

**COUNCIL ACTION REQUEST**

**DATE:** February 18, 2016

**SUBJECT:** Request to reallocate CIP Funding

**RECOMMENDATION:** It is respectfully requested the City Council consider the following recommendation:

Approve reallocation of Capital Improvement Program funding for Thin Clients and now use it for the new City Council and staff tablets in the amount of \$18,000 and purchase of a Document Management System in the amount of \$41,000.

**BACKGROUND:**

**Tablet Replacement:**

The current tablets that Department Directors and Council Members have are presently 4 years old and in need of replacement. The Council members requested the units be updated at the 2015 Budget meeting. When asked if funding was needed the IS Coordinator noted he did not have a quote in place at that time since the expected replacement was 2017 and that alternate funding could be arranged. The new tablets will ensure that the same devices will be used by everyone.

**Document Management:**

The City does not have an electronic document management system. Staff has brought this forward in past years, but it was never acted upon. One of City Administrator Kruse's goals is to get a system in place to begin to scan all documents and as time allows scan the historical documents which are required to be retained in compliance with the State Records Retention Schedule. Currently, many of the City's historical documents are stored in unsecured areas where a broken water pipe, fire or some other disaster could destroy them. A good example not too long ago was when the City of Roseau's City Hall flooded and they lost many of their records. They thought it would never happen, but it did.

A primary function of an electronic document system is the ability to be portable, so that if City Hall was damaged or not accessible, the City could set up business in another location and have a fairly seamless transition. Eventually, the City will migrate to a more paperless system. The system allows for access rights to be granted, and many cities grant access to certain records such as minutes over the internet to the public. The City has over a million documents stored in various locations. Many progressive cities have been doing this for the past fifteen years, so we have the benefit of selecting a system used by hundreds of other cities and counties around Minnesota and learning from their past experiences.

A document management system would ensure that the correct retention periods for files and documents would be in place and keep the City in compliance as each file can contain a purge date, so staff can destroy documents after the designated destruction date. Almost all of the City's financial documents, agreements and

meeting minutes prior are still on paper. This means that there is no backup copy and all documents would be lost in the event of disaster or damage.

**FINANCIAL CONSIDERATION:** Funds are available in the CIP for this expense. There is a cost payback for the City. For example, (1 a long-time retired employee wants something from their employment file. Right now, staff would have to dig through boxes of records in the bowels of the basement and find it. With the new system, you can search the records like you would the internet, right click and email them the document while they are still on the phone. Example 2) a Department Director wants to find out what he paid for an item. Right now they would probably call the Finance Department, interrupt them and have them look it up. With the new system the Director would have read-only access to those invoices and they could find them by doing a word search. If they needed to send the document to someone, just right click and send. Freeing up records storage space is also a savings. The system is easy and simple and it saves time and money.

\$18,000 for new tablets

\$41,000 for a Document Management System

**LEGAL:** The system meets the State Records Retention storage requirements.

**Department/Responsible Party:** Ross Smeby, IT Coordinator

**Reviewed by:** Larry Kruse, City Administrator

## Lenovo Yoga

Prepared for:

**City of Willmar**  
 Attn: Ross Smeby  
 333 6th St. SW  
 Willmar, MN 56201

Prepared by:

**High Point Networks, LLC**  
 Chris Reep  
 Direct: 701-282-6459  
 chris@highpointnetworks.com



## Yoga - 15 inch

Qty	Item	Description	Price	Ext. Price
16	20DQ0082US	Lenovo ThinkPad Yoga 15 20DQ - Ultrabook - Core i7 5500U / 2.4 GHz - Windows 10 Pro 64-bit - 8 GB RAM - 256 GB SSD TCG Opal Encryption 2 - no optical drive - 15.6" IPS touchscreen 1920 x 1080 ( Full HD ) - Intel HD Graphics 5500 - 802.11ac - graphite blac	\$1,088.00	\$17,408.00

Subtotal: \$17,408.00

## Top Load Cases

Qty	Item	Description	Price	Ext. Price
16	VNAI-215BLACK	Case Logic 15.6" Top Loading Laptop Case - Notebook carrying case - 15.6" - black	\$22.00	\$352.00

Subtotal: \$352.00

## Quote Summary

Description	Amount
Yoga - 15 inch	\$17,408.00
Top Load Cases	\$352.00

Total: \$17,760.00

For questions related to your quotation, please contact us using the information above. By signing below, the undersigned accepts High Point Networks Master Service Agreement and represents that he or she is authorized to execute the agreement on behalf of the customer. Acceptance of the quote online is considered acceptance of an offer and binding. All quotes are subject to shipping costs that may not be listed on the quote. Prices quoted are valid for 30 days from Quotation Date. Limitation of Liability for Consequential Damages. High Point Networks, LLC shall not be liable for any indirect, incidental, consequential, exemplary, or punitive damages of any kind or nature. All IP Telephony and projects exceeding 10 hours of service will require a 50% down payment of the total project due upon acceptance of the quotation and the remainder due within 30 days of completion. Payment for all other orders are due in 30 days subject to credit approval. Credit card usage as a form of payment may be accepted on pre-approval basis and may be subject to a convenience fee. "Optional" items on the above quote are not included in the total pricing at the bottom of the quote. Note: Once product is ordered and shipped there is NO right of return and may be subject to a restocking fee. Product cannot be returned if ordered in error. Product cannot be returned if next generation product has been released.

Signature \_\_\_\_\_

Date \_\_\_\_\_

OPG-3, Inc.

2020 Silver Bell Road Suite #20  
Eagan, MN 55122-1050  
(651) 233-5075



## SALES QUOTE

ADDRESS  
Ross Smeby & Larry Kruse  
City of Wilmar  
333 6th St SW  
Wilmar, MN 56201

SALES # 1067  
DATE 02/09/2016  
EXPIRATION DATE 03/08/2016

SALES REP  
Scott Dieltz

ITEM	QTY	RATE	AMOUNT
<b>MSE10</b> Laserfiche Avante Server for SQL Express with Workflow	1	1,500.00	1,500.00
<b>MNF16</b> LF Avante Full Named User with WebAccess	9	600.00	5,400.00
<b>MATX16</b> Advanced Audit Trail	9	100.00	900.00
<b>MFRM</b> Laserfiche Forms	9	50.00	450.00
<b>MCNC</b> Laserfiche Connector	9	25.00	225.00
<b>MCQ01</b> Laserfiche Quick Fields	1	595.00	595.00
<b>MCQC4</b> Laserfiche Barcode and Validation Package	1	1,695.00	1,695.00
<b>MCQ05</b> LF QF Real Time Lookup & Validation ( Real Time, Pattern Matching)	1	595.00	595.00
<b>MCS01</b> Laserfiche ScanConnect	2	165.00	330.00
<b>MSE10B</b> LF Avante Server SQL LSAP, Billed Annually	1	300.00	300.00
<b>MNF16B</b> LF Avante Full Named User with WebAccess LSAP, Billed Annually	9	120.00	1,080.00
<b>MATX16B</b> Advanced Audit Trail LSAP, Billed Annually	9	20.00	180.00
<b>MFRMB</b> LF Forms LSAP, Billed Annually	9	10.00	90.00
<b>MCQ01B</b> LF Quick Fields LSAP, Billed Annually	1	120.00	120.00
<b>MCQC4B</b> LF Barcode and Validation Pkg LSAP, Billed Annually	1	340.00	340.00
<b>MCQ05B</b> LF QF Real Time Lookup & Validation Pattern Matching, LSAP billed annually	1	120.00	120.00
<b>MCS01B</b> LF ScanConnect LSAP, Billed Annually	2	34.00	68.00

ITEM	QTY	RATE	AMOUNT
<b>MCNCB</b> LF Connector LSAP, Billed Annually	9	5.00	45.00
<b>Labor</b> LF Initial Install (taxable)	1	175.00	175.00
<b>LabSoftw</b> New System Install, new user & admin training	1	1,475.00	1,475.00
<b>DRM160II</b> Canon DRM160II Scanner - drop ship	1	913.22	913.22
<b>DRG1100</b> Canon DRG-1100 Scanner - drop ship	1	4,320.62	4,320.62
<b>MCA01</b> Laserfiche Import Agent	1	1,495.00	1,495.00
<b>MCA01B</b> LF Import Agent LSAP, Billed Annually	1	390.00	390.00
<b>MPP1</b> Laserfiche Starter Public Portal	1	15,000.00	15,000.00
<b>MPP1B</b> LF Starter Public Portal LSAP, Billed Annually	1	3,000.00	3,000.00

\*\* Upon purchase 50% down is required to order the new Laserfiche system, and balance due upon completion of install. (plus sales tax if applicable) \*\*If tax exempt, please provide OPG3 with your Tax Exempt Certificate. Thank you!

TOTAL

**\$40,801.84**

OPTIONAL: CANON DRM-160II = \$913.22  
 CANON DR-6030C = \$2995.11  
 CANON DR-G1100 = \$4320.62  
 CANON DR-G1130 = \$6367.01

Accepted By

Accepted Date



**COUNCIL ACTION REQUEST**

**DATE:** February 18, 2016

**SUBJECT:** City Website

**RECOMMENDATION:** It is respectfully requested the City Council consider the following Website Committee's recommendation:

Approve an agreement with Revize Software Systems to create a new City website at an estimated cost of \$24,700.

**BACKGROUND:** The current City website which was designed in 2011 is in need of being redone. Over the years there has been a lot of information added to the site and much of it is out of date or in need of being reorganized. Throughout the site, there are imbedded links that are difficult to fix. If pages are deleted, it affects other links, etc. Staff sought bids from "Revize" and "Govoffice". Both are reputable companies with good history.

Redoing our website is a big project and even though we are seeking some outside assistance, our staff and all the departments will need to spend quite a bit of time helping develop an outstanding site for our City.

It is the Website Committee and staff's recommendation that the Revize proposal will best fit the City's needs both as a cost-effective solution and will add plenty of functionality. Not only do we get a new website, but the software will provide for a variety of Apps including Citizen's Communication Center, Citizen's Engagement, Staff Productivity and mobile device and accessibility features.

Due to the size of our website the cost of the redesign with Govoffice would be cost prohibitive.

**FINANCIAL CONSIDERATION:** Cost of the Govoffice is \$11,620 and additional hosting will add another \$8,000 over five years. The Govoffice proposal allocates 30 hours (\$2,700) of content transfer and with the significant number of pages we have we will likely exceed that by quite a bit. The Revize solution is a more comprehensive quote for us and would cost an estimated \$24,700. In the 2016 Capital Improvement Plan we have appropriated \$25,000 for the new website and staff is confident we can get it done for that amount.

**LEGAL:** None

**Department/Responsible Party:** Ross Smeby, IT Coordinator

**Reviewed By:** Larry Kruse, City Administrator



Superior Web Design and  
Content Management

## Web Services Sales Agreement

This Sales Agreement is between The City of Willmar, Minnesota ("CLIENT") and Revize LLC, aka Revize Software Systems, ("Revize"). Federal Tax ID# 20-5000179 Date: 9-17-15

<b>CLIENT INFORMATION:</b>	<b>REVIZE LLC:</b>
Company Name: <u>City of Willmar</u>	Revize Software Systems
Company Address: <u>333 6<sup>th</sup> St SW</u>	1890 Crooks, Suite 340
	Troy, MI 48084
Company City/State/Zip: <u>Willmar, MN 56201</u>	
Contact Name: <u>Ross Smeby rsmeby@willmarmn.gov 320-214-5182</u>	
Billing Dept. Contact: _____	

The CLIENT agrees to purchase the following products and services provided by REVIZE:

<u>Quantity</u>	<u>Description</u>	<u>Price</u>
1	Phase 1 – Project Planning and Analysis, onetime fee:	\$ 500.00
1	Phase 2 – Website Design, 1 concept, 3 rounds of changes, onetime fee:	\$ 2,100.00
1	Phase 3 & 4 – Revize Template Development, CMS module Integration, onetime fee:	\$ 5,800.00
1	Phase 5 – QA Testing, onetime fee:	\$ 800.00
1	Phase 6 – Site Map Development and Content Migration: Up to 1,500 pages and 2,000 Documents	\$ 6,700.00
1	Phase 7 –Content Editing/Administrator Training, one day session, onetime fee:	\$ 600.00
1	Phase 8 – Go Live, onetime fee:	\$ 300.00
1	Phase 9 – Tech Support, CMS Updates, and Website Hosting, pre-paid annual fee: Unlimited Users, up to Unlimited GB website storage	\$ 7,900.00

**Grand Total:** **\$ 24,700.00**

Five year agreement with free website re-design during year five. Revize requires a check for \$20,000 to start this initiative. Remainder of balance due upon delivery of website for content editor training or one year anniversary of project Kick Off meeting whichever comes first. Revize Annual Services start the day of the Kick Off Meeting. Credit Cards accepted with 3% handling fee.

**Terms:**

1. **Payments:**
  - All Invoices are Due Upon Receipt. Work begins upon receiving initial payment.
2. This Sales Agreement is the only legal document governing this sale.
3. If additional "as is" content migration is required it will be done for \$3 per web page or document.
4. Both parties must agree in writing to any changes or additions to this Sales Agreement.
5. This Sales Agreement is subject to the laws of the State of Michigan.
6. Pricing expires in 30 days.

**AGREED TO BY:**

Signature of Authorized Person:

Name of Authorized Person:

Title of Authorized Person

Date:

**CLIENT**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**REVIZE**

\_\_\_\_\_  
*Thomas Jean*  
*Account Manager*  
\_\_\_\_\_

Please sign and return to: Thomas Jean at Fax # 866-346-8880



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## Following Applications & Features will be integrated into Your Website Project

Revize provides applications and features specifically designed for government departments. The applications and features are categorized into:

- ▶ **Citizen's Communication Center Apps**
- ▶ **Citizen's Engagement Center Apps**
- ▶ **Staff Productivity Apps**
- ▶ **Site Administration and Security Features**
- ▶ **Mobile Device and Accessibility Features**

### **CITIZEN'S COMMUNICATION CENTER APPS:**

- ✓ Alert Center
- ✓ Bid Posting
- ✓ Document Center
- ✓ Email Notify
- ✓ FAQs
- ✓ Job Posting
- ✓ Multi Use Business Directory
- ✓ News Center with Facebook/Twitter Integration
- ✓ Online Forms
- ✓ Photo gallery
- ✓ Quick Link Buttons
- ✓ Revize Web Calendar
- ✓ Sharing App
- ✓ Sliding Feature Bar
- ✓ Language Translator

### **CITIZEN'S ENGAGEMENT CENTER APPS:**

- ✓ Citizen Request Center with Captcha
- ✓ Citizen Request Tracker
- ✓ Citizen Connect (Community Blog)
- ✓ Online Bill Pay
- ✓ RSS Feed

**STAFF PRODUCTIVITY APPS:**

- ✓ Agenda Posting Center
- ✓ Job Posting App
- ✓ Image Manager
- ✓ Intranet
- ✓ Link Checker
- ✓ Menu Manager
- ✓ Online Form Builder
- ✓ Staff Directory
- ✓ Website Content Archiving
- ✓ Website Content Scheduling

**SITE ADMIN & SECURITY APPS:**

- ✓ Audit Trail
- ✓ Auto Site Map Generator
- ✓ History Log
- ✓ Intranet (Secure Area)
- ✓ Roles and Permission-based Security Mode
- ✓ Secure Site Gateway
- ✓ Unique Login/Password for each Content Editor
- ✓ Web Statistics and Analytics
- ✓ Workflows by Department

**MOBILE DEVICE AND ACCESSIBILITY FEATURES:**

- ✓ Font Size Adjustment
- ✓ Alt-Tags
- ✓ Responsive Website Design (RWD) – to accommodate better viewing of text and graphics for any size screen, i.e SMART phones, PC Tablets, iPads, iPhones, Windows and Android devices. Includes iPhone App

## Ross Smeby

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**From:** ross <ross@govoffice.com>  
**Sent:** Monday, January 11, 2016 1:53 PM  
**To:** Ross Smeby  
**Subject:** GovOffice Website Proposal - City of Willmar, MN  
**Attachments:** Willmar, MN GovOffice Proposal 1-11-16.pdf

Ross,

Thanks again for contacting GovOffice Web Solutions, attached is a GovOffice proposal for your consideration. We would only be a good fit for your city if you decided to also use a hosted video solution and also a hosted document solution. Your current website is using 54GB, the majority of our clients use less than 5GB. Our Customer Support Office reviewed your content, it would take 150 hours to transfer your documents, videos, etc., our average content transfer projects only take 20 hours to complete.

### The Most Affordable Solution

If you asked our 1,400+ customers, they would agree that the right technology at an affordable price is what sets GovOffice/NonprofitOffice apart from many web development firms.

Clients receive: desktop website, mobile website, e-Alert solution, online payment solution, and 2 email accounts.

### Proven Experience

We have seen a lot of competitors come and go over the past 12 years. We specialize in small-to-medium populated local governments, and with 1,400+ clients across the United States, you can be confident we are a proven company with a quality Web solution.

### Professional Support

Our experienced professionals will provide personalized training. And you can reach them "live" on the phone for friendly, ongoing help and technical support without getting lost in a dreaded voicemail phone tree. Secure "Worry-Free" Cloud Hosting Security has never been more important. All GovOffice/NonprofitOffice websites are hosted at a leading CenturyLink Data Center, which ensures the highest levels of security and firewall technology, powerful and reliable servers and systems, and robust bandwidth.

Please let me know if you have any follow up questions or if you would like to schedule a live demo/webinar.

Regards,

Ross Heupel  
Marketing Director  
[GovOffice.com](http://govoffice.com)  
<http://nonprofitoffice.com>  
651.270.0442





# CITY OF WILMAR, MN

WEBSITE DESIGN, DEVELOPMENT AND HOSTING

**Key Contact**

Ross Heupel  
Marketing Director  
651-270-0442  
rossh@avenet.net  
GovOffice.com

January 11, 2016

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## **GovOffice Introduction**

### **Our History**

GovOffice Web Solutions is a division of Avenet LLC, a national leader in delivering state-of-the-art Web solutions for government, education, nonprofit, advocacy and campaign sectors. Avenet was founded in 1999 and began serving local governments in 2001 through its GovOffice partnership with the International City/County Management Association (ICMA) and 12 state municipal leagues. The company is based in Minneapolis, Minnesota. GovOffice is a leading national provider of websites and content management systems to local governments, serving over 1,400 cities and counties in 42 states and Canada.

### **Corporate Office Location**

GovOffice Division  
Avenet Web Solutions  
2112 Broadway NE, Suite 250  
Minneapolis, MN 55413  
612-617-5700  
[GovOffice.com](http://GovOffice.com)

### **The GovOffice Value Proposition**

Our population-based pricing makes GovOffice an effective, affordable solution for every size of local government. With GovOffice, you don't pay for a bunch of pricy features you don't want or need. Our solution provides all the core features used by most local governments, and enables you to add more specialized features as needed. In short, we're easier to use, more affordable, and offer the features you and your citizens need, designed to fit a government budget. And as governments try to do more with less now more than ever, that's the perfect win-win for you and your constituents!

### **Powerful and Scalable**

GovOffice delivers a powerful yet flexible web site solution which enables you to continue scaling up with additional features as needed. In short, we provide what you need, when you need it, with less hassle and expense, including:

- Custom, professional graphic design
- Powerful, flexible Content Management, with unlimited sections and subsections
- Free mobile version of your website
- Robust online forms system for sign-ups, surveys, comment forms, polls, and more
- Audio and video files integration
- Calendars, News, Image galleries
- Security system enabling multiple users with varying levels of editing permissions to update the website

# GovOffice Client Examples – Premium Plus Designs



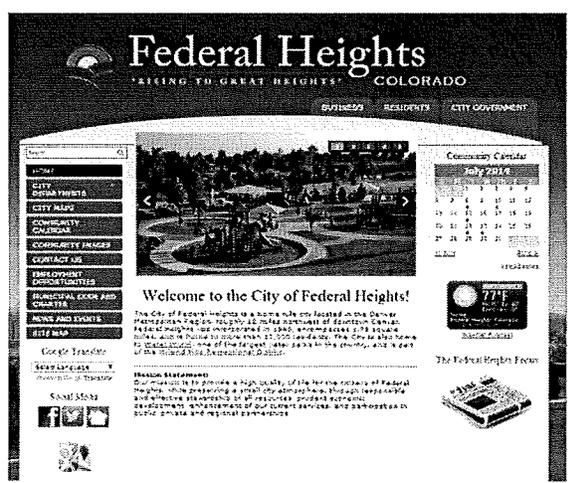
Elizabeth City, NC  
www.cityofec.com



Belle Fourche, SD  
www.bellefourche.org



New Richmond, WI  
www.newrichmondwi.gov



Federal Heights, CO  
fedheights.org

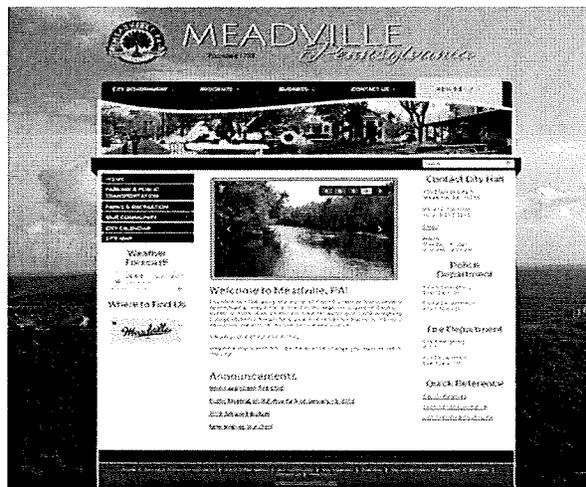
# GovOffice Client Examples



Adelanto, CA  
www.ci.adelanto.ca.us



Reedsburg, WI  
reedsburgwi.gov



Meadville, PA  
www.cityofmeadville.org



Medina, WA  
medina-wa.gov

## GovOffice Content Management Solution

Everyday GovOffice users efficiently manage their websites from their office and at home--on any computer that is connected to the Internet using any Web browser--and they enjoy the many features that GovOffice offers, including:

- Unlimited number of sections and subsections are allowed to expand your site
- Unlimited number of links throughout your site
- Build a homepage that includes a greeting, breaking news and upcoming events
- Online sign-up for newsletters, comment forms, polls, and surveys
- Audio and video files posted throughout the site
- Image gallery that serves as an online photo album
- News articles that can be featured and archived
- Post meetings agendas and minutes as documents
- Calendar of all community events and meetings
- Contact information of staff and elected officials
- Advanced users may switch to "HTML mode" for added flexibility
- Security system that allows multiple users with varying levels of editing permissions to update the website simultaneously

### GovOffice Site Administration Section

*Microsoft based solution makes it easy to manage your website*

The screenshot displays the GovOffice Site Administration interface. At the top, there is a navigation bar with tabs for "Content Tools", "Data Center", "Site Management", and "Security". A user greeting "Welcome, Ross Heupel | Hide" is visible in the top right corner. The main content area is titled "Current Section: Home Page (Basic without Items)". On the left, a sidebar contains various management options: "Section Intro", "Title and Intro", "Attachments", "Related Links", "Sidebar", "Image", "Audio", "Video", "Document", "Promotions", and "Promotions" (with a sub-list including "Community Events", "Quick Poll", "Quick Links", "Community Events Photo Album", "Email Updates", and "Associations"). The main editing area is titled "Section Intro" and contains a "Section Title" field with the text "Welcome to Our Website". Below this is a rich text editor with a menu bar (File, Edit, Insert, View, Format, Table) and a toolbar with icons for bold, italic, underline, text color, background color, bulleted list, numbered list, link, unlink, and other formatting options. The editor contains a paragraph of text: "GovOffice Web Solutions is a division of Avenet LLC, a national leader in delivering state-of-the-art Web solutions for government, education, nonprofit, advocacy and campaign sectors. Avenet was founded in 1999 and began serving local governments in 2001 through its GovOffice partnership with the International City/County Management Association (ICMA) and 12 state municipal leagues." At the bottom of the editor, there are "Audit Log", "Cancel", "Preview", and "Save" buttons.

