) - New Equipment.
This system provides enhanced personnel efficiency in storing and retrieving of films. In addition the system requires less floor space than a fixed-shelf system.
24. Diagnostic Radiology/Abdominal Scanner (\$15,000) - Enhancement of existing equipment system. The addition of this component to the existing system will result in more versatile procedures, permitting visualization of otherwise "blind areas", plus permitting more rapid scanning.

25. Diagnostic Radiology/Small Vessel Scanner (\$90,000) - Enhancement of existing equipment system.
This component provides the ideal survey method to detect anatomic and physiological defects on a non-invasive basis. It enables early detection of arterial lesions without resorting to an invasive arteriogram.
26. Diagnostic Radiology/Heart Catheterization Injector (\$10,500) - Replacement.
This machine automates the rapid injection of dye into heart and blood vessels to be seen on x-ray movies.
27. Nuclear Medicine/Automatic Scintillation Counting System (\$22,000) - Replacement.
This device will replace an obsolete unit purchased over 10 years ago, and permits the sequential counting of gamma rays emitted from radioactivity.
28. Nuclear Medicine/Multiformat Image (\$10,000) - Replacement
Replacement parts for existing equipment can no longer be obtained. The device permits multiple images to be acquired on film.
29. Patient Monitoring/Intra Aortic Balloon Pump (\$20,000) - Equipment Addition
Another machine is needed to handle the demand for this machine. The balloon pump is used with patients after heart surgery and assists the heart in pumping blood until the patient is more fully recovered.

Fiscal Year 1979-80

Certificate of Need Equipment

1. Diagnostic Radiology/CAT Scanner (855,000: Equipment \$785,000 + Remodeling \$70,000) - Replacement.

The Department of Radiology currently has two computerized tomographic scanners. The first is an original translate-rotate type of machine with a scanning time of 4-1/2 minutes for the head and 6 minutes for the body. This length of time allows artifact from patient motion in a large number of cases, severely degrading the quality of the image. In addition, the spatial and contrast resolution are inferior to resolution found in equipment made currently.

The second unit is primarily a research unit on loan from Pfizer, Incorporated. This machine has a shorter scanning time but patient motion remains a problem.

New equipment can scan in approximately five seconds with marked increase in spatial and contrast resolution. Very small lesions can easily be seen. In sum, the new high resolution scanners represent a significant advance in diagnostic precision.

2. Nuclear Medicine/Scintillation Camera (\$110,000)-Replacement.
The replacement of the current equipment with a new unit will provide the state-of-the-art device for imaging the distribution of radioactivity. This camera permits the study of distributions of radioactivity that are relatively fixed (i.e., liver or lung scan) or those distributions which are rapid (i.e., cardiac function, or renal blood flow).
3. Diagnostic Radiology/Urological X-ray Table (\$135,000: Equipment \$130,000 + Remodeling \$5,000) - Replacement.
Existing equipment can no longer be maintained in a satisfactory operating status. This table will be used primarily for urodynamic studies and has features which are directed toward reducing the radiation dosage to the patient and are considered essential.

Proposed 1979-80
Capital Budget-Remodeling

Description of Budget Composition

The proposed budget for 1979-80 is \$421,625 and is comprised of 82 projects. Eleven (11) of the projects have costs of \$10,000 or more. These projects average \$24,710 each and comprise \$271,805 of the proposed total budget. The remaining 71 projects (82 minus 11) total \$149,820 and average \$2,110 per project.

Projects \$10,000 or more (11)	\$271,805
Projects less than \$10,000 (71)	149,820
Total Proposed Remodeling Budget...	<u>\$421,625</u>

Following is a breakdown of the budget by department/functional groupings:

Nursing	\$ 57,900
Operating Rooms/Anesthesiology	690
Laboratories	34,900
Outpatient Clinics	10,050
Rehabilitation Center	5,450
Medical Records	150
Pharmacy	25,000
Materials Services	32,000
Psychiatry/Clinical Psychology	3,000
Computer/Management Services	11,000
Diagnostic/Nuclear Medicine	17,050
Environmental Services/Laundry Linen	13,330
Nutrition	52,605
Patient Monitoring	9,000
Administrative Services	1,000
Physical/Building Systems	138,500
Pre-Planning Studies	10,000
Total Proposed Remodeling Project...	<u>\$421,625</u>

Description of Projects \$10,000 or More

1. Masonic Galley (\$44,805) - Renovation of former dishwashing area to create modern galley consistent with other galley facilities in the hospital.
2. Autopsy Entrance (\$10,000) - The current entrance area to the autopsy lab is in close proximity to the Radiation Therapy waiting room. Remodeling would eliminate program incompatibilities.
3. Birthing Room (\$45,000) - Increasing demand of obstetrical services, especially delivery rooms with a "home-like" environment, creates the need for this project.
4. Low Temperature Freezer Alarm System (\$10,000) - Tissue samples stored for years in laboratory freezer would be destroyed if temperature rises to a certain level, which could happen due to freezer malfunction or a localized interruption of the power supply.
5. Remodel Public Restrooms (\$10,000) - This project will convert the public restrooms on main floor of Mayo Building to handicap accessible facilities.
6. Remodel Former Respiratory Therapy Area (\$20,000) - Minor remodeling for changing occupancy plus alterations to meet code requirements.
7. Mayo - Main Lobby/Coffee Shop (\$50,000) - This project will provide the appropriate level of fire protection.
8. Remodel Areas for Satellite Pharmacy Program (\$25,000) - Conversion of space to accommodate pharmacy areas throughout the hospitals.
9. Remodel Areas for Linen Exchange Program (\$10,000) - Conversion of existing linen storage areas to accommodate an exchange cart system.
10. Installation of Cool-Shadow Screens (\$27,000) - Installation of such screens results in energy conservation.
11. Remodel Areas for Medical Supply Exchange Systems (\$20,000) - Conversion of existing supply rooms to provide increased manpower efficiency in the provision of supplies to nursing stations.

Facilities Committee
of the
Board of Governors
University of Minnesota Hospitals

Meeting: Wednesday, April 18, 1979
11:30 a.m. Dining Room III
Called to Order: 12:00 Noon
Adjourned: 1:20 p.m.

Present: John Tiede
Timothy Vann
Cheri Perlmutter
Robert Dickler
John Westerman
Paul Quie
Clint Hewitt
Jeanne Givens
Joseph Resch
Tom Jones

Absent: Harry Atwood
Michael Eisenberg

Guests: Al Hanser
Sally Pillsbury

Staff: Johnelle Foley
Lee Larson
Ron Klemz
Diane Banta

Minutes of the March 21 meeting were amended to read, under the heading Unit "H": "Schematic cost estimates on Unit "H" etc.....". The minutes were approved as amended.

Discussion of Long Range Plan - Status of KEH-J

Mr. Westerman reviewed the historical context of the two phased replacement projects and outlined the review process. He stated that there was consensus among both Hospital and University staff to recommend combining the two phases into a single replacement project. This recommendation is made as a result of the following factors:

- a) Construction of Phase I would have an interruption impact on ongoing operations - in particular - the operating rooms.
- b) Since the two phase replacement strategy was adopted the public understanding of need to replace our physically outmoded facilities has increased beyond all earlier expectations.

- c) The combining of the two phases into one on the Powell Hall site will provide opportunities for improved design and functional relationships over the phased approach.
- d) The combining of the two phases could result in the ability to complete the long range plan in an earlier time-frame and enhance the probability of achieving all elements of the long range plan.

The Central Officers Group of the University, the Council of Clinical Chiefs and the Hospital Planning Steering Committee all concur in this recommendation.

The major disadvantage of the recommendation is a 2-1/2 - 4 year delay in providing replacement facilities for operating rooms, surgical intensive care units, PAR and pediatric beds. Therefore, interim accommodations to alleviate existing facility deficiencies are being explored.

Dr. Paul Quie underlined the disappointment of the pediatric faculty at the delay and reemphasized the need to work out interim solutions.

The Hospitals foresees no difficulty in the Metropolitan Health Board's acceptance of this change. A Certificate of Need would probably be submitted in the summer of 1980.

The following motion was made by Dr. Tiede, seconded by Ms. Givens and approved by the Committee after discussion.

"The Facilities Committee recommends that the University Hospitals' Capital Development Program be amended to proceed with a single construction project which includes both Unit H and J program elements. In so recommending, the Committee requests that every consideration be given to early completion and interim remodeling of pediatrics, intensive care and operating rooms, recognizing the critical needs of these programs."

Annual Remodeling and Equipment Budget

Mr. Ron Klemz informed the Committee that recommendations for next year's annual budget would be made at the May meeting.