## GovOffice Hosting

Web Hosting Included	Standard	Optional
Up to 1GB of stored uploads	✓	Additional storage is available, \$250 increase – 3GB.
Tier One Cloud hosting at a highly secure CenturyLink Data Center.	✓	
Maintenance, upgrades and nightly backups by GovOffice	✓	

All GovOffice customers are provided secure, Tier One Cloud hosting provided by CenturyLink, which ensures the highest levels of security and firewall technology, powerful and reliable servers and systems, and robust bandwidth.

CenturyLink Data Center are staffed 24/7 with highly trained technical engineers. In addition, the CenturyLink Call Center adheres to a strict escalation procedure to help ensure that GovOffice's applications are available to our customers at all times. It is noteworthy that CenturyLink Data Centers were constructed to withstand natural disasters, such as earthquakes, tornadoes, and floods. This has brought the utmost value especially to our clients in regions of the country that experience severe weather capable of knocking out telecommunications and utilities.

## GovOffice Technical Support Services

Support Services Included	Standard
Live 2 hour training session (webinar) provided to all new clients and new site administrators	✓
No Fees for Future Trainings	✓
Live Technical Support	✓
Online Help Guide with Training Videos	✓

### Training Experience

Most training sessions only take two hours, if you have a basic understanding of Word or PowerPoint, then you'll easily pick-up our Content Management System. We'll schedule a training session that fits your schedule. Sessions are conducted over the Internet and phone, no expensive on-site meetings are necessary. Additionally, there is no charge for future training sessions with new staff.

### Customer Service

Our Training and Technical Support Team is available Monday through Friday, from 8:00 a.m. to 5:00 p.m. (Central Standard Time), excluding national holidays. They provide full training on the GovOffice CMS, additional training (if needed), technical support of websites, and more.

### GovOffice Provides:

- Online Training Sessions
- Toll-Free Phone Support
- Quick Tips
- Online Help Guide – Includes video training sessions, FAQ and more.
- Support Documents
- Optional Startup Package

## Content Management System Overview

Content Management System	Standard
100% Web-Based Content Management	✓
Unlimited Number of Users	✓
Permission Level Management	✓
Edit Preview Feature	✓
Data Storage Tracker	✓
Audit Log (Reports editing activity of each page)	✓
Site Statistics and Google Analytics	✓
ADA Compliant	✓
HTML Editor Option	✓

The GovOffice Content Management System (CMS) will enable your community to rapidly deploy and manage its own website at a fraction of the cost of traditional Web development.

GovOffice requires no specialized software skills and it allows staff to administer the site anytime, from anywhere (with Internet access and a Web browser). The GovOffice CMS is a database driven Web application based on underlying Microsoft technologies, including SQL Server.

Our Software as a Service (SaaS) hosting model means your website will be worry-free. GovOffice provides them hosting, technical infrastructure, upgrades and maintenance, saving you time and money.

No additional software is required – **we provide everything you need!**

## GovOffice Content Management Features

Content Management System Key Features	Standard
Easy-to-Use Editor for a Non-Technical Staff	✓
Import, Type and Spellcheck Text	✓
Load Documents, e.g. Agendas and Minutes	✓
Upload Photos	✓
Events Calendar	✓
eNewsletter Subscriptions	✓
Cross Promote Section Headlines (Promotions)	✓
Directories	✓
Post Announcements	✓
Frequently Asked Questions	✓
Search Engine (entire site or per section)	✓
Image Gallery Slideshow	✓
Password Protected Sections	✓

## GovOffice Content Management Features

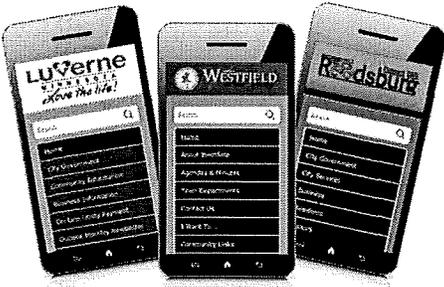
Content Management System Enhanced Features	Standard
eNewsletter Solution	✓
Citizen Alerts	✓
Service Requests e.g. Report a Problem Forms	✓
Community Survey Forms	✓
Polls that Display Results	✓
RSS Weather and News Feeds	✓

### Online Payment Solution Included

Citizens can now make easy online payments with our new civic e-payment solution. Citizens in your community will have access to a convenient, efficient and user-friendly way to pay bills or purchase city services 24 hours per day, 7 days a week. Online payments may be made using checking account information (Electronic Funds Transfer) or credit cards. Citizens will have the choice to click the payment of choice, they can view options and review associated service fees. Transactions are secure using state-of-the-industry encryption technology. There are no license or hosting fees associated with our online payment solution, and we'll assist you with set-up. All credit card and transaction costs are covered by a small convenience fee paid by users.

### Mobile Website Solution

As the use of smartphones continues to increase among US consumers, citizens have the ability to access their local government website with greater ease and frequency. Using the best in Responsive Web Design (RWD) technology, GovOffice Mobile™ will allow you to reach your constituents anywhere, anytime on any modern mobile device.

	<ul style="list-style-type: none"> <li>• Compatible with all modern mobile devices</li> <li>• Large, "easy tap" navigation buttons</li> <li>• Intuitive navigation structure</li> <li>• Simultaneous editing between sites</li> <li>• Mobile and desktop sites contain same content</li> <li>• No downloads or updates necessary</li> <li>• No activation necessary</li> </ul>
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## **GovOffice Content Services**

While the GovOffice CMS makes it easy to manage your Web content, we understand that building and maintaining your website can be a challenging task, especially on top of your many other responsibilities. If you need assistance, our experienced content professionals provide a range of services that will deliver a streamlined, intuitive website.

From a simple Homepage Makeover to designing a complete navigation structure, writing new content, or enhancing page layouts, our team can do as much or as little as you need. Our content professionals understand and implement best practices of Web writing and design, while working with you to ensure your unique website needs and goals are met.

### **We offer the following Content Services:**

- Homepage Makeover (included with Premium & Progressive Design Solutions)
- Navigation Architecture
- Content Transfer
- Writing & Content Creation
- Webmaster

### **Homepage Makeover**

It takes the average visitor only three seconds to make a judgment about your entire website based on your homepage alone. Ask yourself these questions: Is your homepage feeling cluttered or outdated? Is your navigation menu getting too long? Do you want to make your homepage easier to read and more user friendly? Allow the experts at GovOffice to do the work for you!

The Homepage Makeover will implement best practices of Web writing and design including:

- Rewriting content for the impatient online reader
- Removing formatting issues like colored text, all caps, underlines on non-links, numerous fonts and center-aligned text
- Implementing bulleted lists and other proper formatting
- Using promotions and images effectively
- Reorganizing primary navigation menus--this will improve your entire site
- Reorganizing announcements--using promotions to display announcements in a visually appealing way

If you're ready to take your website to the next level, or need help getting some projects beyond the starting blocks, we'll provide content services specifically created for local governments.

**GovOffice Proposed Quote – City of Wilmar, MN**

**Population – 20,000**

Simply put, for most small-to-medium sized local governments, GovOffice is the most effective way to manage your Web presence and deliver online services to citizens.

Web Development Services	Fee
License Fee for GovOffice Content Management System	\$3,150
Annual Hosting, Maintenance and Customer Support – 5GB	\$2,000
Premium Plus Design (custom homepage, four custom interior banners, auto-image slide, quick link buttons and mobile website design)	\$6,395
Content Transfer Services (text and documents to be transferred, Minutes and Agendas less than 2 years old included). Optional Service – Save money and transfer your own text/files.	\$2,700 30 hours
Mobile Website	No fee
Online Payment Feature – Reservation Solution	No fee
URL Redirect Fee	\$75
<b>Grand Total</b>	\$14,320  Without Content Transfer Services - \$11,620  Second Year \$2,000

## Custom Design Services – Recommended Design

Premium Solution Design Includes

- Custom homepage design
- 4 Interior Banners rotate on refresh or be tied to internal sections
- Unique color scheme to fully match the client’s branding
- Full set of social media icons
- Favicon, if requested by the client
- Limit of 50 photos sent for inclusion in the design
- Rebuild site if requested by the client
- 10 short cuts
- 3 Mockups – 3 Revisions

Homepage Setup included -- our content professionals will provide up to 3 hours of service in setting up or organizing your new Homepage content to conform to the final design draft and Web best practices.

Auto-image Slider includes five image boxes, self-administered feature.

Quick Link Buttons, five large buttons to be applied to new design.



Red Springs, NC - [www.redsprings.org](http://www.redsprings.org)

Premium Design with Auto Image Slider and Quick Links – Design Fee \$6,395

## Mobile Website Design Examples



The GovOffice Design Team will develop a customized mobile design for your organization that incorporates your choice of master and accent colors, a stylish font treatment for your header, and your official logo. Large online payment button can be applied (\$250 additional fee)

### Content Service Included with Premium Solution Design

The Homepage Setup will implement best practices of Web writing and design including:

- Rewriting content for the impatient online reader
- Removing formatting issues like colored text, all caps, underlines on non-links, numerous fonts and center-aligned text
- Implementing bulleted lists and other proper formatting
- Using promotions and images effectively
- Reorganizing primary navigation menus--this will improve your entire site
- Reorganizing announcements--using promotions to display announcements in a visually appealing way

## Development and Scope of Work of Your New GovOffice Website

The implementation timeline for deliverables is subject to client participation, direction and approvals. Your new GovOffice website can be deployed within two - three months.

The implementation timeline for deliverables is subject to client participation, direction and approvals. Your new GovOffice website can be deployed within two - three months.

<b>Site Creation</b>	1 day
<b>Content Transfer – Site Migration</b>	10 weeks
<b>Design Process</b>	10 weeks
<b>Training session</b>	2 hours - Live
<b>Site Testing</b>	2-3 days
<b>Prelaunch Review with staff</b>	1-2 hours
<b>Domain Redirect</b>	6 hours

### Key City Staff Responsibilities include:

- Provide new site map for content transfer project (optional service)
- Assist GovOffice staff with design mockup, provide community based photos and be able to respond to timely design reviews and revisions.
- Complete formal two-hour training session
- Review recommended homepage content setup
- Conduct prelaunch site review
- Assist with the URL redirect process – contact domain provider

### Third Party Applications – No Issues!

Unlike some hosted CMS solutions we allow our clients to embed or link third party solutions to their GovOffice website.

## GovOffice References

<p>City of Federal Heights, CO          Tim Williams          Economic Development Manager          303-412-3558          twilliams@fedheights.org          fedheights.org</p>	<p>City of Medina, WA          Craig Fischer          IT Director          425-454-9222          cfischer@medina-wa.gov          medina-wa.gov</p>
<p>Polk Count, MN          Joanne Johnson          IT Analyst          218-470-8320          Joanne.johnson@co.polk.mn.us          www.co.polk.mn.us</p>	<p>City of Solana Beach, CA          Dan King          City Manager's Office          858-720-2477          DKing@cosb.org          www.ci.solana-beach.ca.us</p>
<p>City of North Miami, FL          Patrick Rosiak          I.T. Manager          305-948-2975          nmbit@citynmb.com          citynmb.com</p>	<p>City of Oxford, NC          Barb Rote          City Clerk          919-603-1105          mbrote@oxfordnc.org          oxfordnc.org</p>

## Testimonials

"After receiving several demonstrations by web design companies specializing in government sites, I found GovOffice to be the most attentive to our needs, explaining what they offered and why, and not overselling us on features. The bonus was that the cost was much less than other comparable competitors."

Barb Rote, City Clerk  
 City of Oxford, North Carolina - oxfordnc.org

"We really love the new website! I would really like to praise Janelle (GovOffice's Web designer) for all of her hard work and patience. Janelle paid attention to every little detail that gives our site a fresh, vibrant look and reflects the authenticity of our city and its new brand. She was so easy to communicate with and always seemed to get it just perfect. It is exactly what we hoped for—and more!"

Holly Sammons, Economic Development Director  
 City of Luverne, Minnesota - cityofluverne.org



★ WILLMAR

**Police Chief**

**Willmar Police Department  
2201 23<sup>rd</sup> Street NE, Ste 102  
Willmar, MN 56201  
Main Number 320-214-6700  
Fax Number 320-231-6556**

**COUNCIL ACTION REQUEST**

**DATE:** February 22, 2016

**SUBJECT:** Donations to Willmar PD Law Enforcement Explorer Program and K9 Program

**RECOMMENDATION:** Request approval for accepting a donation of \$250 to the Willmar Police Department Law Enforcement Explorer program from Duininck Concrete Company.

**BACKGROUND:** Dunininck Concrete Company recently made a \$250 donation to the Willmar Police Department Law Enforcement Explorer program. These donated funds would be used to purchase training equipment, uniforms, and supplies for the Explorers.

**FINANCIAL CONSIDERATION:** N/A

**LEGAL:** N/A

**Department/Responsible Party:** Jim Felt, Police Chief

**Reviewed By:** Larry Kruse, City Administrator



★ WILLMAR

**Finance Director**

City Office Building  
333 SW 6<sup>th</sup> Street  
Willmar, MN 56201  
Main Number 320-235-4913  
Fax Number 320-235-4917

### COUNCIL ACTION REQUEST

**DATE:** February 18, 2016

**SUBJECT:** Donation Protocols

**RECOMMENDATION:** It is respectfully recommended the City Council approve the following:

Approve the protocol for staff to acknowledge all donations by letter and regularly inform the Council of them. Further, staff will accumulate all donations and present them at the end of the year for formal approval for audit purposes and State compliance.

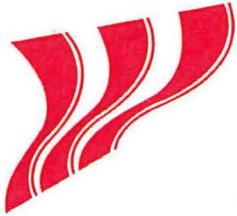
**DESCRIPTION:** The City regularly gets donations for which some are small and others quite large. This protocol will allow staff to promptly send a thank you letter rather than have a roll call vote on each one, and to formally do that once or twice a year.

**FINANCIAL CONSIDERATIONS:** There are no financial implications to this action.

**LEGAL:** State law requires all donations to be accepted by resolution.

**DEPARTMENT/RESPONSIBLE PARTY:** Steve Okins, Finance Director

**REVIEWED BY:** Larry Kruse, City Administrator



WILLMAR

Public Works Director

City Office Building  
333 SW 6<sup>th</sup> Street  
Willmar, MN 56201  
Main Number 320-214-5160  
Fax Number 320-235-4917

### COUNCIL ACTION REQUEST

**DATE:** February 18, 2016

**SUBJECT:** LED Retrofit Lighting Project

**RECOMMENDATION:** It is respectfully requested the City Council consider the following recommendation:

Approve, and authorize signatures, for the purchase of LED conversion kits from Etterman Enterprises for \$17,420.13 and installation by Kim's Electric for \$6,840.00.

**BACKGROUND:** Light-emitting diodes (LED) are a highly energy efficient lighting option and use 75% less energy as well as lasting 25 times longer than fluorescent lighting. LED light bulbs are 100% recyclable and will help the City reduce its carbon footprint. Staff solicited quotes for the retrofit kits to convert the lighting at the Public Works Garage from fluorescent to LED. Quotes were received from Fastenal in the amount of \$37,925.17, Border States Electric Supply in the amount of \$20,949.13, and Etterman Enterprises in the amount of \$17,420.13. Quotes were also solicited for the installation and conversion of the 285 lights; King's Electric in the amount of \$57.00 per light, totaling \$16,245.00 and Kim's Electric in the amount of \$24.00 per light, totaling \$6,840.00.

**FINANCIAL CONSIDERATION:** The 2016 Capital Outlay Program has included \$35,000.00 for the LED lighting, with the overall project cost for the kits and installation totaling \$24,260.13. Staff is also pursuing information on a rebate process on the retrofit kits.

**LEGAL:** N/A

**Department/Responsible Party:** Sean E. Christensen, Public Works Director

**Reviewed By:** Larry Kruse, City Administrator



**WILLMAR**



**PUBLIC WORKS**

# Memorandum

**DIRECTOR/CITY ENGINEER**  
City Office Building  
Box 755 320-235-4202  
**STREET/PARK SUPERINTENDENT**  
801 W. Hwy. 40 320-235-3827  
**WASTEWATER TREATMENT**  
3000 75th St. SW 320-235-4760  
Willmar, Minnesota 56201  
Fax 320-235-4917  
[www.ci.willmar.mn.us](http://www.ci.willmar.mn.us)

**TO: Larry Kruse, City Administrator**  
**FROM: Sean Christensen, Public Works Director**  
**DATE: February, 16, 2016**  
**RE: LED Retrofit Lighting Project**



**Staff is in the process of retrofitting the fluorescent lighting in the Public Works Garage to LED lighting, in accordance with the 2016 Public Works Capital Outlay Program.**

**Please be advised the 2016 Capital Outlay Program has included \$35,000.00 for the Public Works garage lighting project. Staff is recommending purchase of the retrofit kits and LED light bulbs from Etterman Enterprises for \$17,420.13. Staff is also recommending installation and conversion of the lights be done by Kim`s Electric for \$24.00 per light for an approximate total of \$6,840.00. Please be advised the replacement and retrofitting of about 285 lights will occur. After the project is completed a cost for disposal for lights and light ballasts will be determined. Please be advised staff is also pursuing information on a rebate process.**

Approval \_\_\_\_\_

sl



King's Electric, LLC  
669 West River Drive  
New London, MN 56273

# Estimate

Date
2/8/2016

Name / Address
CITY OF WILLMAR Box 755 Willmar, MN 56201

Item	Description
Service work	service work after 1st hr THIS IS LABOR FOR ONE LIGHT.
<b>Total</b> \$57.00	

KIM'S ELECTRIC, LLC

Kim and Laurie Duininck

PO Box 53

Prinsburg, MN 56281

Phone: 320-978-6841 Cell: 320-894-5244

# Estimate

Date	Estimate #
2/9/2016	391

Name / Address
City of Willmar

			Project
Description	Qty	Rate	Total
RETRO FIT SHOP LIGHTS TO LED		0.00	0.00
- LABOR ONLY - NO MATERIAL		0.00	0.00
- STATE INSPECTION FEE INCLUDED		0.00	0.00
TOTAL PER FIXTURE	1	24.00	24.00
Thank you for your business.			<b>Total</b> \$24.00

*Thank you*

*Price Quotation*  
**CONFIDENTIAL**

CITY OF WILLMAR-GARAGE  
801 HWY 40  
Willmar, MN 56201  
ATTN: Ralph Nelson

Phone:  
Fax:  
Contract No: 00000000000000000002477

Account #: WIMN0271  
Quote #: 17695  
Job #:

Due Date:  
Expiration Date: 02/26/2016  
PO #: LED quote

<u>Part #</u>	<u>Customer Part #</u>	<u>Description</u>	<u>Quantity</u>	<u>Price/C</u>	<u>Extended Price</u>
0789554		4'X3.5"2L15W STP 4KF	127	\$7,999.0000	\$10,158.73
<Cust part desc>	8' 4 lamp LED fixture	8' 4 lamp LED fixture	156	\$17,799.0000	\$27,766.44
8' 4 lamp LED fixture					
				<b>USD Total:</b>	<b>\$37,925.17</b>

Thank you,

FASTENAL  
140 SE 25th Street  
Willmar, MN 56201  
Phone: (320)235-4482  
Fax: (320)235-4509  
E-mail: MNWIL@stores.fastenal.com



\*Shipping & Handling charges are subject to change.



**BORDER STATES**  
Supply Chain Solutions™

Border States Electric Supply  
Electrical Wholesale Supply of Utah | Western Extralite

Border States Electric - WMR  
1209 East Highway 12  
Willmar MN 56201  
Phone: 320-235-2255

City of Willmar  
Attn City Clerk  
P.O. Box 755  
Willmar MN 56201-0755

**Quote**

BSE Quote: 23850918  
Sold-to Acct #: 23940  
Valid From: 12/21/2015 To: 05/28/2016  
PO No: 905-4781 Ralph city shop

Created By: Justin Klein  
Tel No: 320-214-4210  
Fax No: 320-214-4257

Inco Terms:  
FOB ORIGIN

Payment Terms:  
Net 25th prox

Taxes, if applicable, are not included.

Cust Item	BSE Item	Material MFG - Description	Quantity	Price	Per UoM	Value
	000060	- KT-LED22T8-48GC-850-D	116 EA 2400 LUMEN	18.75 / 1	EA	2,175.00
	000070	- LED-6115-UL-4-57K-BFR	762 EA FROST 1880 LUMEN	17.25 / 1	EA	13,144.50
	000080	- R894SSUWRXX00PO	156 EA 8' pre wired w/reflec	22.50 / 1	EA	3,510.00
	000100	- R492SSUWRXX00PO	127 EA 4' 2 LAMP pre w/reflec	16.69 / 1	EA	2,119.63
<b>Total Value</b>						<b>20,949.13</b>

To access BSE's Terms and Conditions of Sale, please go to  
<https://www.borderstateselectric.com>

This quote has not been reviewed for compliance with the Buy American Act or the American Recovery and Reinvestment Act requirements. BSE reserves the right to amend both our bill of material and our proposal accordingly if BAA/ARRA compliance is required.



# Etterman Enterprises

1913 West Highway 12 PO Box 1152  
 Willmar, MN 56201  
 Phone: (320) 235-1940 Fax: (320) 235-3325  
 WWW.ETTERMANENTERPRISES.COM

# QUOTE

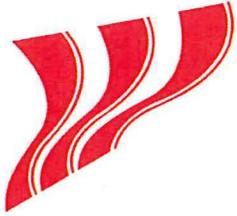
DATE	QUOTE NO.	PAGE
02-01-16	221917	1 of 1
RFQ # QUOTE - LIGHT KITS		

**BILL TO:**  
 CITY OF WILLMAR GARAGE  
 801 HWY 40  
 WILLMAR, MN 56201  
 USA

**SHIP TO:**  
 CITY OF WILLMAR GARAGE  
 801 HWY 40  
 WILLMAR, MN 56201  
 USA

CUSTOMER RFQ #		SHIP VIA	SALESPERSON	PAYMENT TERMS			SHIP DATE
QUOTE - LIGHT KITS			11	NET-30 DAYS			02-01-16
PART NUMBER	ALT NUMBER	DESCRIPTION	QTY ORD	UNIT	PRICE	PER	TOTAL
/99		NEW STORAGE BUILDING 4' two bulb T8 conversion with bracket, harness, reflector & lamp	69	E	\$39.21	E	\$2,705.49
/99		WEST BUILDING 8' four bulb T-8 conversion with brackets, 2 reflectors 7" & lamps	156	E	\$73.44	E	\$11,456.64
/99		MAIN MECHANIC SHOP 4' three bulb conversion with bracket, reflector & lamp	60	E	\$54.30	E	\$3,258.00
/99		ALL LAMPS ARE 5000K 1 LIGHT KIT SAMPLE PER BUILDING PROVIDED FOR APPROVAL PRIOR TO SALE	1	E	\$0.00	E	\$0.00

SUB TOTAL	\$17,420.13
SALES TAX	\$0.00
<b>TOTAL</b>	<b>\$17,420.13</b>



WILLMAR

Public Works Director

City Office Building  
333 SW 6<sup>th</sup> Street  
Willmar, MN 56201  
Main Number 320-214-5160  
Fax Number 320-235-4917

### COUNCIL ACTION REQUEST

**DATE:** February 19, 2016

**SUBJECT:** Accept Project and Authorize Final Payment for Project No. 1404

**RECOMMENDATION:** It is respectfully requested the City Council consider the following recommendation:

Accept the project and authorize final payment to Vreeman Construction in the amount of \$42,798.46 for Project No. 1404.

**BACKGROUND:** The City Council entered into an agreement with Vreeman Construction on June 16, 2014 for the 12<sup>th</sup> Street SE new construction from 11<sup>th</sup> Avenue SE to Willmar Avenue SE. The Council previously requested a concrete surfacing alternate bid be included in the bidding documents. Based on the life cycle cost analysis between bituminous surfacing and concrete surfacing, staff recommended bituminous alternate be used for the project. The final pay request is hereby submitted for consideration and staff is recommending final payment be made.