UNIVERSITY OF MINNESOTA
TWIN CITIES

University Hospitals and Clinics
420 Delaware Street S.E.
Minneapolis, Minnesota 55455

MEMO

TO: University of Minnesota Hospitals and Clinics Board of Governors
Facilities Committee
Harry Atwood, Chairman

FROM: John H. Westerman, General Director
University of Minnesota Hospitals and Clinics

John H. Westerman

SUBJECT: Unit H Reassessment

DATE: April 12, 1979

As you are aware, a review of the Unit H project was initiated in late February, 1979, when cost estimates and schematics were completed. The intent of this reassessment was threefold:

1. To review the cost estimates, functional layouts, operational impact, external review implications, etc., of the Unit H project.
2. To reconsider the advisability of continuing to proceed with a two-phased construction scenario (i.e. Unit H and Medical/Surgical Replacement) vs. a partial or total incorporation of the Unit H program elements into the Medical/Surgical Replacement project.
3. To assess the financial feasibility of the various options considered above.

The reassessment has now been completed and extensively discussed by the Medical/Surgical Replacement Project (MSR) Executive Committee (Mr. Hanser, Dr. French, Mr. Brown, Dr. Kegler, Mr. Westerman), the Council of Chiefs of Clinical Services, and Health Services Administration. All of these groups have concluded that it would be inadvisable to continue with the planning and construction of Unit H and that the program elements of Unit H and the Medical/Surgical Replacement Project should be incorporated into a single capital project.

In reaching these conclusions, primary consideration has been given to the selection of a planning and construction process which would permit the institution, short and long range, to effectively fulfill its mission within its capital financing capabilities. It was determined that while the Unit H project would more quickly deal with the present program deficiencies of O.R., PAR, SICU, and Pediatrics, their incorporation into a single project would more effectively permit the functional integration of all activities and minimize the construction impact on daily Hospital operations.

Preliminary analysis indicates that the construction of an expanded Medical/Surgical Replacement Project can be completed by mid-1986. This schedule would delay the completion of Unit H components from 2-4 years but the total scope of new construction should be completed in a shorter time-frame since the potential sequencing problems arising from separate Unit H and MSR projects would be eliminated. The impact on total capital costs of separate Unit H and MSR projects, as well as a combined project, are heavily dependent on the duration of total construction and remodeling. Debt capacity studies indicate, however, that the currently defined costs of a single capital project can be financed if new construction is completed in 1986. In addition, functional and operating advantages of proceeding with one project would probably offset variations in final cost.

In conclusion, Unit H was conceived as a separate project at a time when the feasibility and probability of proceeding with the MSR project was in doubt. The recent analysis of debt capacity and reviews of the Unit H and MSR project by various groups indicates that the simultaneous development of facilities for the majority of University of Minnesota Hospitals and Clinics' programmatic needs is now both feasible and practical. These changed circumstances have led all the groups noted above to the conclusion that the advantages of a single construction project should now be adopted.

We would request that both the Facilities Committee and the Board of Governors consider the recommendation and, if at all possible, make a determination at the April meeting regarding the adoption of a single facility planning and construction process. Thank you.

cc: Albert Hanser - Chairman, Board of Governors
MSR Executive Coordinating Committee

John Najarian, M.D. - Chairman, Council of Chiefs of Clinical Services

Paul Winchell, M.D. - Chief of Staff

rmd/sm

M O T I O N
FROM
THE FACILITIES COMMITTEE
TO
THE BOARD OF GOVERNORS
UNIVERSITY OF MINNESOTA HOSPITALS
APRIL 18, 1979

The Facilities Committee recommends that the University Hospitals capital development program be amended to proceed with a single construction project which includes both Unit H and J program elements. In so recommending, the Committee requests that every consideration be given to early completion and interim remodeling of pediatrics, intensive care, and operating rooms, recognizing the critical needs of these programs.

Minutes

Facilities Committee
of the
Board of Governors
University of Minnesota Hospitals

Meeting: Wednesday, March 21, 1979
12:00 Noon - Dining Room III
Called to Order: 12:30 p.m.
Adjourned: 1:25 p.m.

Present: Harry Atwood
John Tiede
Timothy Vann
Cheri Perlmutter
Robert Dickler
Johnelle Foley
Tom Jones
Joseph Resch

Absent: Clint Hewitt
Jeanne Givens
Michael Eisenberg

Staff: Ron Klemz, Lee Larson, Diane Banta

Unit "H" - Tom Jones

Bids on Unit "H" came in higher than expected and as a result the impact of the entire project is being re-evaluated.