**FINANCIAL CONSIDERATION:** The final payment is within the project budget of \$301,140.47, and brings the total cost of the project to \$294,229.08.

**LEGAL:** N/A

**Department/Responsible Party:** Sean E. Christensen, Public Works Director

**Reviewed By:** Larry Kruse, City Administrator

CONTRACTOR'S PAY REQUEST Final  
12TH STREET SE IMPROVEMENTS - 2014  
WILLMAR, MINNESOTA  
BMI PROJECT NO. W18.107640

CONTRACTOR  
OWNER  
ENGINEER

WORK COMPLETED THROUGH JUNE, 2015	\$	301,140.47
TOTAL, COMPLETED WORK TO DATE.....	\$	294,229.08
TOTAL, STORED MATERIALS TO DATE.....		\$0.00
DEDUCTION FOR STORED MATERIALS USED IN WORK COMPLETED.....		\$0.00
TOTAL, COMPLETED WORK & STORED MATERIALS.....	\$	294,229.08
RETAINED PERCENTAGE ( 0% ).....	\$	-
TOTAL AMOUNT OF OTHER PAYMENTS OR (DEDUCTIONS).....	\$	-
NET AMOUNT DUE TO CONTRACTOR TO DATE.....	\$	294,229.07
TOTAL AMOUNT PAID ON PREVIOUS ESTIMATES.....	\$	251,430.61
PAY CONTRACTOR AS ESTIMATE NO. Final .....	\$	42,798.46

Certificate for Final Payment

I hereby certify that, to the best of my knowledge and belief, all items quantities and prices of work and material shown on this Estimate are correct and that all work has been performed in full accordance with the terms and conditions of the Contract for this project between the Owner and the undersigned Contractor, and as amended by any authorized changes, and that the foregoing is a true and correct statement of the amount for the Final Estimate, that the provisions of M. S. 290.92 have been complied with and that all claims against me by reason of the Contract have been paid or satisfactorily secured.

Contractor: Vreeman Construction  
2650 East Highway 12  
Willmar, MN 56201

By *Nathan Vreeman* *Secretary* *2-5-16*  
Name Title Date

Approved: \_\_\_\_\_  
Contractor's Surety

CHECKED AND APPROVED AS TO QUANTITIES AND AMOUNT:  
BOLTON & MENK, INC., ENGINEERS, 2040 HIGHWAY 12 EAST, WILLMAR, MN 56201

By *Jared Voige* *Project Manager* *2/11/16*  
Name Title Date

APPROVED FOR PAYMENT:  
Owner: WILLMAR, MINNESOTA

By \_\_\_\_\_  
Name Title Date

**PAY ESTIMATE NO.**

**Final**

12TH STREET SE IMPROVEMENTS - 2014  
WILLMAR, MINNESOTA  
BMI PROJECT NO. W18.107640

WORK COMPLETED THROUGH OCTOBER, 2015

ITEM NO.	DESCRIPTION	UNIT PRICE	ESTIMATED		QUANTITY PREVIOUS ESTIMATE		QUANTITY COMPLETED TO DATE		DIFFERENCE QUANTITY TO DATE	DIFFERENCE AMOUNT TO DATE
			BID QUANTITY	BID AMOUNT						
1	MOBILIZATION	\$8,000.00	1	LUMP SUM \$ 8,000.00	0.90	LUMP SUM \$ 7,200.00	1.00	LUMP SUM \$ 8,000.00		\$ -
2	TRAFFIC CONTROL	\$2,000.00	1	LUMP SUM \$ 2,000.00	1.00	LUMP SUM \$ 2,000.00	1	LUMP SUM \$ 2,000.00		\$ -
3	CLEAR & GRUB TREE	\$350.00	2	EACH \$ 700.00	2	EACH \$ 700.00	2	EACH \$ 700.00		\$ -
4	CLEAR & GRUB	\$28,000.00	0.9	ACRE \$ 25,200.00	1.1	ACRE \$ 30,212.00	1.1	ACRE \$ 30,212.00	0.18	\$ 5,012.00
5	REMOVE BITUMINOUS PAVEMENT - STREET	\$7.00	200	SQ YD \$ 1,400.00	278	SQ YD \$ 1,946.00	278	SQ YD \$ 1,946.00	78.00	\$ 546.00
6	REMOVE BITUMINOUS PAVEMENT - TRAIL	\$4.50	80	SQ YD \$ 360.00	72	SQ YD \$ 324.00	72	SQ YD \$ 324.00	-8.00	\$ (36.00)
7	REMOVE CONCRETE CURB & GUTTER	\$3.00	166	LIN FT \$ 498.00	162	LIN FT \$ 486.00	162	LIN FT \$ 486.00	-4.00	\$ (12.00)
8	REMOVE MANHOLE OR CATCH BASIN (STORM)	\$250.00	2	EACH \$ 500.00	2	EACH \$ 500.00	2	EACH \$ 500.00		\$ -
9	REMOVE STORM SEWER PIPE	\$10.00	25	LIN FT \$ 250.00	22	LIN FT \$ 220.00	22	LIN FT \$ 220.00	-3.00	\$ (30.00)
10	REMOVE WATERMAIN	\$10.00	25	LIN FT \$ 250.00	3	LIN FT \$ 30.00	6	LIN FT \$ 55.00	-19.50	\$ (195.00)
11	SAW CUT BITUMINOUS PAVEMENT (FULL DEPTH)	\$6.00	227	LIN FT \$ 1,362.00	225	LIN FT \$ 1,350.00	225	LIN FT \$ 1,350.00	-2.00	\$ (12.00)
12	COMMON LABORER	\$50.00	16	HOUR \$ 800.00		HOUR \$ -		HOUR \$ -	-16.00	\$ (800.00)
13	1.5 CU YD SHOVEL	\$130.00	8	HOUR \$ 1,040.00		HOUR \$ -	7.5	HOUR \$ 975.00	-0.50	\$ (50.00)
14	DOZER	\$120.00	8	HOUR \$ 960.00		HOUR \$ -		HOUR \$ -	-8.00	\$ (960.00)
15	12 CU YD TRUCK	\$80.00	8	HOUR \$ 640.00		HOUR \$ -		HOUR \$ -	-8.00	\$ (640.00)
16	3 CU YD FRONT END LOADER	\$110.00	8	HOUR \$ 880.00		HOUR \$ -		HOUR \$ -	-8.00	\$ (880.00)
17	SKID LOADER	\$95.00	8	HOUR \$ 760.00		HOUR \$ -		HOUR \$ -	-8.00	\$ (760.00)
18	5" PERF PIPE DRAIN	\$8.00	180	LIN FT \$ 1,440.00	180	LIN FT \$ 1,440.00	180	LIN FT \$ 1,440.00		\$ -
19	12" RC APRON	\$360.00	1	EACH \$ 360.00	1	EACH \$ 360.00	1	EACH \$ 360.00		\$ -
20	TRASH GUARD FOR 12" APRON	\$280.00	1	EACH \$ 280.00	1	EACH \$ 280.00	1	EACH \$ 280.00		\$ -
21	12" RCP CL V	\$23.00	503	LIN FT \$ 11,569.00	492	LIN FT \$ 11,316.00	492	LIN FT \$ 11,316.00	-11.00	\$ (253.00)
22	CONSTRUCT DRAINAGE STRUCTURE DES G	\$380.00	12.0	LIN FT \$ 3,960.00	11.6	LIN FT \$ 3,828.00	11.5	LIN FT \$ 3,828.00	-0.40	\$ (132.00)
23	CONSTRUCT DRAINAGE STRUCTURE DES 48-4020	\$260.00	18.1	LIN FT \$ 4,706.00	16.7	LIN FT \$ 4,342.00	16.7	LIN FT \$ 4,342.00	-1.40	\$ (364.00)
24	CASTING ASSEMBLY (STORM)	\$700.00	6	EACH \$ 4,200.00	6	EACH \$ 4,200.00	6	EACH \$ 4,200.00		\$ -
25	BULKHEAD 12" STORM PIPE	\$150.00	2	EACH \$ 300.00	2	EACH \$ 300.00	2	EACH \$ 300.00		\$ -
26	CONNECT TO EXISTING STORM MANHOLE	\$200.00	1	EACH \$ 200.00	1	EACH \$ 200.00	1	EACH \$ 200.00		\$ -
27	7.5' BURY HYDRANT	\$3,300.00	2	EACH \$ 6,600.00	2	EACH \$ 6,600.00	2	EACH \$ 6,600.00		\$ -
28	8" GATE VALVE & BOX	\$1,700.00	3	EACH \$ 5,100.00	3	EACH \$ 5,100.00	3	EACH \$ 5,100.00		\$ -
29	ADJUST GATE VALVE	\$200.00	3	EACH \$ 600.00		EACH \$ -	3	EACH \$ 600.00		\$ -
30	6" WATERMAIN	\$25.00	10	LIN FT \$ 250.00	10	LIN FT \$ 250.00	10	LIN FT \$ 250.00		\$ -
31	8" WATERMAIN	\$22.00	935	LIN FT \$ 20,570.00	937	LIN FT \$ 20,614.00	937	LIN FT \$ 20,614.00	2.00	\$ 44.00
32	12" WATERMAIN	\$40.00	20	LIN FT \$ 800.00	3	LIN FT \$ 120.00	3	LIN FT \$ 120.00	-17.00	\$ (680.00)
33	WATERMAIN FITTINGS	\$6.00	751	POUND \$ 4,506.00	697	POUND \$ 4,182.00	697	POUND \$ 4,182.00	-54.00	\$ (324.00)
34	CONSTRUCT SANITARY MANHOLE, DES 4007C	\$260.00	24.4	LIN FT \$ 6,344.00	24.4	LIN FT \$ 6,344.00	24.4	LIN FT \$ 6,344.00		\$ -
35	CASTING ASSEMBLY (SANITARY)	\$400.00	2	EACH \$ 800.00		EACH \$ -	2	EACH \$ 800.00		\$ -
36	ADJUST FRAME & RING CASTING	\$400.00	3	EACH \$ 1,200.00	1	EACH \$ 400.00	3	EACH \$ 1,200.00		\$ -
37	6" PVC SEWER SERVICE PIPE	\$200.00	70	LIN FT \$ 1,400.00	69	LIN FT \$ 1,380.00	69	LIN FT \$ 1,380.00	-1.00	\$ (20.00)
38	8" PVC SANITARY SEWER (SDR 35)	\$20.00	657	LIN FT \$ 13,140.00	697	LIN FT \$ 13,940.00	697	LIN FT \$ 13,940.00	40.00	\$ 800.00
39	6" PVC 45 DEGREE ELBOW, SDR 26	\$50.00	1	EACH \$ 50.00	2	EACH \$ 100.00	2	EACH \$ 100.00	1.00	\$ 50.00
40	8" PVC 45 DEGREE ELBOW, SDR 26	\$80.00	1	EACH \$ 80.00	1	EACH \$ 80.00	1	EACH \$ 80.00		\$ -
41	6" PVC CAP, SDR 26	\$25.00	2	EACH \$ 50.00	2	EACH \$ 50.00	2	EACH \$ 50.00		\$ -
42	8" PVC CAP, SDR 26	\$40.00	1	EACH \$ 40.00	1	EACH \$ 40.00	1	EACH \$ 40.00		\$ -
43	CONNECT TO EXISTING SANITARY SEWER (8" PVC SLEEVE)	\$100.00	1	EACH \$ 100.00	1	EACH \$ 100.00	1	EACH \$ 100.00		\$ -
44	4" INSULATION	\$30.00	11	SQ YD \$ 330.00		SQ YD \$ -		SQ YD \$ -	-11.00	\$ (330.00)
45	TRUNCATED DOMES	\$53.20	35.6	SQ FT \$ 1,893.92	36	SQ FT \$ 1,915.20	36.0	SQ FT \$ 1,915.20	0.40	\$ 21.28
46	EROSION AND SEDIMENT CONTROL	\$1,500.00	1	LUMP SUM \$ 1,500.00	1	LUMP SUM \$ 1,500.00	1	LUMP SUM \$ 1,500.00		\$ -
47	SEED, FERTILIZER & EROSION CONTROL BLANKET (MIXTURE 270)	\$2.00	135	SQ YD \$ 270.00	222	SQ YD \$ 444.00	222	SQ YD \$ 444.00	87.00	\$ 174.00
48	SEED, FERTILIZER & MULCH (MIXTURE 270)	\$3,500.00	0.9	ACRE \$ 3,150.00	0.8	ACRE \$ 2,870.00	0.8	ACRE \$ 2,870.00	-0.08	\$ (280.00)
49	INLET PROTECTION	\$100.00	8	EACH \$ 800.00	10	EACH \$ 1,000.00	10	EACH \$ 1,000.00	2.00	\$ 200.00
50	RIPRAP, CL III	\$100.00	8	CU YD \$ 800.00	8	CU YD \$ 800.00	8	CU YD \$ 800.00		\$ -
51	SILT FENCE, MACHINE SLICED	\$2.00	1,705	LIN FT \$ 3,410.00	1705	LIN FT \$ 3,410.00	1705	LIN FT \$ 3,410.00		\$ -
52	TEMPORARY ROCK CONSTRUCTION ENTRANCE	\$500.00	2	EACH \$ 1,000.00		EACH \$ -		EACH \$ -	-2.00	\$ (1,200.00)
53	SALVAGE SIGN	\$100.00	1	EACH \$ 100.00	1	EACH \$ 100.00	1	EACH \$ 100.00		\$ -
SUBTOTAL (BASE BID) =				\$ 147,698.92		\$ 142,573.20		\$ 146,573.20		\$ (1,125.72)

BID ALTERNATE B: BITUMINOUS PAVEMENT

ITEM NO.	DESCRIPTION	UNIT PRICE	ESTIMATED		QUANTITY PREVIOUS		QUANTITY COMPLETED		DIFFERENCE QUANTITY TO DATE	DIFFERENCE AMOUNT TO DATE
			BID QUANTITY	BID AMOUNT	ESTIMATE		TO DATE			
1	MOBILIZATION (ALTERNATE B)		1	LUMP SUM \$ -	1.00	LUMP SUM \$ -	1	LUMP SUM \$ -		\$ -
2	COMMON EXCAVATION (P)	\$6.00	3,920	CU YD \$ 23,520.00	3,820	CU YD \$ 22,920.00	3,820	CU YD \$ 22,920.00	-100.00	\$ (600.00)
3	SUBGRADE EXCAVATION (EV)	\$9.50	350	CU YD \$ 2,275.00	529	CU YD \$ 3,438.50	529	CU YD \$ 3,438.50	179.00	\$ 1,163.50
4	GEOTEXTILE FABRIC TYPE V	\$1.65	880	SQ YD \$ 1,452.00	2,800	SQ YD \$ 4,620.00	2,800	SQ YD \$ 4,620.00	1920.00	\$ 3,168.00
5	AGGREGATE BASE, CLASS 5 (STREET) (CV) (P)	\$18.20	1,230	CU YD \$ 22,386.00	1,230	CU YD \$ 22,386.00	1,230	CU YD \$ 22,386.00		\$ -
6	BITUMINOUS PATCH - STREET (10 TON)	\$71.00	52	SQ YD \$ 3,692.00	72	SQ YD \$ 5,112.00	72	SQ YD \$ 5,112.00	20.00	\$ 1,420.00
7	AGGREGATE SURFACING CLASS 5 (DRIVEWAY)	\$14.30	20	TON \$ 286.00		TON \$ -	20	TON \$ 286.00		\$ -
8	TYPE SP 12.5 WEARING COURSE MIXTURE (3,B)	\$86.45	324	TON \$ 28,009.80	25	TON \$ 2,161.25	310	TON \$ 26,828.03	-13.67	\$ (1,181.77)
9	TYPE SP NON WEARING COURSE MIXTURE (3,B)	\$82.25	540	TON \$ 44,415.00	430	TON \$ 35,367.50	430	TON \$ 35,367.50	-110.00	\$ (9,047.50)
10	BITUMINOUS MATERIAL FOR TACK COAT	\$3.50	178	GALLON \$ 623.00	10	GALLON \$ 35.00	185	GALLON \$ 647.50	7.00	\$ 24.50
11	CONSTRUCT CONCRETE CURB & GUTTER DESIGN B612	\$20.00	40	LIN FT \$ 800.00	40	LIN FT \$ 800.00	40	LIN FT \$ 800.00		\$ -
12	CONSTRUCT CONCRETE CURB & GUTTER DESIGN B624	\$12.85	1,735	LIN FT \$ 22,294.75	1,743	LIN FT \$ 22,397.55	1,743	LIN FT \$ 22,397.55	8.00	\$ 102.80
13	6.0" CONCRETE WALK	\$5.60	350	SQ FT \$ 1,960.00	338	SQ FT \$ 1,892.80	338	SQ FT \$ 1,892.80	-12.00	\$ (67.20)
14	CONCRETE VALLEY GUTTER	\$64.00	27	SQ YD \$ 1,728.00	15	SQ YD \$ 960.00	15	SQ YD \$ 960.00	-12.00	\$ (768.00)
SUBTOTAL (ADD ALTERNATE 1) =				\$ 153,441.55		\$ 122,090.60		\$ 147,655.88		\$ (5,785.67)
TOTAL=				\$ 301,140.47		\$ 264,663.80		\$ 294,229.08		\$ (6,911.39)



WILLMAR  
★

**WILLMAR FIRE DEPARTMENT FIRE CHIEF**

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515 SW 2<sup>ND</sup> ST  
WILLMAR, MN 56201  
320-235-1354  
FAX 320-235-1607

**COUNCIL ACTION REQUEST**

**DATE:** February 18, 2016

**SUBJECT:** Purchase of Turnout Gear

**RECOMMENDATION:** It is respectfully recommended the City Council approve the following:

Approve purchasing five complete sets of NFPA approved firefighting turnout clothing estimated to cost \$2029.

**DESCRIPTION:** The Willmar Fire Department has an eight to ten-year replacement plan, or when it is unsafe and beyond repair, for NFPA standard firefighting protective clothing. It is recommended that we replace five sets this year to maintain that rotation.

**FINANCIAL CONSIDERATIONS:** The Fire Department budgeted for replacement of five full sets of turnout gear estimated to cost \$2,029 each for a total of \$10,145. Funds are available for this planned purchase.

**LEGAL:** N/A

**DEPARTMENT/RESPONSIBLE PARTY:** Frank Hanson, Fire Chief

**REVIEWED BY:** Larry Kruse, City Administrator



★ WILLMAR

**Finance Director**

**City Office Building  
333 SW 6<sup>th</sup> Street  
Willmar, MN 56201  
Main Number 320-235-4913  
Fax Number 320-235-4917**

**COUNCIL ACTION REQUEST**

**DATE:** February 22, 2016

**SUBJECT:** Report

**RECOMMENDATION:** Receive and Review Report for Information Only

**BACKGROUND:** Periodically receive and review various reports.

- 1) Rice Memorial Hospital Financial Statements

**FINANCIAL CONSIDERATION:** N/A

**LEGAL:** N/A

**Department/Responsible Party:** Steven B. Okins, Finance Director

**Reviewed By:** Larry Kruse, City Administrator

# Rice Memorial Hospital

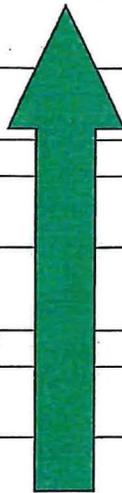
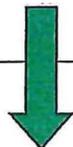
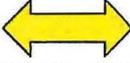
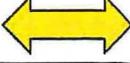
## Financial Statements

### December 31, 2015

### Executive Summary

December was a negative month in terms of actual financial performance with Rice generating a loss on operations of \$161,000. Total Patient Revenues were 8.5% greater than the three-month average with Total Operating Revenues 10.9% greater than average and Net Operating Expenses 12.5% greater than average.

Here is a summary of key financial indicators:

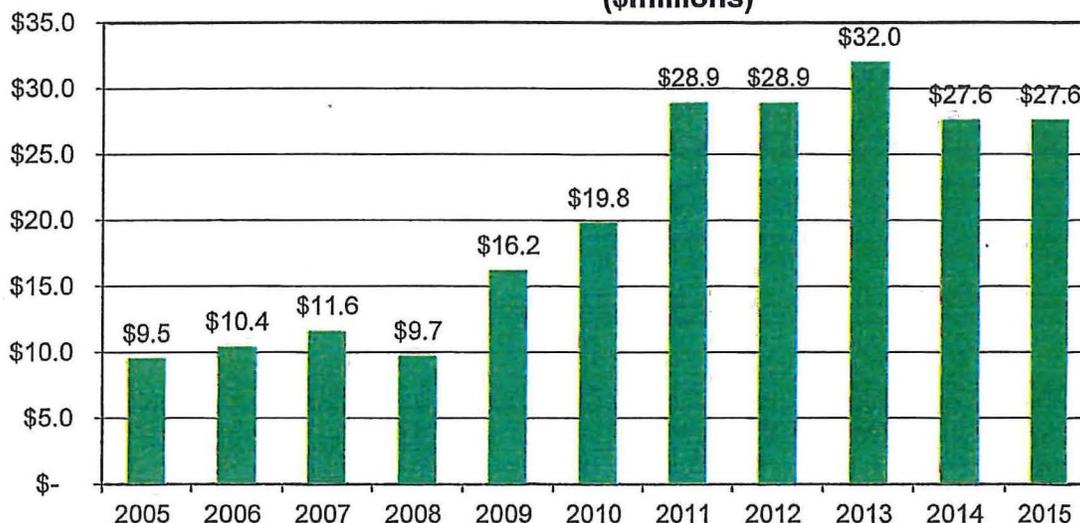
	<u>Actual</u>	<u>Target</u>	<u>2014</u>	<u>2013</u>	<u>Benchmark</u>	<u>Actual - YTD</u>	<u>Desired</u>
Operating Margin-Month	-1.8%	1.8%					
Operating Margin-YTD	2.4%	1.8%	-3.3%	-3.2%	2.8%		
Excess Margin-Month	-0.6%	2.6%					
Excess Margin-YTD	3.3%	2.6%	-1.8%	-3.6%	5.4%		
EBIDA Margin-Month	8.1%	12.6%					
EBIDA Margin-YTD	12.9%	12.6%	7.1%	7.0%	11.1%		
Debt/Capitalization	43.5%	44.5%	45.8%	46.3%	35.5%		
Net Days of Receivables	63	48	53	52	47		
Days of Cash	116	119	116	128	151		
Cash/Debt	59%	62%	57%	64%	101%		

#### December 31, 2015 Balance Sheet:

The December Balance Sheet realized an increase in Net Assets of \$4.0 million from December 31, 2014. Total Assets have increased \$3.8 million while Total Liabilities have decreased \$154,000. The Total Assets increase was due to an increase in Current Assets of \$5.7 million; a decrease in Assets-Use is Limited of \$140,000; a decrease in Property, Plant, and Equipment of \$694,000; and a decrease in Other Assets of \$996,000. The increase in Current Assets was due to increases in Cash, Receivables, Inventory, and Prepaid Expenses. Assets-Use is Limited has decreased due to market value change and activity in the Rice Trust. Property, Plant, and Equipment has decreased due to lower

capital expenditure spending than depreciation. Other Assets have decreased due to General Investment withdrawals related to the Rehab Building Project and WMS. Cash & General Investments have increased \$35,000 since December 31, 2014.

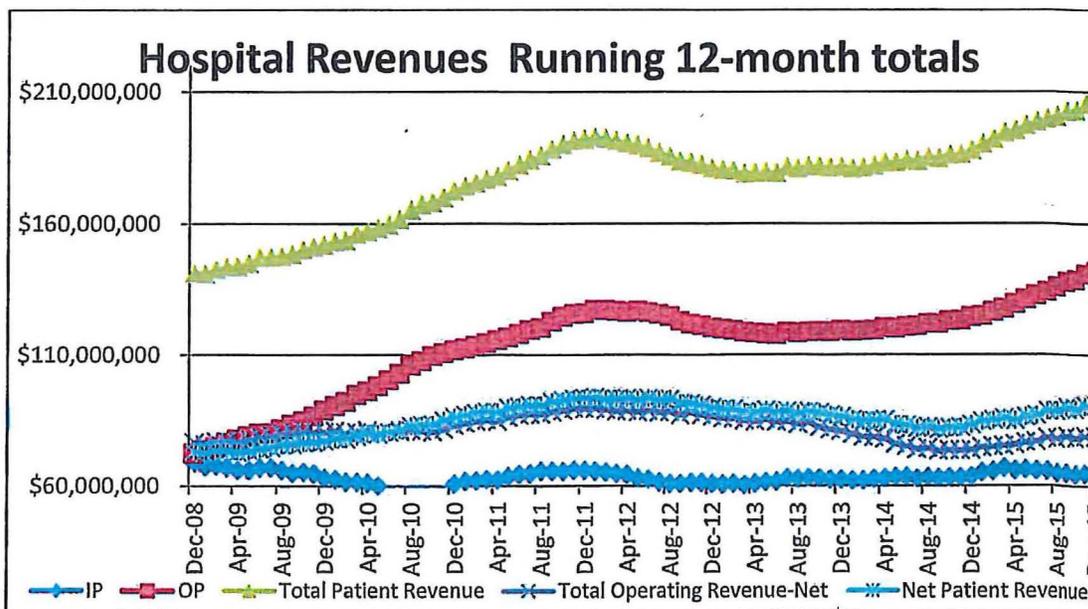
### Cash & General Investments (\$millions)



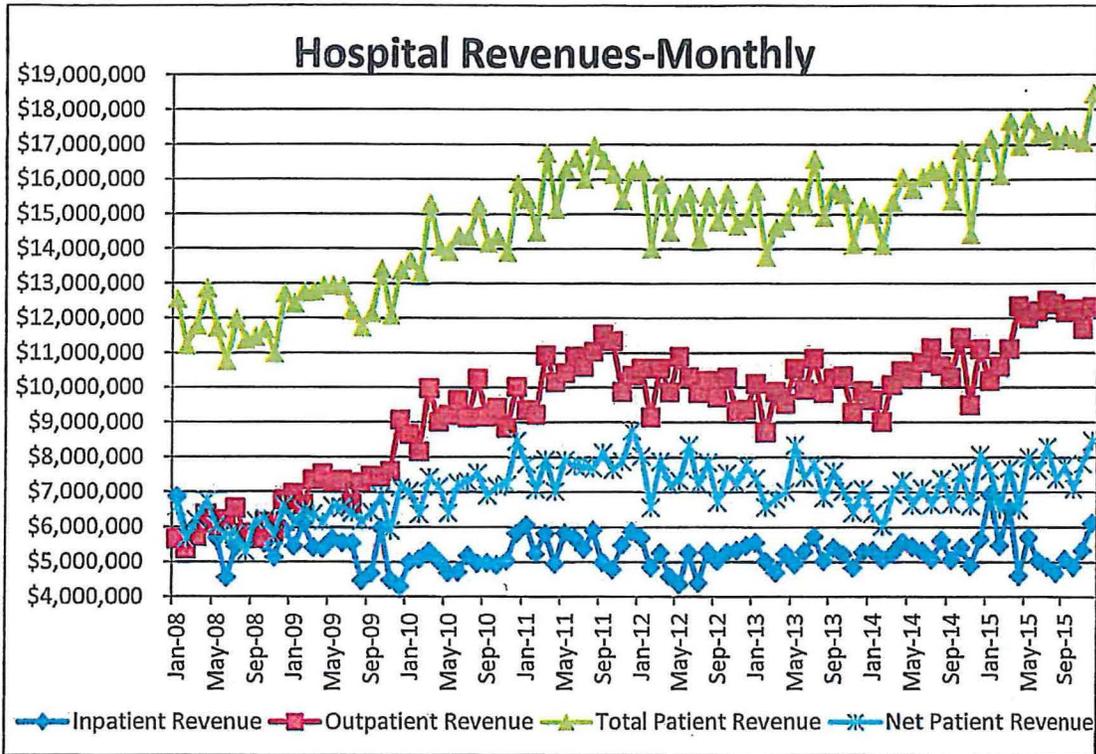
Liabilities have decreased due to the Bond Payments. In the Net Asset section, Specific Purpose Funds have decreased with an increase in profitability.

#### December 2015 Results:

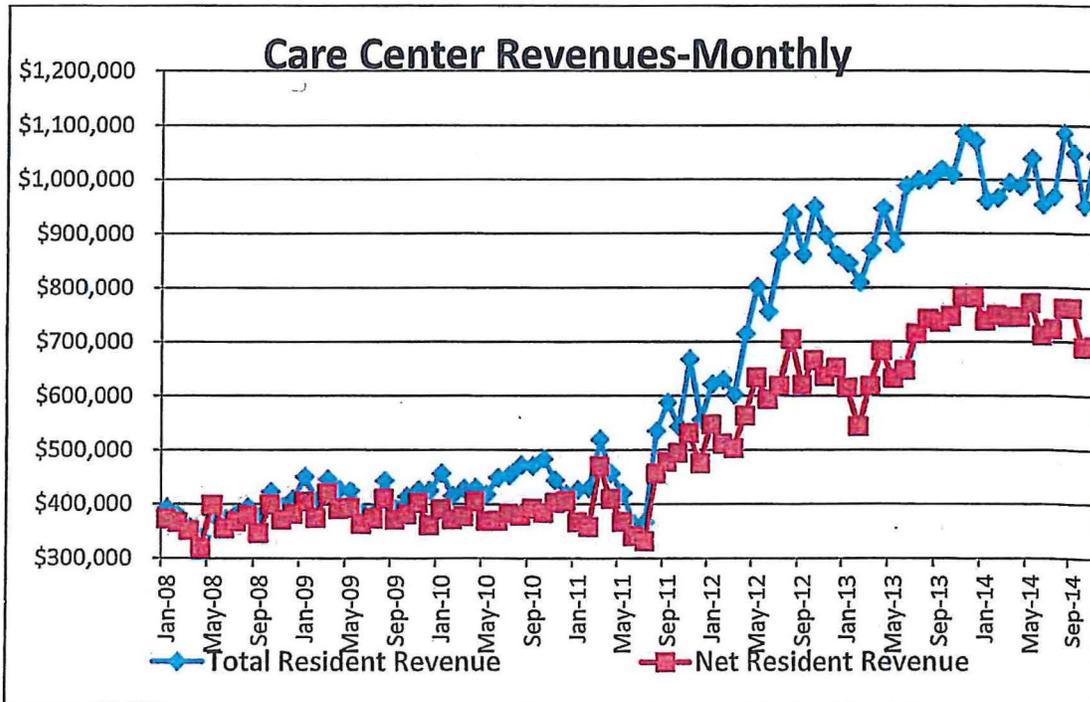
The Consolidated Operating Loss was \$161,000 compared to the prior three-month average Operating Loss of \$28,000. Total Patient Revenues were 8.5% greater than the 3-month average while Total Operating Revenues were 10.9% higher than the average. Hospital Total Operating Revenues were 10.6% higher than the average with Inpatient Revenues 20.1% higher than average and Outpatient Revenues 2.3% higher than average. As shown in the graph below, Total Patient Revenues have been trending upward for the past year with the increase from Outpatient Revenues while Inpatient Revenues have remained relatively flat or slightly declined.



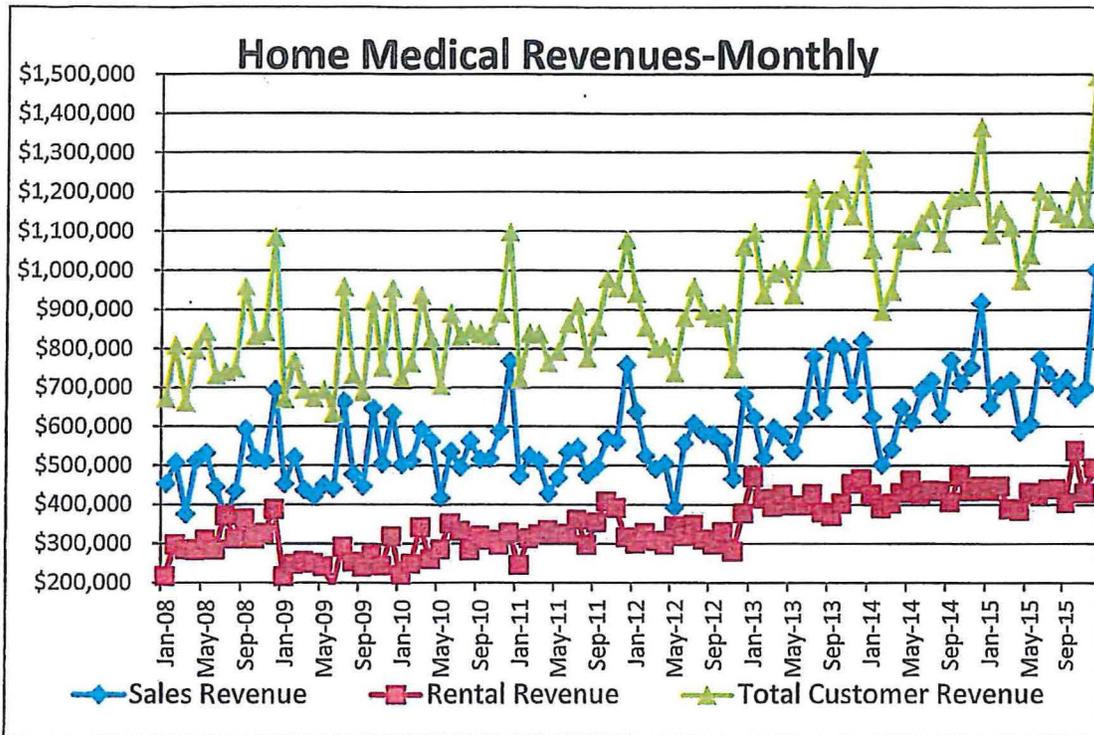
The monthly Hospital Revenues increased in December due to an increase in Inpatient Revenues and a slight increase in Outpatient Revenues.



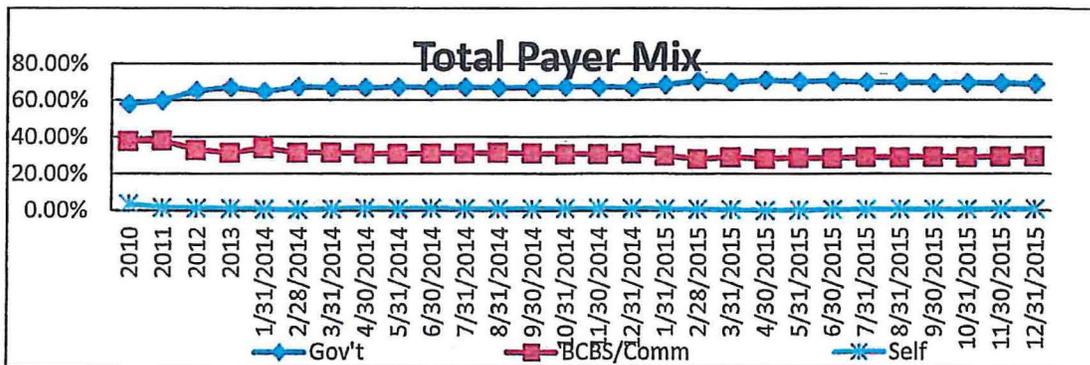
Care Center Total Operating Revenues were higher than average by 1.5% for the month with Total Resident Revenues at \$1.045 million. The average daily census increased to 71.7 compared to the 70.9 three month average.



Home Medical Total Customer Revenues were 29.0% higher than average. Sales Revenues were 43.0% higher than average while Rental Revenues were 7.8% higher than average.



Total Deductions from Revenue were 5.3% higher than average due to increased patient activity. The Hospital's reimbursement rate for the month was 45.9% compared to the 1<sup>st</sup> Quarter 2015 rate of 42.9%, 2<sup>nd</sup> Quarter rate of 42.6% and 3<sup>rd</sup> Quarter rate of 45.3%. As shown in the Total Payer Mix graph, Government sources of Revenue in December were 69.1% of Hospital Revenues.

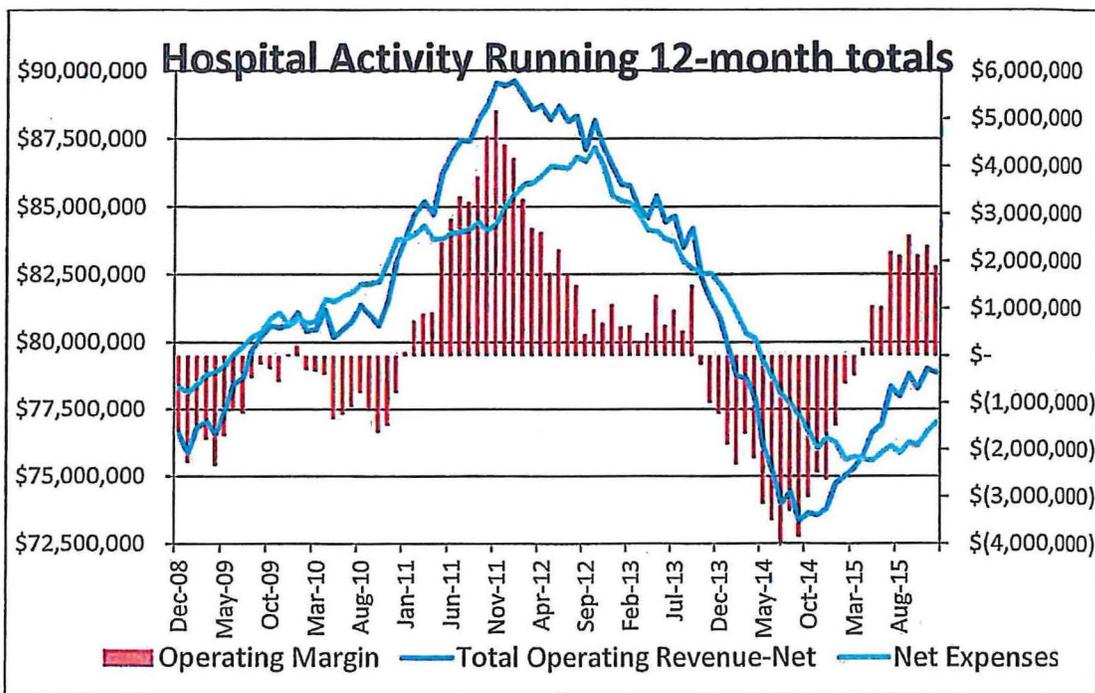


As a result from the service mix of Patient Revenues, the change in the Payer Mix, and the increase in reimbursement; Net Revenue from Patients was 12.2% higher than average. Other Operating Revenues were 2.4% lower than average due to WMS activity being 9.7% greater than the average. A significant one-time accrual of additional monies owed to Allina for Radiation Therapy professional services related to 2014 and 2015 was recorded in December, thus pushing down profitability in WMS.

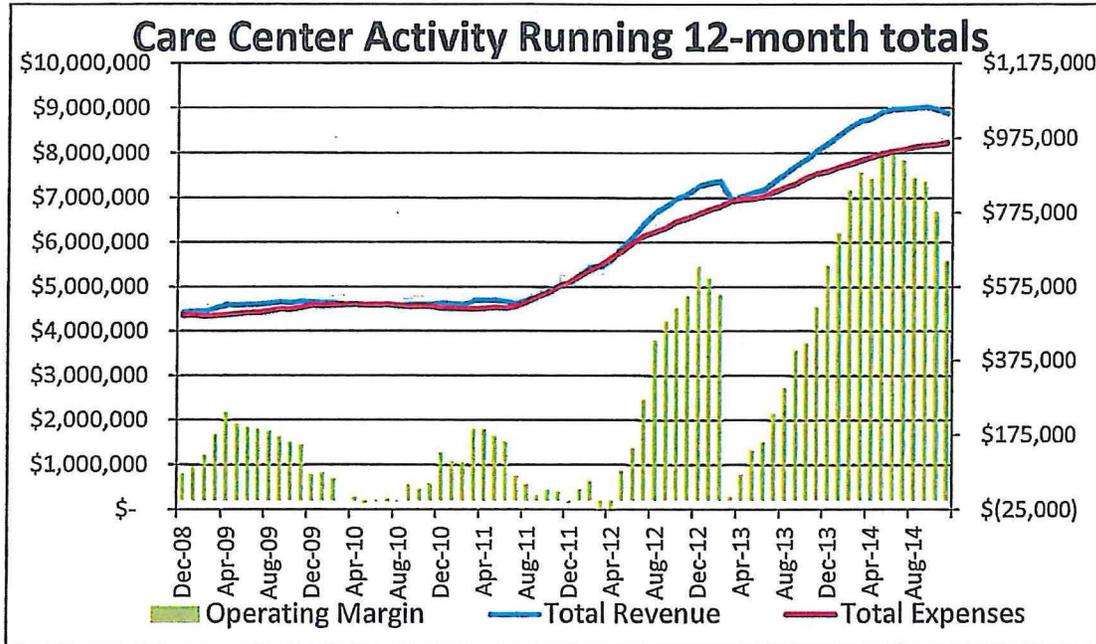
Net Expenses were \$9.0 million, 12.5% higher than average. Expenses were mostly higher for the month with Salaries 9.8% (\$378,000) higher than average, Contract Labor was 43.2% (\$169,000) greater than average due to ED Physician coverage and other vacancies, and Benefits 22.8% (\$261,000) higher than average due to an increase in Health Insurance Claims activity (\$321,000). The Hospital Compensation Ratio was 56.2% for the month compared to the target of 50%. FTE's were significantly greater in December due to increased patient activity. In addition, Paid Time Off and Extended Sick Pay payouts were incurred related to the transition of CRNAs to WMS. Supplies were 27.0% (\$396,000) higher than average due to Surgery and Lab activity; Quarterly Purchasing fees expensed in the month; along with the expensing of desk chair replacements in numerous departments. Drugs were 33.2% (\$213,000) higher than average due to Oncology activity and an increase in Hospital Inpatient activity. Purchased Services were 78.5% (\$530,000) higher due to the Radiation Therapy accrual; Repairs Service & Rentals 22.5% (\$69,000) higher due a Surgery contract, one-time maintenance expense for Medical Gases, and Telecommunications service contract related to the new phone system; Utilities 13.4% (\$20,000) lower due to electricity and water usage; Insurance 13.8% lower; Patient Related Travel 15.5% higher; Education Travel and Dues 12.5% lower; and Other 10.0% lower. Total Hospital Controllable Costs were \$8.8 million, \$1.7 million higher than average due to variances identified above. Capital Costs were higher with Depreciation 3.2% (\$23,000) higher and Interest 1.4% higher. Taxes were 12.7% higher due to MA Surcharge activity in prior months and MNCare Tax in the current month.

Non-operating activity was \$99,000 higher than the three-month average. Investment Income was higher than average by 110% due to reconciled activity with the City while Unrealized Losses were \$28,000 lower than average.

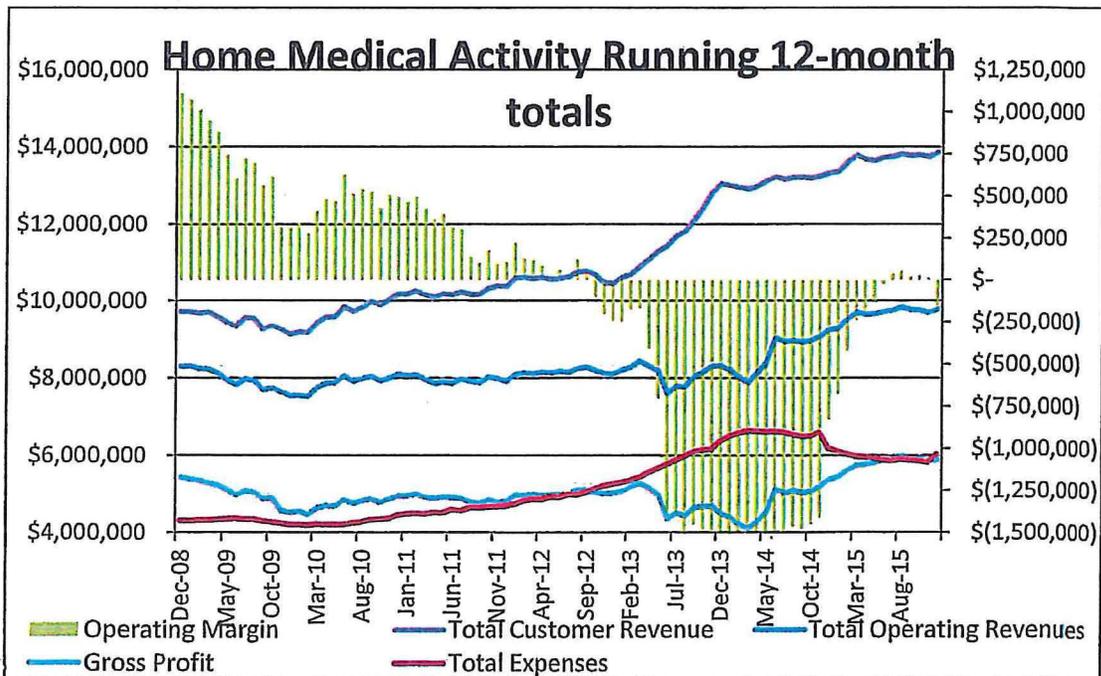
The Hospital generated Operating Losses of \$209,000 compared to average Operating Losses of \$12,000. Total Operating Revenues were higher than average by 10.6% while Net Operating Expenses were 13.7% higher than average. Operating Income at the Hospital for the past 12 months was \$1.8 million.



Care Center activity generated Operating Losses of \$40,000 compared to average Operating Income of \$33,000. Total Operating Revenues were 6.2% lower than average with Net Operating Expenses 3.9% higher than average. Due to higher than expected Receivables, Contractual Reserves are estimated higher. Operating Income for the past twelve months was \$644,000.



Home Medical activity generated Operating Income of \$91,000 compared to average Operating Losses of \$50,000. Total Operating Revenues were 30.5% higher than average while Total Operating Expenses were at the average. Operating Losses for the past twelve months were \$151,000.



### **December YTD Summary**

The Consolidated YTD Operating Income was \$2.3 million compared to last year's Operating Loss of \$2.9 million and 2013 YTD Operating Loss of \$3.0 million. Total Operating Revenues were 7.1% greater in 2015 compared to 2014 and 3.2% greater than 2013. Hospital Inpatient Revenues were 2.5% higher than 2014 and 4.8% higher than 2013 with Outpatient Revenues 14.1% higher than 2014 and 19.0% higher than 2013. Care Center Revenues were 7.8% higher than 2014 and 18.6% higher than 2013 and Home Medical Revenues were 4.1% higher than last year and 6.3% higher than 2013. Total Patient Revenues were 9.7% higher than last year; 13.8% higher than 2013; and 15.9% higher than 2012.

The Revenue increases were partially offset by reimbursement decreases and increased Care Center Therapy. Consolidated Deductions from Revenues were 10.5% higher than 2014 and 17.9% higher than 2013. Even with the increases in Deductions from Revenues, Net Patient Revenues have increased 8.7% from 2014; 9.5% from 2013; and 6.1% compared to 2012. Other Operating Revenues were 0.2% higher than 2014 but 15.4% lower than 2013. WMS activity at Rice which transfers net revenues back to WMS has increased 9.6% from 2014 and 16.7% from 2013.