Presentation to the Board of Regents has been delayed until our April 1979 meeting to allow time to complete a review of architectural, programmatic and debt capacity consequences.

Mr. Lee Larson also presented a slide and schematic review of the Unit "H" project.

Capital Budget - Ron Klemz

Mr. Klemz presented a report of last fiscal year's capital expenditure. (see handout)

B-C Move - Robert Dickler

Mr. Dickler reported that all clinics are now open. Ambulatory surgery and EKG will open shortly. The move from Mayo Building into B-C went extremely well.

Operating Capital Budget
July 1, 1977 to June 30, 1978

	<u>Equipment</u>	<u>Remodel</u>	<u>Total</u>
<u>Budget</u>			
Carry forward	566,537	651,137	1,217,674
1977-78 budget	2,138,924	343,290	2,482,214
Total budget....	2,705,461	994,427	3,699,888
 <u>Activity</u>			
Expenditures	1,338,873	474,726	1,813,599
Encumbrances	560,448	151,973	712,421
Total activity....	1,899,321	626,699	2,526,020
 Sub-total	 806,140	 367,728	 1,173,868
Less: Est. cost to complete	561,629	335,000	896,629
	244,511	32,728	277,239(1)

(1) This amount equals 7.5% of total budget.

Minutes

Facilities Committee
of the
Board of Governors
University of Minnesota Hospitals

Meeting: Wednesday, March 21, 1979
12:00 Noon - Dining Room III
Called to Order: 12:30 p.m.
Adjourned: 1:25 p.m.

Present: Harry Atwood
John Tiede
Timothy Vann
Cheri Perlmutter
Robert Dickler
Johnelle Foley
Tom Jones
Joseph Resch

Absent: Clint Hewitt
Jeanne Givens
Michael Eisenberg

Staff: Ron Klemz, Lee Larson, Diane Banta

Unit "H" - Tom Jones

Bids on Unit "H" came in higher than expected and as a result the impact of the entire project is being re-evaluated.

Presentation to the Board of Regents has been delayed until our April 1979 meeting to allow time to complete a review of architectural, programmatic and debt capacity consequences.

Mr. Lee Larson also presented a slide and schematic review of the Unit "H" project.

Capital Budget - Ron Klemz

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B-C Move - Robert Dickler

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MINUTES

Facilities Committee
of the
Board of Governors
University of Minnesota Hospitals

Meeting: Wednesday, December 13, 1978
10:00 A.M., Dining Room III
University Hospitals
Called to Order: 12:20 P.M.
Adjourned: 11:28 P.M.

Present: Dr. John Tiede
Mr. Clint Hewitt
Ms. Jeanne Givens
Ms. Timothy Vann
Mr. Tom Jones
Dr. Joseph Resch
Mr. Bob Dickler
Ms. Johnelle Foley
Ms. Cheri Perlmutter

Absent: Dr. Michael Eisenberg
Mr. John Westerman

Guests: Dr. Eugene Gedgudas
Mr. Tom Stone

Staff: Mr. Ron Klemz
Mr. Lee Larson
Ms. Diane Banta

KEH Project

Lee Larson reported that final schematics on the KEH Project will be ready at the January meeting.

B-C Update

Bob Dickler reported the following:

A. Building Occupancy

- (1) Various departments have been moving in since December 13, 1978, such as ENT, Medical Records, etc.
- (2) Medical transport system is now operational and should come into the hospital by the week of December 18.
- (3) Rest of the facilities will be ready for operation by February 1979.

- B. Preliminary investigation into providing Oncology Clinic module within Unit B-C is now underway.

Warehouse

Ron Klemz reported that warehouse construction has been completed and the new facility would be fully operational sometime in January 1979.

Diagnostic Radiology Equipment Replacement

Dr. Eugene Gedgaudas presented a report requesting that funds budgeted for replacement equipment be approved for expenditure at this time to acquire that equipment.

Existing equipment was acquired in 1966, has reached the end of its useful life, and is used extensively to perform radiographic/fluoroscopic procedures necessary for diagnostic urology work.

This equipment is budgeted for and expected to cost \$200,000. The actual cost will be determined by competitive bidding.

Motion: Made by Dr. John Tiede, seconded by Dr. Resch, and carried unanimously that

"the Facilities Committee recommends to the Board of Governors that they approve the acquisition and installation of replacement radiographic/fluoroscopic equipment in Room B-212 for the Department of Diagnostic Radiology. The estimated cost of \$200,000 has previously been provided in the approved long range capital expenditure cash flow program."