Expenses were 1.2% higher than 2014 even with significant increases in volume; 2.4% less than 2013; and 3.3% less than 2012. Expenses were mixed with Salaries 2.4% higher than 2014 and 1.4% higher than 2013; Contract Labor 1.7% higher than 2014 and 15.6% higher than 2013; and Benefits 1.7% lower than 2014 and 1.3% lower than 2013. Other expense categories realizing lower costs in 2015 were Utilities (0.7%/3.8% higher); Insurance (13.5%/15.7% lower); Patient Related Travel (19.7%/30.0% lower); and Other (10.5%/5.0% higher). 2015 expense increases have been realized in Supplies (1.6%/0.3% higher) due to increased Surgery and Home Medical activity; Drugs (28.9%/8.9% higher) due to increased Hospital Inpatient and Oncology activity; Purchased Services (11.8%/31.8% higher) due to increases in numerous departments and the Radiation Therapy accruals; Repairs (8.0%/7.0% higher) due to increases in numerous departments; and Education Travel & Dues (15.0%/3.9% higher). Capital Costs were lower with Depreciation (0.2%/4.2% higher) and Interest (3.2%/6.6% higher). Taxes were also lower (5.2%/5.2% lower) due to MnCare Tax activity.

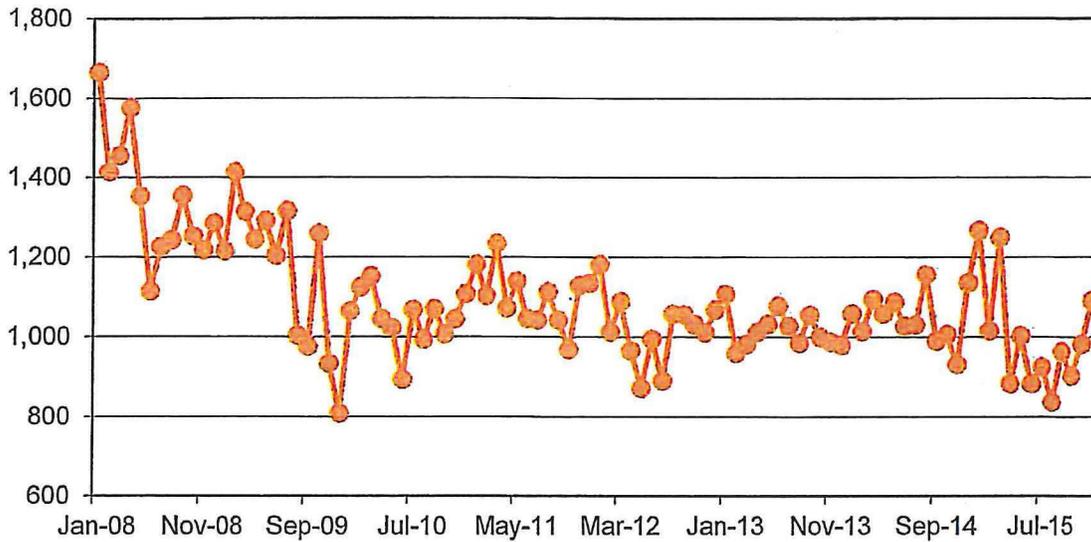
Non-Operating Income has decreased \$355,000 from 2014. Non-Operating Income was \$947,000 in 2015 compared to \$1.3 million in 2014. Investment Income was \$4,000 higher; Unrealized Gains on Investments were \$562,000 lower compared to 2014; and Other Gains were \$204,000 higher compared to 2014.

The Hospital generated Operating Income of \$1.8 million compared to last year's Operating Loss of \$2.6 million. Care Center's Operating Income was \$644,000 compared to last year's \$523,000 while Home Medical's Operating Loss was \$151,000 compared to last year's Loss of \$787,000.

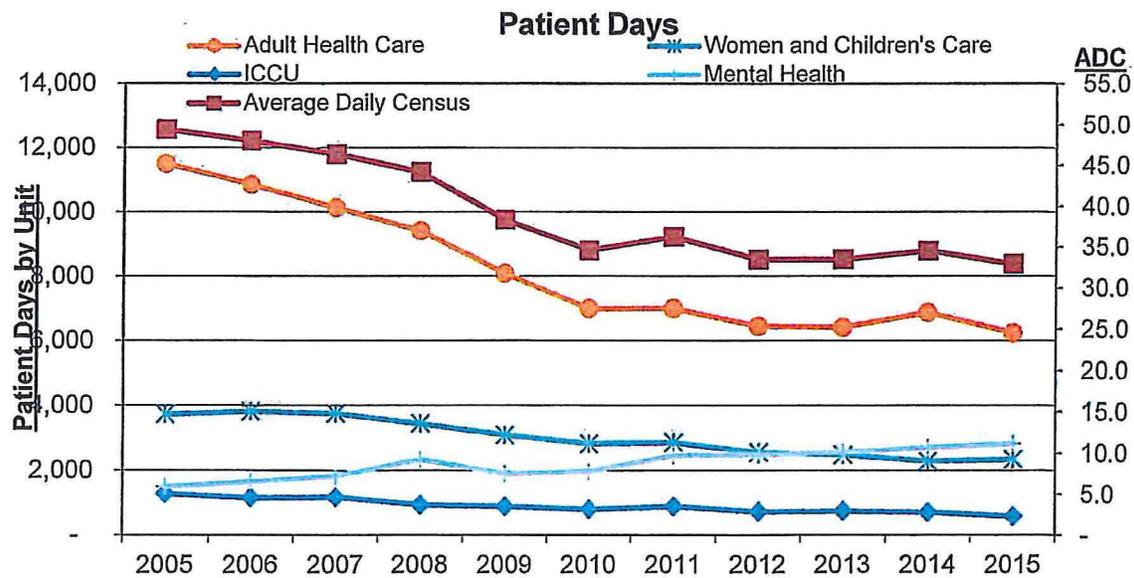
### **Statistical and Volume Summary**

Patient days were 102 (10.3%) greater than forecast with admissions 39 (14.3%) greater than forecast yielding a decrease in length of stay of 6.8% and a 9.3% decrease in case-mix adjusted length of stay. Compared to the prior year, patient days were 4.0% lower with admissions 1.6% lower. The average daily census for the month was 35.3 compared to forecast of 32.0; 36.7 last year; and a 31.4 three month average.

## Hospital Patient Days



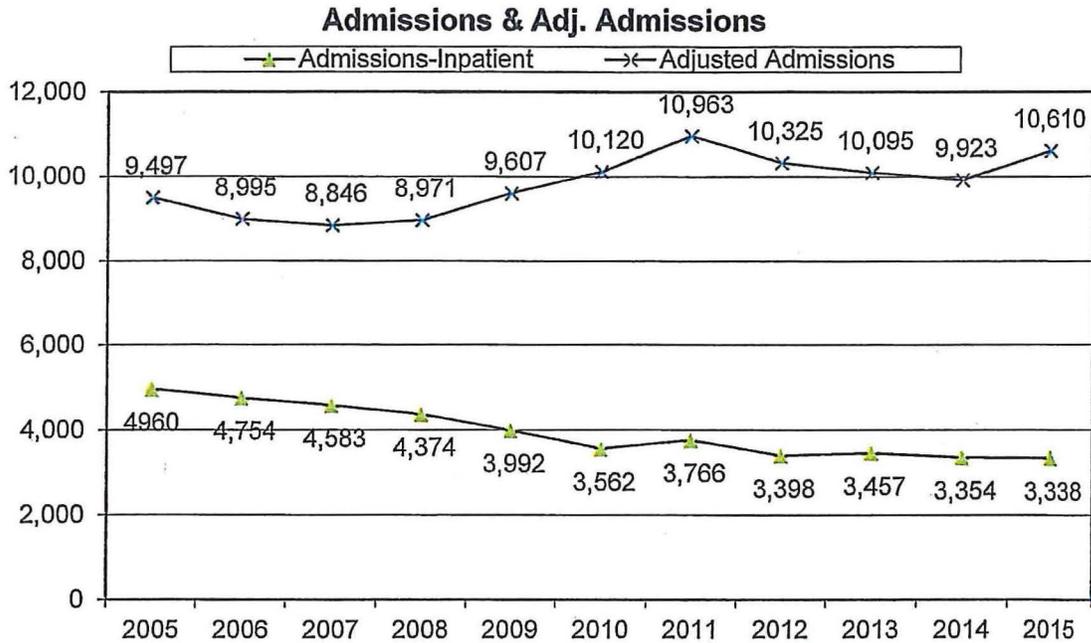
YTD Patient days were 388 (3.1%) less than forecast with YTD admissions 10 (0.3%) less than forecast yielding a decrease in length of stay of 2.8% and a 1.6% decrease in case-mix adjusted length of stay. Compared to the prior year, patient days were 4.7% lower with admissions 0.5% lower. The YTD average daily census was 32.9 compared to forecast of 34.0 and 34.6 last year.



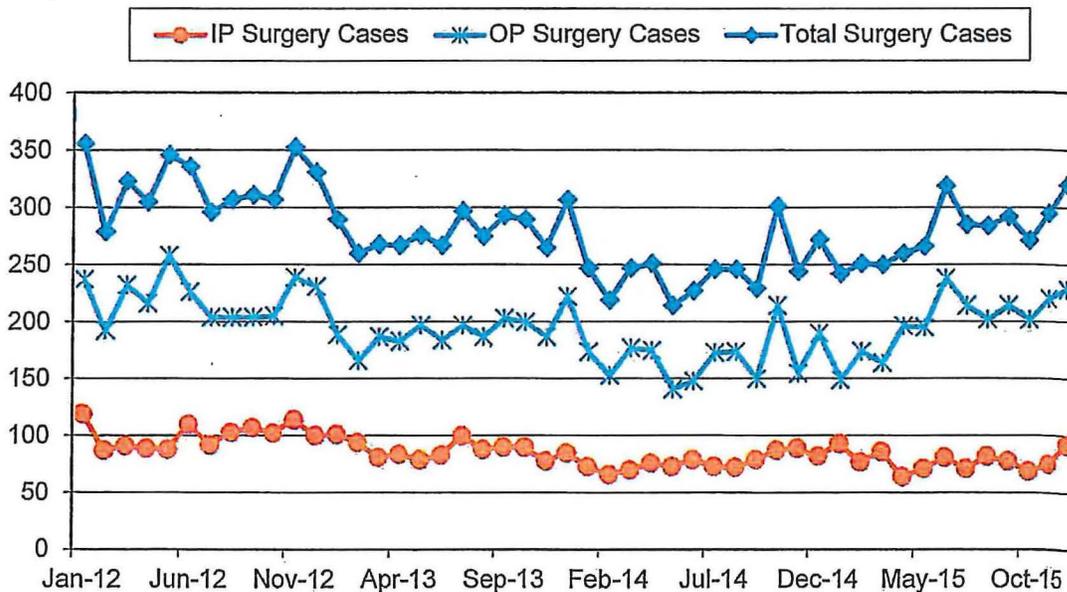
The monthly Hospital Medicare case mix was 6.9% greater than forecast and 22.2% greater than last year. The overall case mix was 4.7% greater than forecast and 6.2% greater than last year. Overall activity as measured in adjusted admissions was 19.0% higher than forecast and 0.1% less than last year while adjusted patient days were 14.8% higher than forecast and 2.5% less than last year. Care Center resident days were 4.3% less than forecast with a 71.7 average daily census. Case mix for the month was 28.6% greater than forecast, 32.9% greater than last year, and 21.3% greater than the average.

The YTD Hospital Medicare case mix was 1.4% less than forecast and 1.4% less than last year. The overall case mix was 1.3% less than forecast and 1.3% less than last year.

YTD overall activity as measured in adjusted admissions was 9.6% greater than forecast and 7.2% higher than last year while adjusted patient days were 6.2% greater than forecast and 2.5% greater than last year. YTD Care Center resident days were 3.6% less than forecast with a 72.3 average daily census. YTD case mix was 2.7% greater than forecast and 2.2% greater than last year.

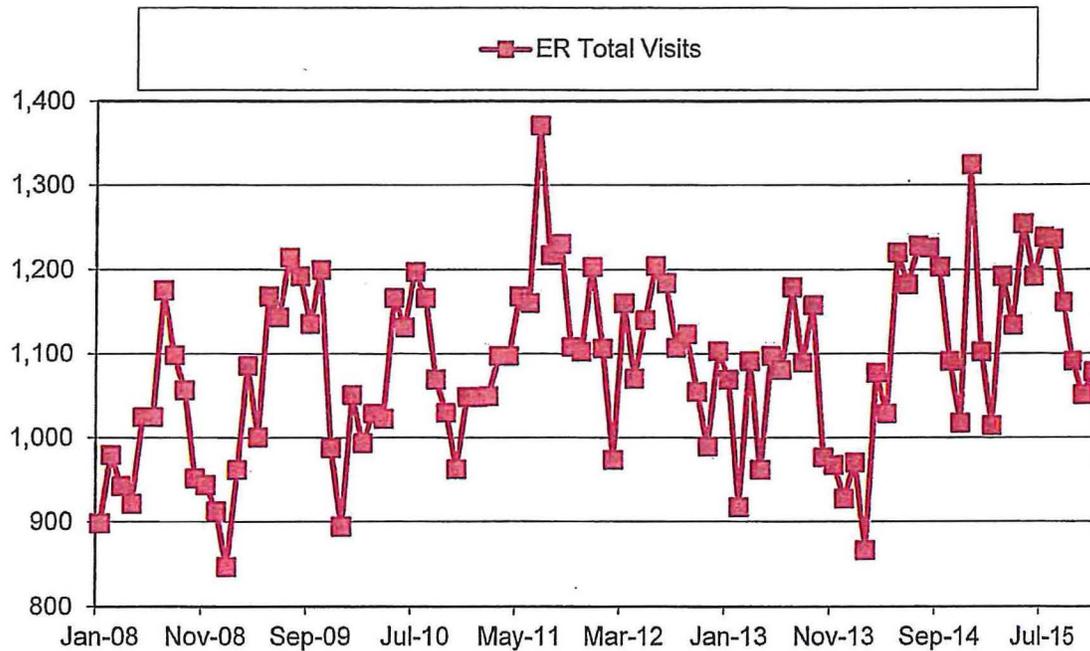


Ancillary departments were mixed for the month. Monthly Surgery & GI cases were 16.4% greater than forecast, 17.6% greater than last year, and 11.9% greater than average. Inpatient activity was 16.5% greater than forecast and 12.2% greater than last year while Outpatient activity was 16.3% greater than forecast and 20.0% greater than last year.

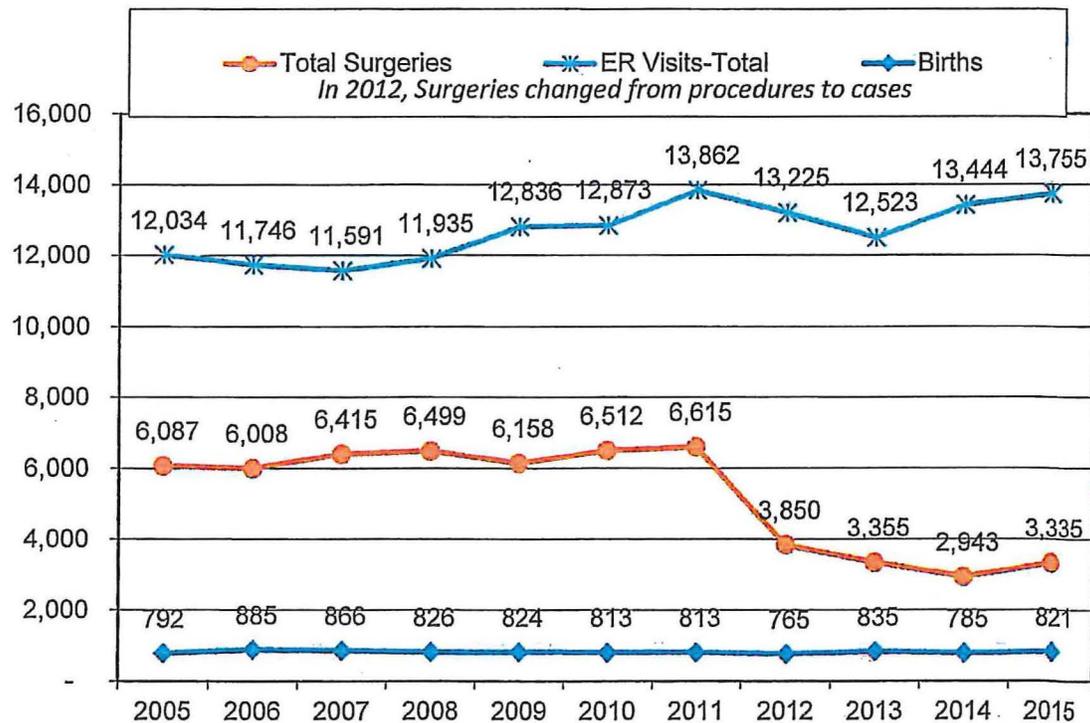


YTD Surgery cases were 7.6% greater than forecast and 13.3% greater than last year. Inpatient cases were 0.3% less than forecast but 2.2% greater than last year while Outpatient cases were 11.1% greater than forecast and 18.4% greater than last year.

Emergency Room visits were 7.9% less than forecast for the month, 18.6% lower than last year, and 2.1% less than average. YTD visits were 0.8% less than forecast and 2.3% greater than last year and 18.6% greater than 2013.



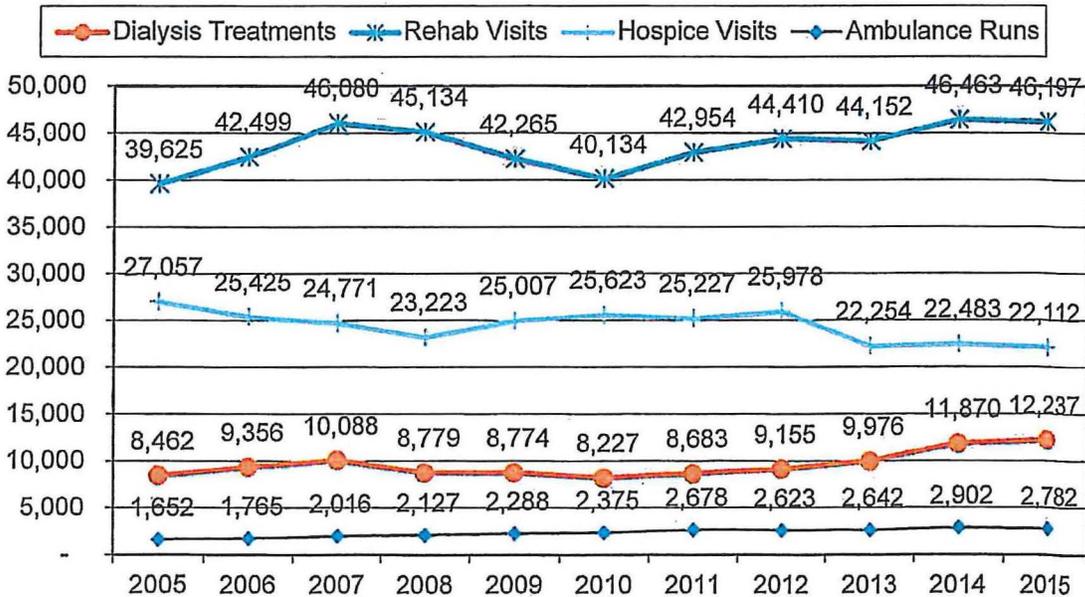
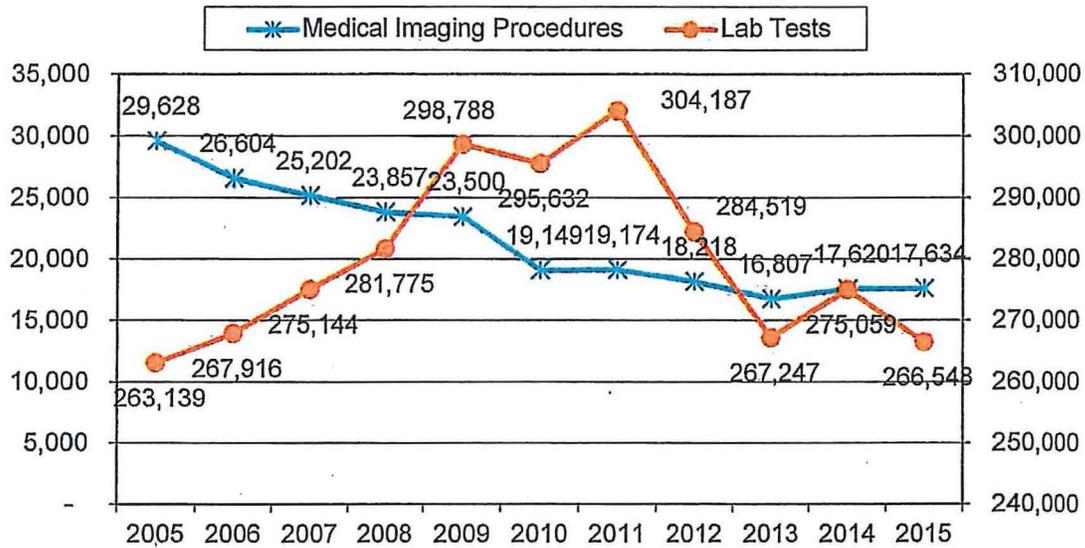
2015 ER Visits indicate a steady increase over the past couple of years and are slightly lower than the higher in 2011. Surgery cases increased from 2014 and approximated the 2013 volumes. Births were higher in 2015 and were slightly lower than 2013.



Monthly Laboratory tests were 4.7% greater than forecast, 2.6% less than last year, and 6.8% greater than average. Medical Imaging procedures were 2.4% greater than forecast,

2.8% less than last year, and 4.3% greater than average. Radiation Oncology and Medical Oncology volumes were adjusted to capture activity more accurately. As a result, comparison to forecast is distorted. Dialysis treatments were 6.2% less than forecast, 5.5% less than last year, and 6.8% less than average; Rehab visits were 2.2% less than forecast, 5.7% less than last year, and 3.7% less than average; Hospice visits were 6.3% greater than forecast, 9.2% greater than last year, and 3.1% less than average; and Ambulance runs were 1.7% greater than forecast, 9.2% less than last year, and 6.3% greater than average.

YTD Laboratory tests were 2.9% less than forecast and 3.1% less than last year. Medical Imaging procedures were 2.3% greater than forecast and 0.1% greater than last year. Dialysis treatments were 1.2% greater than forecast and 3.1% greater than last year; Rehab visits were 1.2% less than forecast and 0.6% less than last year; Hospice visits were 0.7% greater than forecast and 1.7% less than last year; and Ambulance runs were 3.4% less than forecast and 4.1% less than last year.



Full Time Equivalents (FTE's) for the month were 790 compared to a forecast of 748. This compared to last year's total of 771 (2.5% higher) and the three month average of 780 (1.3% higher). Hospital FTE's were 6.8% higher than forecast, 4.1% higher than last year, and 2.3% higher than average. Care Center FTE's were 6.2% greater than forecast, 0.8% less than last year and 1.3% less than average. Home Medical FTE's were 4.1% less than forecast, 6.0% less than last year, and 4.1% less than average.

YTD FTE's were 2.1% higher than forecast at 778 compared to the forecast of 762 but lower than last year's FTE's of 782 (0.5% lower) and 803 (3.1% lower) from 2013. Hospital FTE's were 1.9% higher than forecast but 0.6% less than last year. Care Center was 8.1% higher than forecast and 7.2% higher than last year while Home Medical was 3.1% less than forecast and 8.3% less than last year.

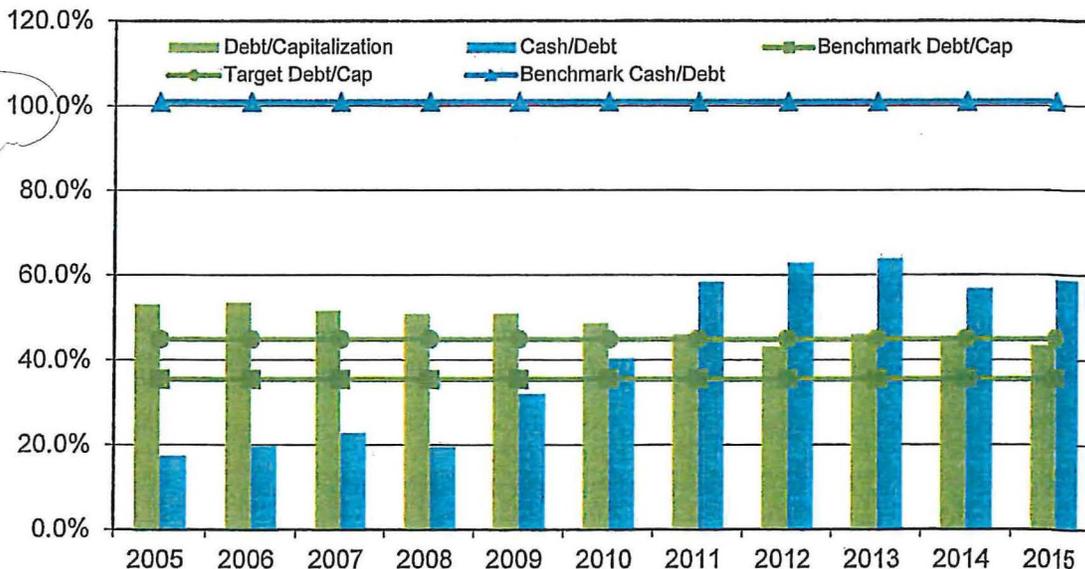
**Key Performance Indicators**

The Operational indicators were negative for the month and compared to the forecast. Consolidated Operating Margin was -1.8% for the month; 2.4% YTD; forecast of 1.8% and last year's -3.3%. Excess Margin was -0.6% for the month; 3.3% YTD; forecast of 2.6% and last year's -1.8%. EBIDA Operating Margin was 8.1% for the month; 12.9% YTD; forecast of 12.6% and last year's 7.1%.

The Financial ratios indicate that the Debt/Capitalization ratio of 43.5% was comparable to last month; lower than the forecast of 44.5%; lower than last year's 45.8%, and lower than the targeted ceiling of 45%. The decrease was due to improved financial performance. Debt Service Coverage was 3.6 compared to the forecast of 3.0 and last year's 2.4. The Cash/Debt ratio was 59% compared to the forecast of 62% and last year's 57%. The Financial Strength Index was 0.94 compared to the forecast of 1.0 and -0.33 last year.

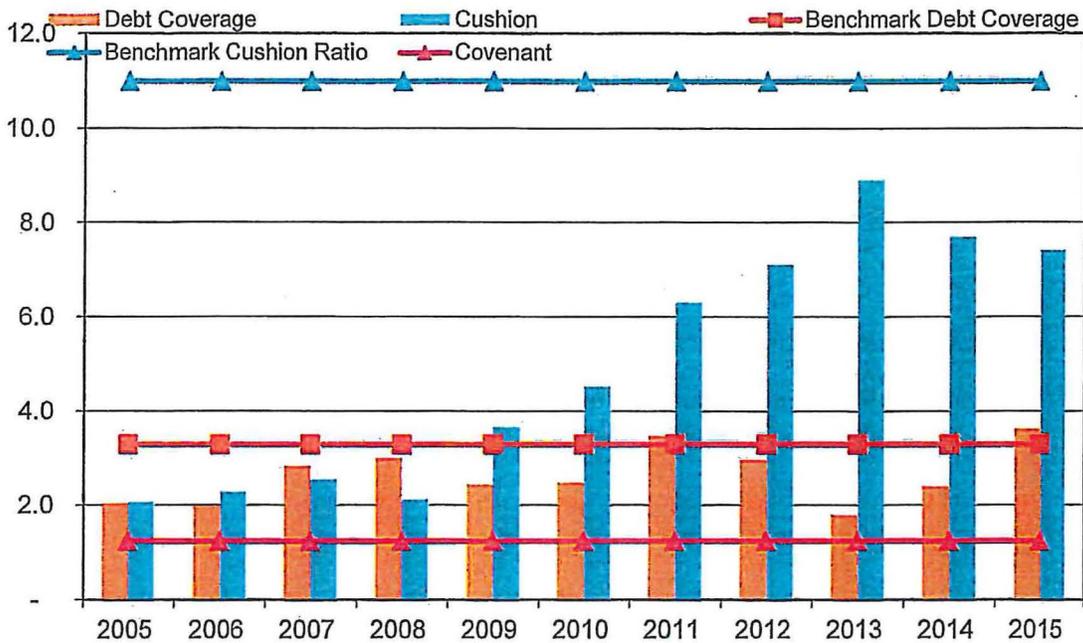
The Debt Ratios indicated positive improvements in 2015 with a lower Debt/Capitalization ratio compared to the prior two year and a slightly higher Cash/Debt ratio compared to 2014.

**Debt Ratios**



In addition, the Coverage Ratios shown below indicate an improvement in 2015 with a Debt Coverage of 3.6 in 2015 compared to 2.4 in 2014.

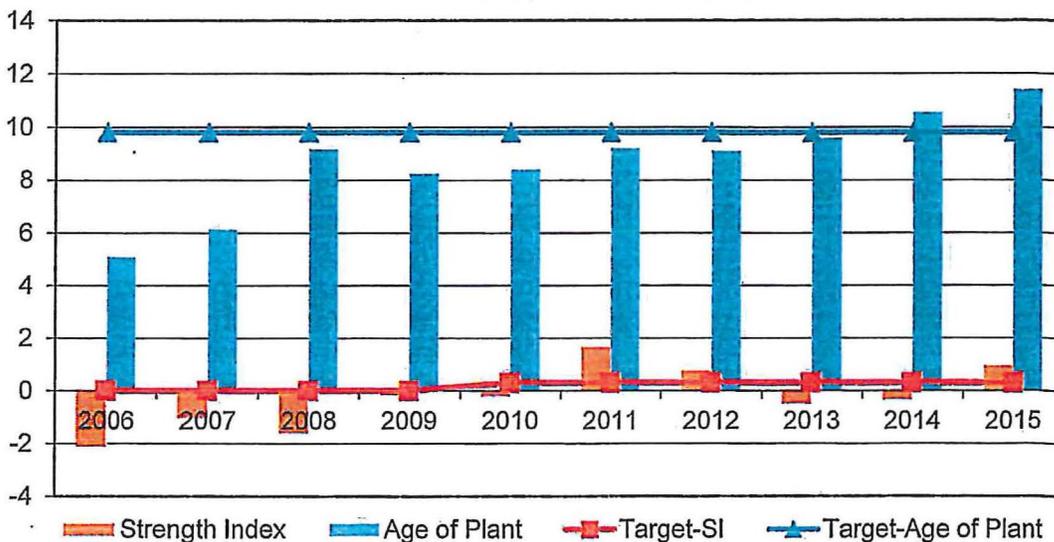
## Coverage Ratios



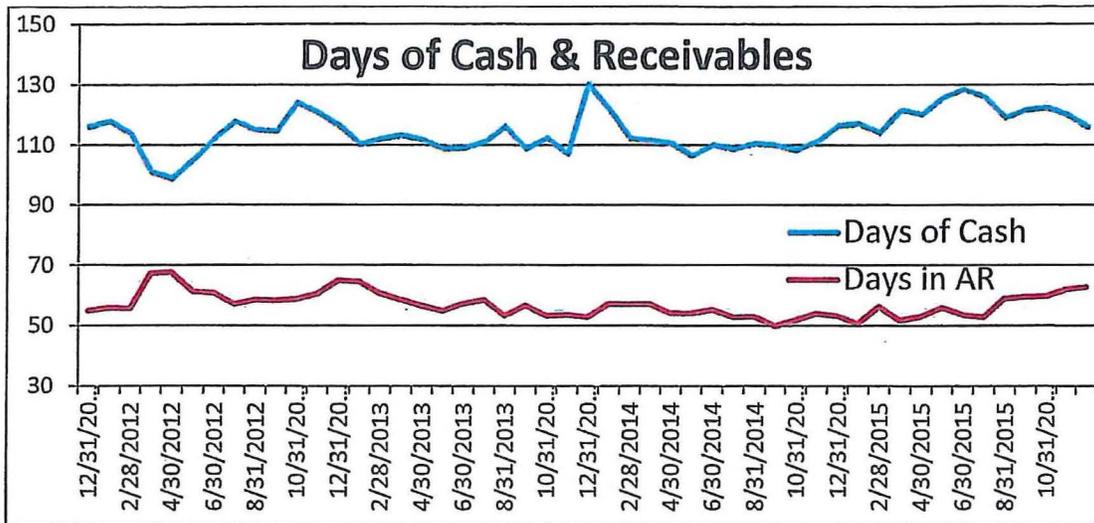
The Average Age of Plant has continued to increase over the past few years with a concerted effort to reduce capital expenditures while attempting to increase cash and investments. As such, the Age of Plant ratio of 11.4 exceeds the Benchmark of 9.8. This will necessitate that Rice continue to monitor and continue to strategically invest in capital replacement over the next few years.

The Financial Strength Index indicates a significant improvement over 2014. The Financial Strength Index is a calculation that factors in many of the above Balance Sheet ratios compared to benchmarks and attempts to calculate an overall index of Financial Strength. Any number above 0.0 would indicate positive financial strength compared to benchmark while a number below 0.0 would indicate a negative.

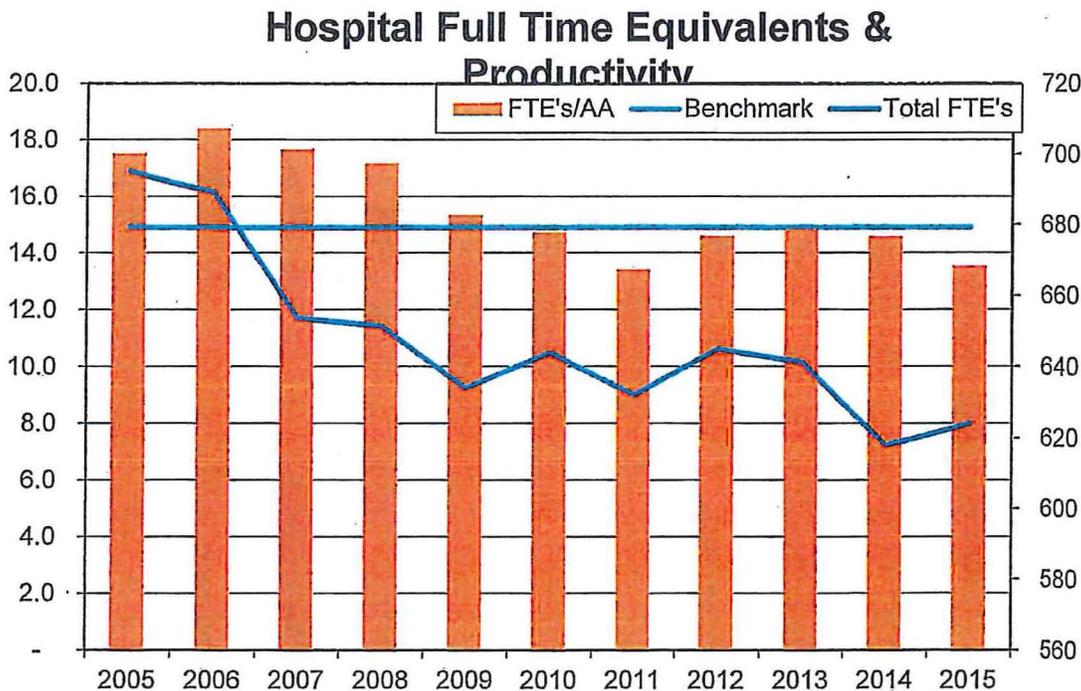
## Other Ratios



Days in accounts receivable were 63 compared to the forecast of 48 and last year's 53. Days of Cash were 116 compared to the forecast of 119 and last year's 116.

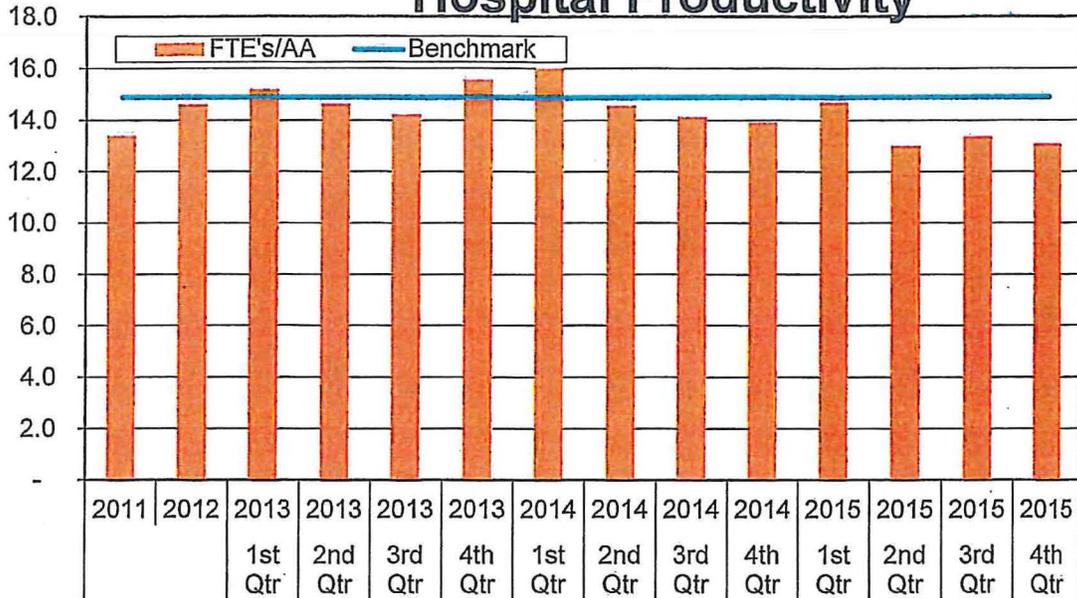


Hospital productivity ratios in terms of staffing were lower for the month than the forecast with FTE's per adjusted admit at 13.1 and 13.5 YTD compared to the forecast of 14.4 and last year's ratio of 14.6. FTE's per adjusted patient day were 3.7 for the month and 3.8 YTD compared to the forecast of 4.1 and 3.9 last year.



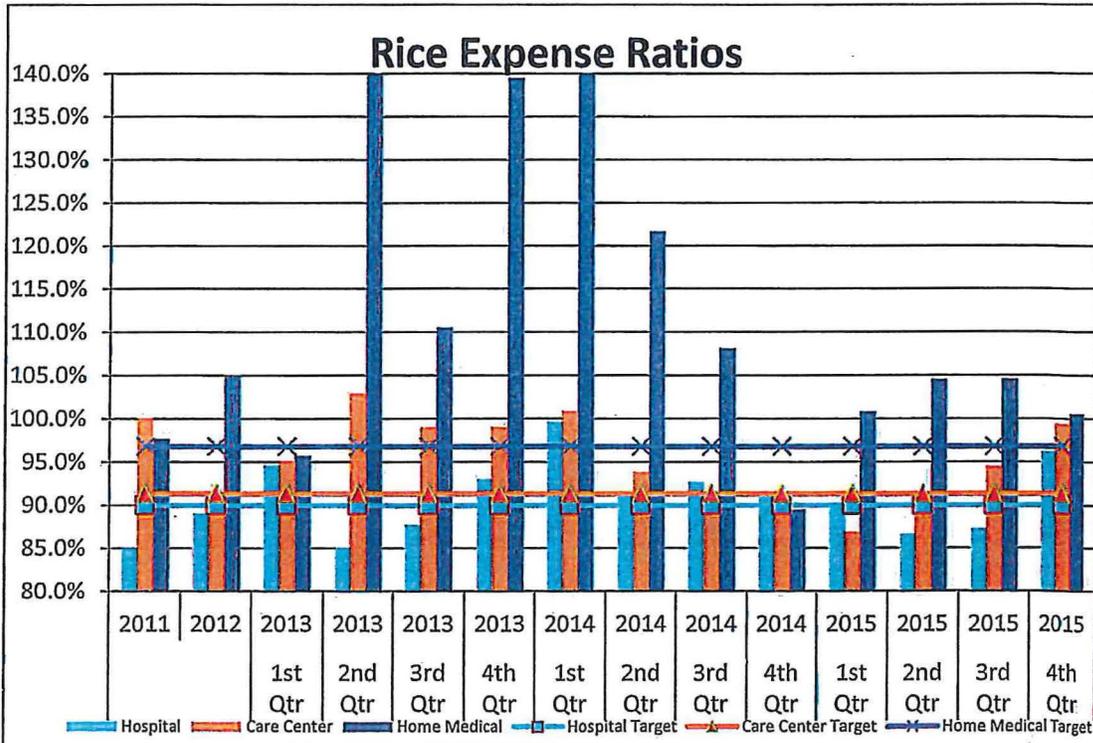
In 4<sup>th</sup> Quarter 2015, the Hospital Productivity ratio was slightly lower than the recent quarter and much improved from 1<sup>st</sup> Quarter 2015.

## Hospital Productivity



The Hospital Total Operating Expense Ratio was 102.3% for the month; 89.9% YTD, forecast of 90%; and last year's 93.5%. Bad Debt ratio was 1.4% YTD compared to the 2.0% forecast and significantly better than the benchmark of 7.4%. Capital Expense ratio was 8.6% YTD compared to 9.0% forecast, 9.3% last year, and the benchmark of 6.9%.

## Rice Expense Ratios

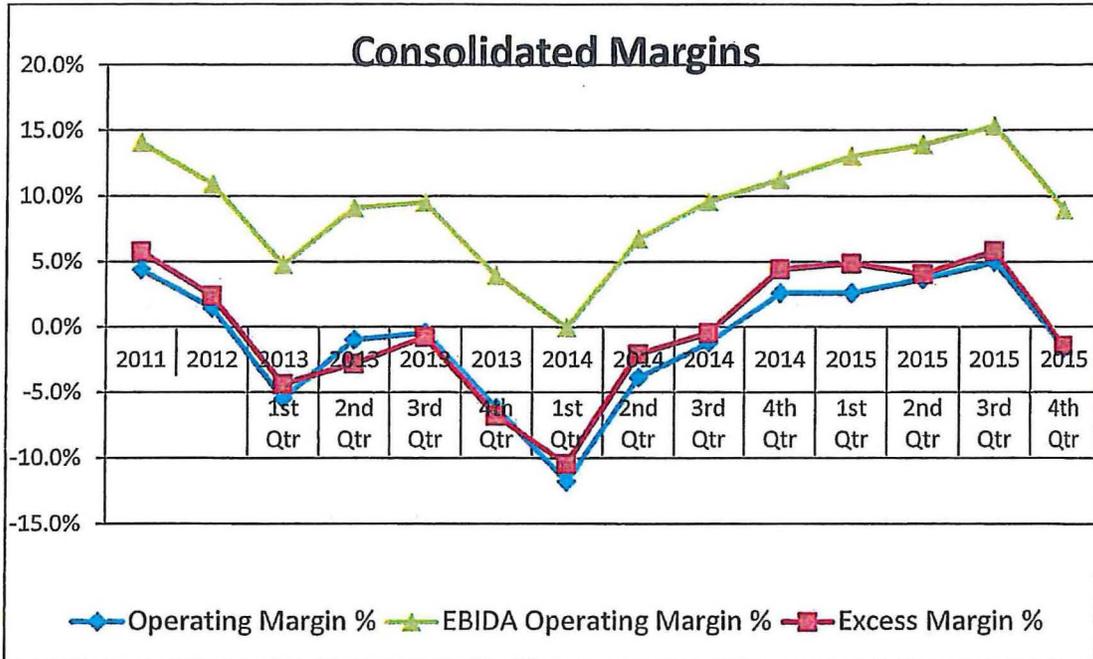


Care Center Hours per Resident Day were 6.5 for the month; 6.7 YTD; forecast of 6.5 and 6.7 last year. The Care Center's Total Operating Expense Ratio was 105.8% for the month; 92.8% YTD; 91.3% Forecast; and 93.5% in 2014.

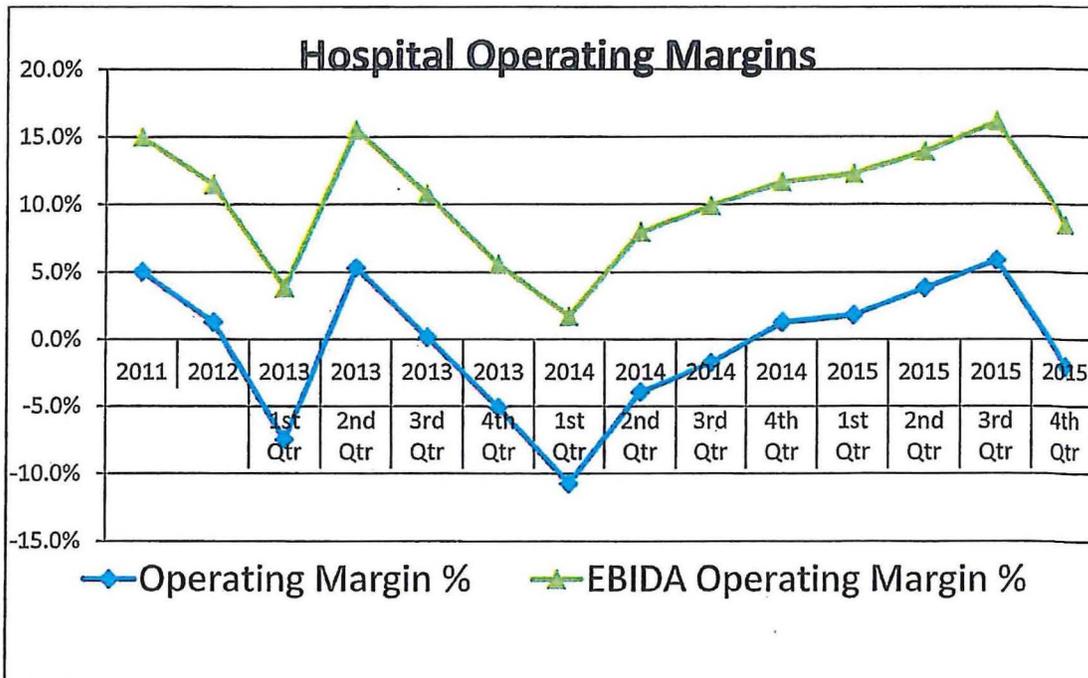
Sales per FTE at Home Medical were \$256,600 for the month; \$194,900 YTD; forecast of \$191,600 and \$171,700 last year. Home Medical's Total Operating Expense Ratio was 84.9% for the month; 102.6% YTD; 96.8% Forecast; and 115.5% in 2014.

**Key Performance Indicators by Entity**

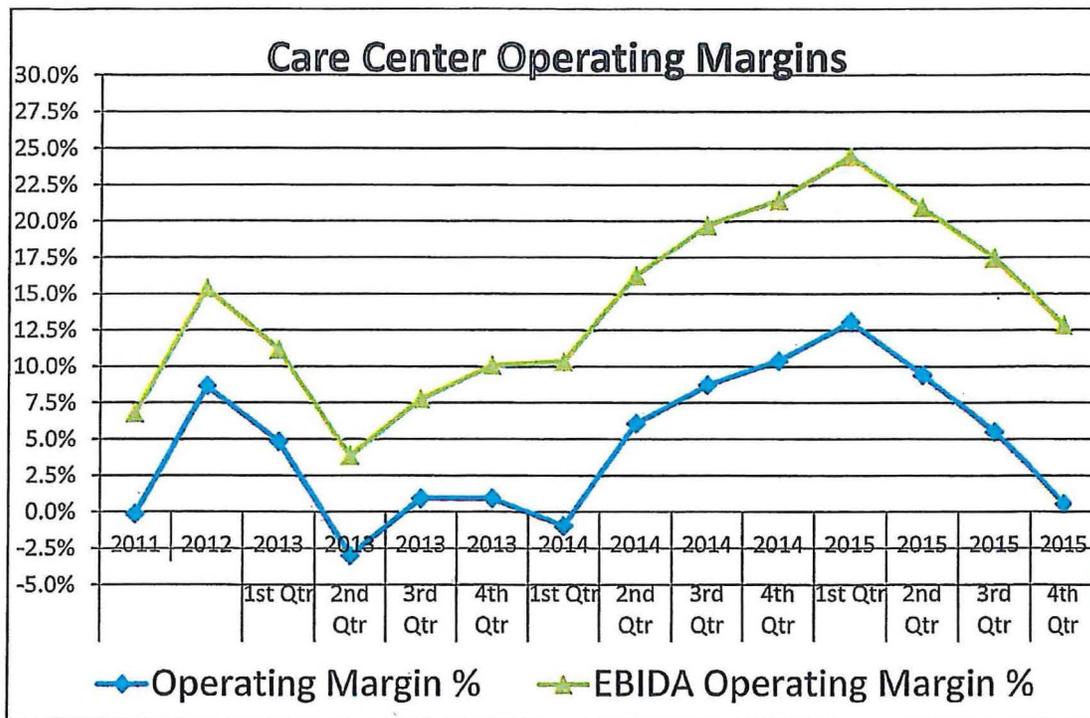
The Consolidated Margins were negative for 4th Quarter 2015. Operating Margin, EBIDA Operating Margin, and Excess Margin all declined from 3<sup>rd</sup> Quarter 2015.



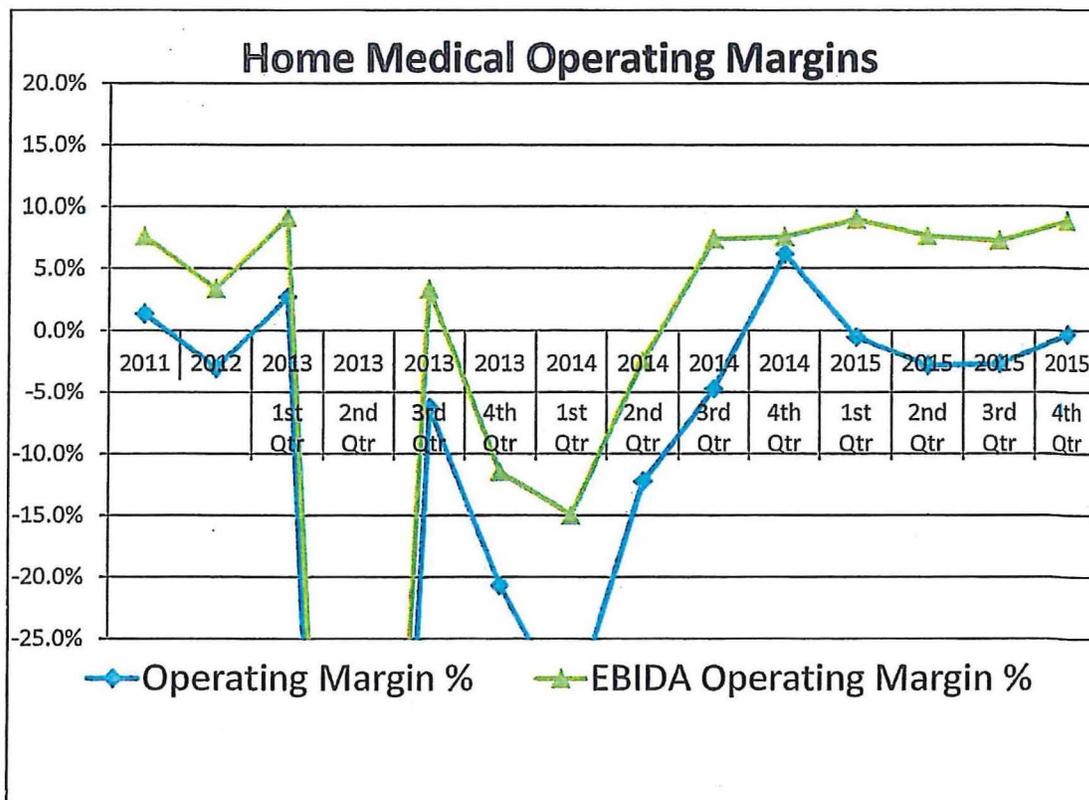
Hospital Margins declined in 4<sup>th</sup> Quarter 2015 compared to prior quarters due to decreased patient activity and higher expense ratio.



Care Center Margins decreased in 4<sup>th</sup> Quarter 2015 compared to recent prior quarters due to lower volume, higher receivable reserves, and increased expenses.

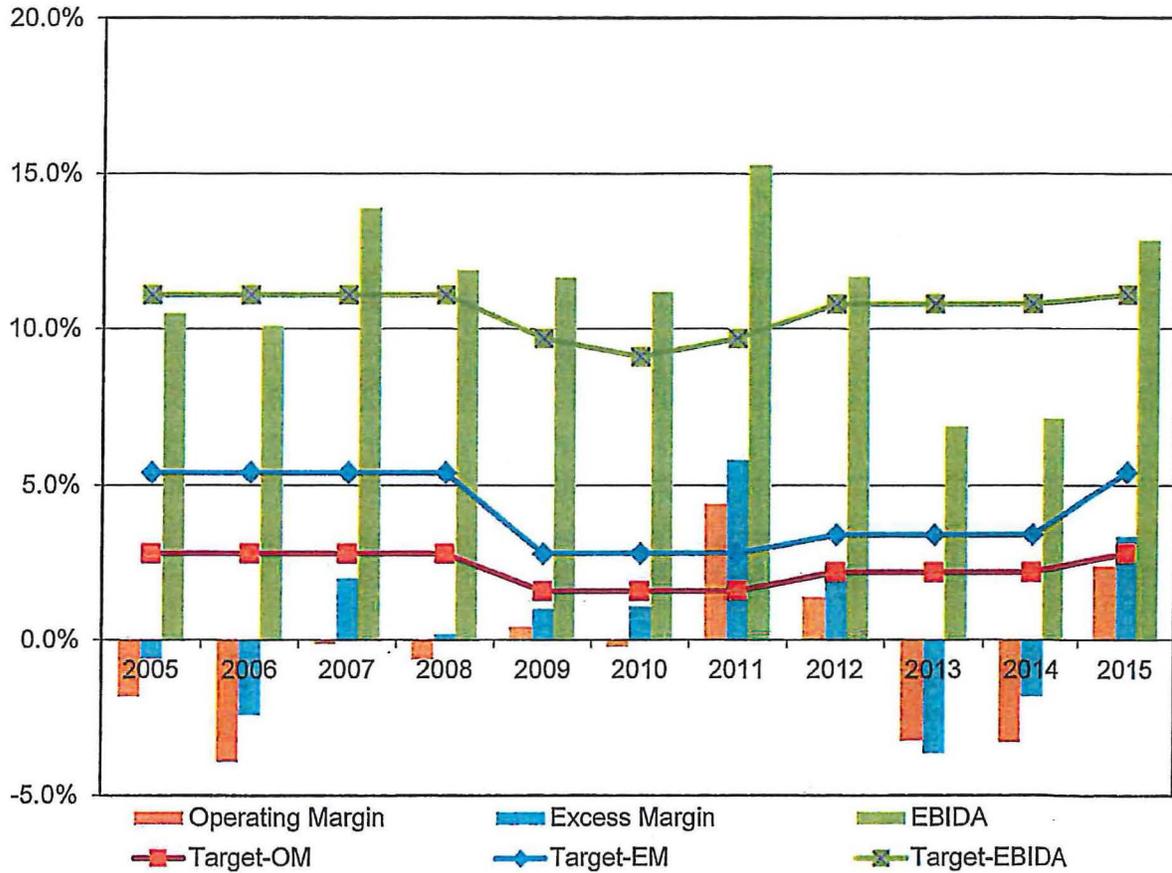


Home Medical financial performance improved in 4<sup>th</sup> Quarter 2015 compared to the past quarter due to increased activity and stable expenses.



Overall Margins indicate positive improvement in 2015 compared to the past two years. Operating Margin improved from negative results in 2013 and 2014 to a positive 2.4% in 2015. Excess Margin improved from negative 3.6% in 2013 and a negative 1.8% in 2014 to a positive 3.3% in 2015. EBIDA Margin improved from around 7.0% the past two years to 12.9% in 2015.

## Margins Operating/Excess/EBIDA



**RICE MEMORIAL HOSPITAL  
CONSOLIDATED  
BALANCE SHEET**  
For the Twelve Months Ending December 31, 2015

	December 2015	12/31/14	Variance	12/31/13	Variance	12/31/12	Variance
<b>1 ASSETS</b>							
<b>2 CURRENT ASSETS</b>							
3 CASH AND CASH EQUIVALENTS	\$3,233,292	\$2,447,311	\$785,981	\$9,355,434	(\$6,122,142)	\$2,999,489	\$233,804
4 TRUSTEE BOND AGREEMENTS - CURRENT	2,958,692	2,757,540	201,152	2,379,838	578,854	2,393,907	564,786
5 ACCOUNTS RECEIVABLE NET	18,878,798	14,720,163	4,158,635	14,513,548	4,365,250	18,416,955	461,843
6 OTHER RECEIVABLES	795,332	548,759	246,573	437,453	357,880	626,156	169,177
7 INVENTORY	2,140,792	1,974,860	165,932	2,117,850	22,942	1,881,543	259,249
8 PREPAID EXPENSES	1,025,311	877,299	148,012	991,750	33,560	1,080,525	(55,214)
<b>10 TOTAL CURRENT ASSETS</b>	<b>29,032,218</b>	<b>23,325,933</b>	<b>5,706,285</b>	<b>29,795,874</b>	<b>(763,656)</b>	<b>27,398,573</b>	<b>1,633,645</b>
<b>11 ASSETS LIMITED AS TO USE</b>							
12 HELD BY TRUSTEES - BOND AGREEMENTS	3,776,634	3,776,634		3,571,279	205,356	3,181,089	595,545
15 REMAINDER UNITRUST - RECEIVABLE	47,522	47,522		47,522		43,996	3,526
16 ENDOWMENT FUND - INVESTMENTS	2,920,922	3,061,232	(140,310)	2,960,184	(39,262)	2,616,990	303,932
<b>18 TOTAL ASSETS - USE IS LIMITED</b>	<b>6,745,079</b>	<b>6,885,388</b>	<b>(140,310)</b>	<b>6,578,984</b>	<b>166,094</b>	<b>5,842,075</b>	<b>903,003</b>
<b>19 PROPERTY PLANT &amp; EQUIPMENT</b>							
20 PROPERTY PLANT & EQUIPMENT	148,474,757	142,634,962	5,839,795	136,903,754	11,571,003	132,297,068	16,177,689
22 LESS: ACCUMULATED DEPRECIATION	(87,408,770)	(80,874,221)	(6,534,549)	(75,712,695)	(11,696,074)	(72,741,611)	(14,667,158)
<b>24 NET PROPERTY, PLANT &amp; EQUIPMENT</b>	<b>61,065,987</b>	<b>61,760,741</b>	<b>(694,754)</b>	<b>61,191,059</b>	<b>(125,072)</b>	<b>59,555,457</b>	<b>1,510,531</b>
<b>25 OTHER ASSETS</b>							
26 INVESTMENTS - FIXED INCOME	24,355,400	25,106,026	(750,626)	22,595,563	1,759,836	25,941,901	(1,586,501)
28 INVESTMENTS - SHR	487,523	459,048	28,476	439,455	48,069	425,186	62,337
29 INVESTMENTS - WMS	4,035,678	4,269,043	(233,365)	3,769,317	266,361	3,647,124	388,553
30 INVESTMENTS - LAKE REGION HMS	(16,322)	18,125	(34,446)		(16,322)		(16,322)
30 INVESTMENTS - VHAUM CSC	50,000	54,963	(4,963)	54,963	(4,963)	79,963	(29,963)
32 GOODWILL, NET	82,056	83,389	(1,333)	84,722	(2,667)	86,056	(4,000)
33 DEFERRED DEBT ACQUISITION COSTS						200,398	(200,398)
<b>36 TOTAL OTHER ASSETS</b>	<b>28,994,335</b>	<b>29,990,593</b>	<b>(996,258)</b>	<b>26,944,020</b>	<b>2,050,315</b>	<b>30,380,628</b>	<b>(1,386,293)</b>
<b>38 TOTAL ASSETS</b>	<b>\$125,837,619</b>	<b>\$121,962,656</b>	<b>\$3,874,963</b>	<b>\$124,509,937</b>	<b>\$1,327,682</b>	<b>\$123,176,733</b>	<b>\$2,660,886</b>
<b>40 LIABILITIES AND NET ASSETS</b>							
<b>42 CURRENT LIABILITIES</b>							
43 CURRENT MATURITIES OF LTD	\$2,239,597	\$1,944,520	\$295,077	\$1,730,232	\$509,365	\$2,290,275	(\$50,678)
44 ACCOUNTS PAYABLE - TRADE	2,418,818	1,856,340	562,478	1,939,719	479,099	1,730,604	688,214
45 EST. THIRD PARTY PAYOR SETTLEMENTS	80,000	(188,000)	268,000	192,060	(112,060)	(29,504)	109,504
46 ACCRUED SALARIES, WAGES AND BENEFITS	10,885,036	11,471,484	(586,448)	11,131,571	(246,535)	10,992,653	(107,617)
47 ACCRUED INTEREST AND DUE TO WMS	2,651,080	2,225,849	425,231	2,093,781	557,300	2,089,775	561,305
<b>49 TOTAL CURRENT LIABILITIES</b>	<b>18,274,531</b>	<b>17,310,194</b>	<b>964,337</b>	<b>17,087,362</b>	<b>1,187,169</b>	<b>17,073,804</b>	<b>1,200,727</b>
<b>51 LONG TERM DEBT (LESS CURRENT)</b>	<b>46,826,832</b>	<b>47,945,859</b>	<b>(1,119,027)</b>	<b>49,770,570</b>	<b>(2,943,738)</b>	<b>45,957,263</b>	<b>869,569</b>
<b>53 TOTAL LIABILITIES</b>	<b>65,101,363</b>	<b>65,256,052</b>	<b>(154,689)</b>	<b>66,857,932</b>	<b>(1,756,570)</b>	<b>63,031,067</b>	<b>2,070,296</b>
<b>54 COMMITMENTS AND CONTINGENCIES</b>							
<b>56 NET ASSETS</b>							
<b>58 RESTRICTED FUNDS</b>							
59 DEBT SERVICE AND RESERVE	3,776,634	3,776,634		3,571,279	205,356	3,181,089	595,545
60 SPECIFIC PURPOSE FUND	273,764	216,568	57,196	270,286	3,478	88,338	185,426
61 PERMANENT ENDOWMENT	2,920,922	3,061,232	(140,310)	2,960,184	(39,262)	2,616,990	303,932
62 CURRENT YEAR INCOME	3,294,159	(1,677,986)	4,972,146	(3,426,313)	6,720,472	2,430,598	863,561
63 UNRESTRICTED	50,470,776	51,330,156	(859,380)	54,276,569	(3,805,793)	51,828,651	(1,357,875)
<b>65 TOTAL NET ASSETS</b>	<b>60,736,256</b>	<b>56,706,604</b>	<b>4,029,652</b>	<b>57,652,005</b>	<b>3,084,251</b>	<b>60,145,666</b>	<b>590,590</b>
<b>67 TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$125,837,619</b>	<b>\$121,962,656</b>	<b>\$3,874,963</b>	<b>\$124,509,937</b>	<b>\$1,327,682</b>	<b>\$123,176,733</b>	<b>\$2,660,886</b>

RICE MEMORIAL HOSPITAL CONSOLIDATED  
For the Month Ending

	December 2015	Prior 3 Mo Average	% Var	November 2015	% Var	October 2015	% Var	September 2015	% Var
<b>OPERATING REVENUE</b>									
INPATIENT REVENUE	\$6,117,454	\$5,093,736	20.1%	\$5,334,600	14.7%	\$4,867,306	25.7%	\$5,079,302	20.4%
OUTPATIENT REVENUE	12,345,722	12,069,906	2.3%	11,721,757	5.3%	12,282,905	0.5%	12,205,055	1.2%
RICE CARE CENTER REVENUE	1,045,355	1,029,431	1.5%	953,045	9.7%	1,049,148	(0.4%)	1,086,101	(3.8%)
RICE HOME MEDICAL REVENUE	1,496,174	1,159,595	29.0%	1,130,465	32.4%	1,215,693	23.1%	1,132,627	32.1%
<b>TOTAL PATIENT REVENUE</b>	<b>21,004,705</b>	<b>19,352,668</b>	<b>8.5%</b>	<b>19,139,867</b>	<b>9.7%</b>	<b>19,415,052</b>	<b>8.2%</b>	<b>19,503,085</b>	<b>7.7%</b>
LESS DISCOUNTS & CONTRACTUALS	10,482,920	9,983,954	5.0%	9,537,478	9.9%	10,428,522	0.5%	9,985,862	5.0%
LESS UNCOMPENSATED CARE	196,504	132,007	48.9%	229,808	(14.5%)	86,698	126.7%	79,515	147.1%
LESS BAD DEBT EXPENSE	119,044	141,120	(15.6%)	96,508	23.4%	189,144	(37.1%)	137,708	(13.6%)
<b>TOTAL DEDUCTIONS FROM REVENUE</b>	<b>10,798,468</b>	<b>10,257,081</b>	<b>5.3%</b>	<b>9,863,794</b>	<b>9.5%</b>	<b>10,704,364</b>	<b>0.9%</b>	<b>10,203,085</b>	<b>5.8%</b>
<b>NET REVENUE FROM PATIENTS</b>	<b>10,206,237</b>	<b>9,095,587</b>	<b>12.2%</b>	<b>9,276,073</b>	<b>10.0%</b>	<b>8,710,688</b>	<b>17.2%</b>	<b>9,300,000</b>	<b>9.7%</b>
OTHER OPERATING REVENUE	1,043,291	1,068,949	(2.4%)	956,652	9.1%	1,185,260	(12.0%)	1,064,936	(2.0%)
<b>TOTAL OPERATING REVENUE</b>	<b>11,249,528</b>	<b>10,164,536</b>	<b>10.7%</b>	<b>10,232,725</b>	<b>9.9%</b>	<b>9,895,948</b>	<b>13.7%</b>	<b>10,364,936</b>	<b>8.5%</b>
LESS: WILLMAR MEDICAL SERVICES OPERATING REVENUE	2,346,810	2,139,166	9.7%	2,090,998	12.2%	2,177,273	7.8%	2,149,227	9.2%
<b>TOTAL OPERATING REVENUE</b>	<b>8,902,718</b>	<b>8,025,370</b>	<b>10.9%</b>	<b>8,141,727</b>	<b>9.3%</b>	<b>7,718,675</b>	<b>15.3%</b>	<b>8,215,709</b>	<b>8.4%</b>
<b>OPERATING EXPENSES</b>									
SALARIES AND WAGES	4,223,885	3,845,669	9.8%	3,872,376	9.1%	3,890,318	8.6%	3,774,314	11.9%
CONTRACT LABOR	560,961	391,829	43.2%	449,184	24.9%	368,553	52.2%	357,751	56.8%
SUPPLEMENTAL BENEFITS	1,405,793	1,144,477	22.8%	1,201,303	17.0%	1,009,802	39.2%	1,222,326	-15.0%
SUPPLIES	1,393,615	1,097,544	27.0%	1,085,763	28.4%	1,022,450	36.3%	1,184,420	17.7%
DRUGS	856,940	643,437	33.2%	593,776	44.3%	714,617	19.9%	621,918	37.8%
PURCHASED SERVICES	1,204,232	674,526	78.5%	616,711	95.3%	667,542	80.4%	739,324	62.9%
REPAIRS, SERVICE & RENTALS	376,532	307,405	22.5%	318,376	18.3%	321,355	17.2%	282,483	33.3%
UTILITIES	125,732	145,227	(13.4%)	132,125	(4.8%)	149,900	(16.1%)	153,655	(18.2%)
INSURANCE	41,933	48,631	(13.8%)	49,648	(15.5%)	48,122	(12.9%)	48,122	(12.9%)
PATIENT RELATED TRAVEL	30,042	26,013	15.5%	22,459	33.8%	27,785	8.1%	27,796	8.1%
EDUCATION, TRAVEL, & DUES	84,468	96,580	(12.5%)	78,274	7.9%	110,898	(23.8%)	100,567	(16.0%)
OTHER	31,941	35,486	(10.0%)	43,081	(25.9%)	34,869	(8.4%)	28,509	12.0%
DEPRECIATION AND AMORT	736,171	713,484	3.2%	707,751	4.0%	728,144	1.1%	704,558	4.5%
INTEREST	149,494	147,452	1.4%	150,172	(0.5%)	144,824	3.2%	147,359	1.4%
TAXES & SURCHARGE	195,372	173,375	12.7%	194,409	0.5%	189,152	3.3%	136,564	43.1%
<b>TOTAL OPERATING EXPENSES</b>	<b>11,417,111</b>	<b>9,491,135</b>	<b>20.3%</b>	<b>9,515,408</b>	<b>20.0%</b>	<b>9,428,331</b>	<b>21.1%</b>	<b>9,529,666</b>	<b>19.8%</b>
LESS: WILLMAR MEDICAL SERVICES OPERATING EXPENSES	2,353,319	1,437,602	63.7%	1,355,891	73.6%	1,492,253	57.7%	1,464,661	60.7%
<b>NET OPERATING EXPENSES</b>	<b>9,063,792</b>	<b>8,053,533</b>	<b>12.5%</b>	<b>8,159,517</b>	<b>11.1%</b>	<b>7,936,078</b>	<b>14.2%</b>	<b>8,065,005</b>	<b>12.4%</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(161,074)</b>	<b>(28,163)</b>	<b>471.9%</b>	<b>(17,790)</b>	<b>805.4%</b>	<b>(217,403)</b>	<b>(25.9%)</b>	<b>150,704</b>	<b>(206.9%)</b>
<b>NON OPERATING INCOME</b>									
INVESTMENT INCOME	116,397	55,284	110.5%	61,316	89.8%	52,888	120.1%	51,649	125.4%
UNREALIZED GAIN (LOSS)	(9,045)	(37,445)	(75.8%)	(90,828)	(90.0%)	(59,138)	(84.7%)	37,631	(124.0%)
OTHER GAIN (LOSS)	(227)	(9,102)	(97.5%)	(28,305)	(99.2%)	1,000	(122.7%)		
<b>TOTAL NON OPERATING INCOME</b>	<b>107,125</b>	<b>8,738</b>	<b>1,126.0%</b>	<b>(57,817)</b>	<b>(285.3%)</b>	<b>(5,250)</b>	<b>#####</b>	<b>89,280</b>	<b>20.0%</b>
<b>NET INCOME (LOSS)</b>	<b>(\$53,949)</b>	<b>(\$19,425)</b>	<b>177.7%</b>	<b>(\$75,607)</b>	<b>(28.6%)</b>	<b>(\$222,653)</b>	<b>(75.8%)</b>	<b>\$239,984</b>	<b>(122.5%)</b>

RICE HOSPITAL  
For the Month Ending

	December 2015	Prior 3 Mo Average	% Var	November 2015	% Var	October 2015	% Var	September 2015	% Var
<b>OPERATING REVENUE</b>									
INPATIENT REVENUE	\$6,117,454	\$5,093,736	20.1%	\$5,334,600	14.7%	\$4,867,306	25.7%	\$5,079,302	20.4%
OUTPATIENT REVENUE	12,345,722	12,069,906	2.3%	11,721,757	5.3%	12,282,905	0.5%	12,205,055	1.2%
<b>TOTAL PATIENT REVENUE</b>	<b>18,463,176</b>	<b>17,163,642</b>	<b>7.6%</b>	<b>17,056,357</b>	<b>8.2%</b>	<b>17,150,211</b>	<b>7.7%</b>	<b>17,284,357</b>	<b>6.8%</b>
LESS DISCOUNTS & CONTRACTUALS	9,665,505	9,344,283	3.4%	8,916,034	8.4%	9,797,871	(1.4%)	9,318,943	3.7%
LESS UNCOMPENSATED CARE	194,104	127,041	52.8%	229,258	(15.3%)	74,985	158.9%	76,879	152.5%
LESS BAD DEBT EXPENSE	121,400	128,664	(5.6%)	84,525	43.6%	174,449	(30.4%)	127,019	(4.4%)
<b>TOTAL DEDUCTIONS FROM REVENUE</b>	<b>9,981,009</b>	<b>9,599,988</b>	<b>4.0%</b>	<b>9,229,817</b>	<b>8.1%</b>	<b>10,047,305</b>	<b>(0.7%)</b>	<b>9,522,841</b>	<b>4.8%</b>
<b>NET REVENUE FROM PATIENTS</b>	<b>8,482,167</b>	<b>7,563,654</b>	<b>12.1%</b>	<b>7,826,540</b>	<b>8.4%</b>	<b>7,102,906</b>	<b>19.4%</b>	<b>7,761,516</b>	<b>9.3%</b>
OTHER OPERATING REVENUE	1,028,276	1,050,637	(2.1%)	935,894	9.9%	1,170,754	(12.2%)	1,045,263	(1.6%)
<b>TOTAL OPERATING REVENUE</b>	<b>9,510,443</b>	<b>8,614,291</b>	<b>10.4%</b>	<b>8,762,434</b>	<b>8.5%</b>	<b>8,273,660</b>	<b>14.9%</b>	<b>8,806,779</b>	<b>8.0%</b>
LESS: WILLMAR MEDICAL SERVICES OPERATING REVENUE	2,346,810	2,139,166	9.7%	2,090,998	12.2%	2,177,273	7.8%	2,149,227	9.2%
<b>TOTAL OPERATING REVENUE</b>	<b>7,163,633</b>	<b>6,475,125</b>	<b>10.6%</b>	<b>6,671,436</b>	<b>7.4%</b>	<b>6,096,387</b>	<b>17.5%</b>	<b>6,657,552</b>	<b>7.6%</b>
<b>OPERATING EXPENSES</b>									
SALARIES AND WAGES	3,679,828	3,351,488	9.8%	3,384,813	8.7%	3,376,122	9.0%	3,293,530	11.7%
CONTRACT LABOR	445,332	283,260	57.2%	347,816	28.0%	260,528	70.9%	241,437	84.5%
SUPPLEMENTAL BENEFITS	1,222,039	958,038	27.6%	1,002,283	21.9%	824,673	48.2%	1,047,157	16.7%
SUPPLIES	901,021	699,517	28.8%	707,217	27.4%	624,349	44.3%	766,986	17.5%
DRUGS	835,098	618,403	35.0%	574,731	45.3%	689,037	21.2%	591,441	41.2%
PURCHASED SERVICES	1,159,213	623,900	85.8%	565,986	104.8%	611,996	89.4%	693,717	67.1%
REPAIRS, SERVICE & RENTALS	353,268	275,672	28.1%	287,812	22.7%	288,791	22.3%	250,412	41.1%
UTILITIES	107,047	125,577	(14.8%)	112,103	(4.5%)	131,113	(18.4%)	133,516	(19.8%)
INSURANCE	34,413	41,211	(16.5%)	42,228	(18.5%)	40,703	(15.5%)	40,703	(15.5%)
PATIENT RELATED TRAVEL	21,915	17,807	23.1%	13,729	59.6%	18,310	19.7%	21,382	2.5%
EDUCATION, TRAVEL, & DUES	80,447	88,471	(9.1%)	71,831	12.0%	99,950	(19.5%)	93,632	(14.1%)
OTHER	17,388	17,174	1.2%	22,033	(21.1%)	14,661	18.6%	14,829	17.3%
DEPRECIATION AND AMORT	591,637	570,735	3.7%	565,872	4.6%	583,349	1.4%	562,985	5.1%
INTEREST	123,085	121,043	1.7%	123,764	(0.5%)	118,415	3.9%	120,951	1.8%
TAXES & SURCHARGE	154,918	132,921	16.5%	153,956	0.6%	148,698	4.2%	96,110	61.2%
<b>TOTAL OPERATING EXPENSES</b>	<b>9,726,649</b>	<b>7,925,219</b>	<b>22.7%</b>	<b>7,976,174</b>	<b>21.9%</b>	<b>7,830,695</b>	<b>24.2%</b>	<b>7,968,788</b>	<b>22.1%</b>
LESS: WILLMAR MEDICAL SERVICES OPERATING EXPENSES	2,353,319	1,437,602	63.7%	1,355,891	73.6%	1,492,253	57.7%	1,464,661	60.7%
<b>NET OPERATING EXPENSES</b>	<b>7,373,330</b>	<b>6,487,617</b>	<b>13.7%</b>	<b>6,620,283</b>	<b>11.4%</b>	<b>6,338,442</b>	<b>16.3%</b>	<b>6,504,127</b>	<b>13.4%</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(209,697)</b>	<b>(12,492)</b>	<b>1,578.7%</b>	<b>51,153</b>	<b>(509.9%)</b>	<b>(242,055)</b>	<b>(13.4%)</b>	<b>153,425</b>	<b>(236.7%)</b>
<b>NON OPERATING INCOME</b>									
INVESTMENT INCOME	108,086	54,284	99.1%	60,316	79.2%	51,888	108.3%	50,649	113.4%
UNREALIZED GAIN (LOSS)	(9,045)	(37,445)	(75.8%)	(90,828)	(90.0%)	(59,138)	(84.7%)	37,631	(124.0%)
OTHER GAIN (LOSS)	(227)	(9,102)	(97.5%)	(28,305)	(99.2%)	1,000	(122.7%)		
<b>TOTAL NON OPERATING INCOME</b>	<b>98,814</b>	<b>7,738</b>	<b>1,177.0%</b>	<b>(58,817)</b>	<b>(268.0%)</b>	<b>(6,250)</b>	<b>#####</b>	<b>88,280</b>	<b>11.9%</b>
<b>NET INCOME (LOSS)</b>	<b>(\$110,883)</b>	<b>(\$4,755)</b>	<b>2,231.9%</b>	<b>(\$7,664)</b>	<b>1,346.8%</b>	<b>(\$248,305)</b>	<b>(55.3%)</b>	<b>\$241,705</b>	<b>(145.9%)</b>

RICE CARE CENTER  
For the Month Ending

	December 2015	Prior 3 Mo Average	% Var	November 2015	% Var	October 2015	% Var	September 2015	% Var
<b>OPERATING REVENUE</b>									
RICE CARE CENTER REVENUE	\$1,045,355	\$1,029,431	1.5%	\$953,045	9.7%	\$1,049,148	(0.4%)	\$1,086,101	(3.8%)
<b>TOTAL PATIENT REVENUE</b>	<b>1,045,355</b>	<b>1,029,431</b>	<b>1.5%</b>	<b>953,045</b>	<b>9.7%</b>	<b>1,049,148</b>	<b>(0.4%)</b>	<b>1,086,101</b>	<b>(3.8%)</b>
LESS DISCOUNTS & CONTRACTUALS	354,972	277,705	27.8%	251,437	41.2%	267,271	32.8%	314,406	12.9%
LESS UNCOMPENSATED CARE	350	4,894	(92.8%)	550	(36.4%)	11,532	(97.0%)	2,600	(86.5%)
LESS BAD DEBT EXPENSE	(2,070)	8,678	(123.9%)	11,143	(118.6%)	8,300	(124.9%)	6,591	(131.4%)
<b>TOTAL DEDUCTIONS FROM REVENUE</b>	<b>353,252</b>	<b>291,277</b>	<b>21.3%</b>	<b>263,130</b>	<b>34.2%</b>	<b>287,103</b>	<b>23.0%</b>	<b>323,597</b>	<b>9.2%</b>
<b>NET REVENUE FROM PATIENTS</b>	<b>692,103</b>	<b>738,155</b>	<b>(6.2%)</b>	<b>689,915</b>	<b>0.3%</b>	<b>762,045</b>	<b>(9.2%)</b>	<b>762,504</b>	<b>(9.2%)</b>
OTHER OPERATING REVENUE	1,097	875	25.4%	1,270	(13.6%)	978	12.2%	376	191.8%
<b>TOTAL OPERATING REVENUE</b>	<b>693,200</b>	<b>739,029</b>	<b>(6.2%)</b>	<b>691,185</b>	<b>0.3%</b>	<b>763,023</b>	<b>(9.2%)</b>	<b>762,880</b>	<b>(9.1%)</b>
LESS: WILLMAR MEDICAL SERVICES									
<b>TOTAL OPERATING REVENUE</b>	<b>693,200</b>	<b>739,029</b>	<b>(6.2%)</b>	<b>691,185</b>	<b>0.3%</b>	<b>763,023</b>	<b>(9.2%)</b>	<b>762,880</b>	<b>(9.1%)</b>
<b>OPERATING EXPENSES</b>									
SALARIES AND WAGES	309,111	258,989	19.4%	253,488	21.9%	264,552	16.8%	258,926	19.4%
CONTRACT LABOR	115,457	108,243	6.7%	100,390	15.0%	108,025	6.9%	116,314	(0.7%)
SUPPLEMENTAL BENEFITS	93,475	97,067	(3.7%)	110,076	(15.1%)	90,262	3.6%	90,862	2.9%
SUPPLIES	37,964	40,021	(5.1%)	37,938	0.1%	35,626	6.6%	46,499	(18.4%)
DRUGS	21,842	25,035	(12.8%)	19,045	14.7%	25,581	(14.6%)	30,478	(28.3%)
PURCHASED SERVICES	15,661	20,455	(23.4%)	22,252	(29.6%)	23,189	(32.5%)	15,923	(1.6%)
REPAIRS, SERVICE & RENTALS	497	12,838	(96.1%)	11,272	(95.6%)	14,401	(96.5%)	12,840	(96.1%)
UTILITIES	8,417	11,237	(25.1%)	12,581	(33.1%)	9,889	(14.9%)	11,240	(25.1%)
INSURANCE	3,359	3,259	3.1%	3,259	3.1%	3,259	3.1%	3,259	3.1%
PATIENT RELATED TRAVEL	1,052	303	247.2%	323	225.7%	62	1,596.8%	524	100.8%
EDUCATION, TRAVEL, & DUES	2,699	4,929	(45.2%)	3,870	(30.3%)	6,712	(59.8%)	4,205	(35.8%)
OTHER	(113)	701	(116.1%)	10	#####	556	(120.3%)	1,537	(107.4%)
DEPRECIATION AND AMORT	62,420	60,927	2.5%	60,421	3.3%	62,141	0.4%	60,218	3.7%
INTEREST	26,408	26,408		26,408		26,408		26,408	
TAXES & SURCHARGE	35,000	35,000		35,000		35,000		35,000	
<b>TOTAL OPERATING EXPENSES</b>	<b>733,249</b>	<b>705,410</b>	<b>3.9%</b>	<b>696,333</b>	<b>5.3%</b>	<b>705,663</b>	<b>3.9%</b>	<b>714,233</b>	<b>2.7%</b>
LESS: WILLMAR MEDICAL SERVICES									
<b>NET OPERATING EXPENSES</b>	<b>733,249</b>	<b>705,410</b>	<b>3.9%</b>	<b>696,333</b>	<b>5.3%</b>	<b>705,663</b>	<b>3.9%</b>	<b>714,233</b>	<b>2.7%</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(40,049)</b>	<b>33,620</b>	<b>(219.1%)</b>	<b>(5,148)</b>	<b>678.0%</b>	<b>57,360</b>	<b>(169.8%)</b>	<b>48,647</b>	<b>(182.3%)</b>
<b>NON OPERATING INCOME</b>									
INVESTMENT INCOME	8,321	1,000	732.1%	1,000	732.1%	1,000	732.1%	1,000	732.1%
<b>TOTAL NON OPERATING INCOME</b>	<b>8,321</b>	<b>1,000</b>	<b>732.1%</b>	<b>1,000</b>	<b>732.1%</b>	<b>1,000</b>	<b>732.1%</b>	<b>1,000</b>	<b>732.1%</b>
<b>NET INCOME (LOSS)</b>	<b>(\$31,728)</b>	<b>\$34,620</b>	<b>(191.6%)</b>	<b>(\$4,148)</b>	<b>664.9%</b>	<b>\$58,360</b>	<b>(154.4%)</b>	<b>\$49,647</b>	<b>(163.9%)</b>

**RICE HOME MEDICAL**  
**RICE HOME MEDICAL**  
For the Month Ending December 31, 2015

	December 2015	% of Gross Sales	Prior 3 Mo Average	% of Gross Sales	November 2015	% of Gross Sales	October 2015	% of Gross Sales
<b>GROSS SALES</b>								
SALES REVENUE	\$1,000,925	66.90%	\$700,063	60.37%	\$698,766	61.81%	\$676,242	55.63%
RENTS REVENUE	495,249	33.10%	459,531	39.63%	431,699	38.19%	539,450	44.37%
MISC REVENUE	40	0.00%	0	0.00%	0	0.00%	0	0.00%
<b>GROSS SALES</b>	<b>1,496,214</b>	<b>100.00%</b>	<b>1,159,595</b>	<b>100.00%</b>	<b>1,130,465</b>	<b>100.00%</b>	<b>1,215,693</b>	<b>100.00%</b>
LESS: CONTRACTUAL ALLOWANCES	(462,443)	(30.91%)	(361,966)	(31.21%)	(370,007)	(32.73%)	(363,379)	(29.89%)
LESS: UNCOMPENSATED CARE	(2,050)	(0.14%)	(72)	(0.01%)	0	0.00%	(181)	(0.01%)
LESS: BAD DEBT EXPENSE	287	0.02%	(3,777)	(0.33%)	(840)	(0.07%)	(6,395)	(0.53%)
<b>NET SALES</b>	<b>1,032,008</b>	<b>68.97%</b>	<b>793,779</b>	<b>68.45%</b>	<b>759,618</b>	<b>67.20%</b>	<b>845,737</b>	<b>69.57%</b>
<b>COST OF GOODS SOLD</b>								
OXYGEN	5,322	0.36%	6,289	0.54%	5,340	0.47%	6,646	0.55%
EQUIPMENT	110,812	7.41%	85,882	7.41%	84,647	7.49%	90,149	7.42%
SUPPLY - FREIGHT	14,410	0.96%	13,668	1.18%	13,698	1.21%	15,124	1.24%
SUPPLY	281,235	18.80%	219,439	18.92%	206,658	18.28%	229,260	18.86%
EQUIPMENT REPAIR	27,274	1.82%	16,856	1.45%	17,607	1.56%	5,364	0.44%
SHOP EXPENSE	1,138	0.08%	958	0.08%	1,140	0.10%	1,293	0.11%
EQUIPMENT RENTAL & LEASES	4,530	0.30%	4,197	0.36%	4,481	0.40%	4,481	0.37%
PURCHASE DISCOUNTS	(7,375)	(0.49%)	(7,568)	(0.65%)	(7,626)	(0.67%)	(4,709)	(0.39%)
<b>TOTAL COST OF GOODS SOLD</b>	<b>437,347</b>	<b>29.23%</b>	<b>339,720</b>	<b>29.30%</b>	<b>325,946</b>	<b>28.83%</b>	<b>347,609</b>	<b>28.59%</b>
<b>GROSS PROFIT</b>	<b>594,661</b>	<b>39.74%</b>	<b>454,059</b>	<b>39.16%</b>	<b>433,672</b>	<b>38.36%</b>	<b>498,127</b>	<b>40.97%</b>
OTHER OPERATING REVENUE	8,911	0.60%	8,621	0.74%	8,791	0.78%	8,622	0.71%
<b>TOTAL OPERATING REVENUE</b>	<b>603,572</b>	<b>40.34%</b>	<b>462,680</b>	<b>39.90%</b>	<b>442,464</b>	<b>39.14%</b>	<b>506,749</b>	<b>41.68%</b>
<b>OPERATING EXPENSES</b>								
SALARIES & WAGES	234,946	15.70%	235,192	20.28%	234,075	20.71%	249,644	20.54%
CONTRACT LABOR	173	0.01%	326	0.03%	978	0.09%	0	0.00%
SUPPLEMENTAL BENEFITS	90,279	6.03%	89,373	7.71%	88,945	7.87%	94,867	7.80%
SUPPLIES AND DRUGS	9,907	0.66%	10,718	0.92%	7,036	0.62%	10,157	0.84%
PURCHASED SERVICES	29,358	1.96%	30,172	2.60%	28,473	2.52%	32,357	2.66%
REPAIRS, SERVICE & RENTALS	22,767	1.52%	18,895	1.63%	19,292	1.71%	18,162	1.49%
UTILITIES	10,269	0.69%	8,412	0.73%	7,440	0.66%	8,898	0.73%
INSURANCE	4,161	0.28%	4,161	0.36%	4,161	0.37%	4,161	0.34%
PATIENT RELATED TRAVEL	7,075	0.47%	7,903	0.68%	8,407	0.74%	9,412	0.77%
EDUCATION, TRAVEL, & DUES	1,322	0.09%	3,180	0.27%	2,573	0.23%	4,236	0.35%
OTHER EXPENSE	14,666	0.98%	17,611	1.52%	21,038	1.86%	19,651	1.62%
DEPRECIATION & AMORTIZATION	82,114	5.49%	81,823	7.06%	81,458	7.21%	82,655	6.80%
TAXES	5,454	0.36%	5,454	0.47%	5,454	0.48%	5,454	0.45%
<b>TOTAL OPERATING EXPENSES</b>	<b>512,491</b>	<b>34.25%</b>	<b>513,220</b>	<b>44.26%</b>	<b>509,329</b>	<b>45.05%</b>	<b>539,654</b>	<b>44.39%</b>
<b>NET OPERATING INCOME (LOSS)</b>	<b>91,081</b>	<b>6.09%</b>	<b>(50,539)</b>	<b>(4.36%)</b>	<b>(66,865)</b>	<b>(5.91%)</b>	<b>(32,905)</b>	<b>(2.71%)</b>
INVESTMENT INCOME (LOSS)	(2,408)	(0.16%)	1,248	0.11%	3,070	0.27%	198	0.02%
OTHER GAIN (LOSS)	(11)	0.00%	0	0.00%	0	0.00%	0	0.00%
<b>NET INCOME (LOSS)</b>	<b>\$88,662</b>	<b>5.93%</b>	<b>(\$49,291)</b>	<b>(4.25%)</b>	<b>(\$63,795)</b>	<b>(5.64%)</b>	<b>(\$32,708)</b>	<b>(2.69%)</b>

RICE MEMORIAL HOSPITAL CONSOLIDATED  
For the Year To Date Period Ending

	December 2015	December 2014	% Var	December 2013	% Var	December 2012	% Var
<b>OPERATING REVENUE</b>							
INPATIENT REVENUE	\$65,254,004	\$63,663,296	2.5%	\$62,291,363	4.8%	\$60,874,196	7.2%
OUTPATIENT REVENUE	142,155,432	124,613,779	14.1%	119,502,264	19.0%	120,441,357	18.0%
RICE CARE CENTER REVENUE	12,079,526	11,210,522	7.8%	10,185,462	18.6%	9,504,099	27.1%
RICE HOME MEDICAL REVENUE	13,874,101	13,332,446	4.1%	13,046,127	6.3%	10,467,284	32.5%
<b>TOTAL PATIENT REVENUE</b>	<b>233,363,063</b>	<b>212,820,043</b>	<b>9.7%</b>	<b>205,025,216</b>	<b>13.8%</b>	<b>201,286,936</b>	<b>15.9%</b>
LESS DISCOUNTS & CONTRACTUALS	121,080,132	108,664,065	11.4%	102,050,078	18.6%	94,670,764	27.9%
LESS UNCOMPENSATED CARE	1,464,290	1,113,377	31.5%	1,254,322	16.7%	1,412,606	3.7%
LESS BAD DEBT EXPENSE	1,384,708	2,344,851	(40.9%)	1,804,921	(23.3%)	2,015,332	(31.3%)
<b>TOTAL DEDUCTIONS FROM REVENUE</b>	<b>123,929,130</b>	<b>112,122,293</b>	<b>10.5%</b>	<b>105,109,321</b>	<b>17.9%</b>	<b>98,098,702</b>	<b>26.3%</b>
<b>NET REVENUE FROM PATIENTS</b>	<b>109,433,933</b>	<b>100,697,750</b>	<b>8.7%</b>	<b>99,915,895</b>	<b>9.5%</b>	<b>103,188,234</b>	<b>6.1%</b>
OTHER OPERATING REVENUE	14,681,701	14,647,684	0.2%	17,350,770	(15.4%)	17,571,197	(16.4%)
<b>TOTAL OPERATING REVENUE</b>	<b>124,115,634</b>	<b>115,345,434</b>	<b>7.6%</b>	<b>117,266,665</b>	<b>5.8%</b>	<b>120,759,431</b>	<b>2.8%</b>
LESS: WILLMAR MEDICAL SERVICES OPERATING REVENUE	26,510,105	24,177,105	9.6%	22,709,259	16.7%	20,785,386	27.5%
<b>TOTAL OPERATING REVENUE</b>	<b>97,605,529</b>	<b>91,168,329</b>	<b>7.1%</b>	<b>94,557,406</b>	<b>3.2%</b>	<b>99,974,045</b>	<b>(2.4%)</b>
<b>OPERATING EXPENSES</b>							
SALARIES AND WAGES	46,631,917	45,527,776	2.4%	46,003,619	1.4%	44,950,173	3.7%
CONTRACT LABOR	4,222,255	4,150,971	1.7%	3,652,433	15.6%	3,945,352	7.0%
SUPPLEMENTAL BENEFITS	13,579,242	13,811,359	(1.7%)	13,757,197	(1.3%)	13,418,873	1.2%
SUPPLIES	12,461,391	12,270,534	1.6%	12,419,441	0.3%	11,884,945	4.9%
DRUGS	7,817,942	6,066,264	28.9%	7,179,841	8.9%	8,389,845	(6.8%)
PURCHASED SERVICES	8,337,765	7,460,552	11.8%	6,326,747	31.8%	7,185,504	16.0%
REPAIRS, SERVICE & RENTALS	3,589,068	3,324,458	8.0%	3,355,354	7.0%	3,096,613	15.9%
UTILITIES	1,734,025	1,746,331	(0.7%)	1,671,191	3.8%	1,649,567	5.1%
INSURANCE	597,411	690,624	(13.5%)	708,394	(15.7%)	708,521	(15.7%)
PATIENT RELATED TRAVEL	318,545	396,733	(19.7%)	455,026	(30.0%)	432,023	(26.3%)
EDUCATION, TRAVEL, & DUES	1,029,755	895,196	15.0%	991,305	3.9%	963,879	6.8%
OTHER	420,799	470,186	(10.5%)	400,850	5.0%	550,874	(23.6%)
DEPRECIATION AND AMORT	8,435,944	8,456,572	(0.2%)	8,099,728	4.2%	7,952,550	6.1%
INTEREST	1,764,128	1,822,061	(3.2%)	1,655,144	6.6%	1,682,029	4.9%
TAXES & SURCHARGE	2,123,130	2,240,536	(5.2%)	2,239,636	(5.2%)	2,097,380	1.2%
<b>TOTAL OPERATING EXPENSES</b>	<b>113,063,317</b>	<b>109,330,153</b>	<b>3.4%</b>	<b>108,915,906</b>	<b>3.8%</b>	<b>108,908,128</b>	<b>3.8%</b>
LESS: WILLMAR MEDICAL SERVICES OPERATING EXPENSES	17,804,369	15,181,675	17.3%	11,321,200	57.3%	10,409,657	71.0%
<b>NET OPERATING EXPENSES</b>	<b>95,258,948</b>	<b>94,148,478</b>	<b>1.2%</b>	<b>97,594,706</b>	<b>(2.4%)</b>	<b>98,498,471</b>	<b>(3.3%)</b>
<b>OPERATING INCOME (LOSS)</b>	<b>2,346,581</b>	<b>(2,980,149)</b>	<b>(178.7%)</b>	<b>(3,037,300)</b>	<b>(177.3%)</b>	<b>1,475,574</b>	<b>59.0%</b>
<b>NON OPERATING INCOME</b>							
INVESTMENT INCOME	762,100	758,345	0.5%	720,725	5.7%	955,788	(20.3%)
UNREALIZED GAIN (LOSS)	(39,464)	523,281	(107.5%)	(1,199,914)	(96.7%)	9,144	(531.6%)
OTHER GAIN (LOSS)	224,943	20,537	995.3%	90,175	149.5%	(9,909)	(2,370.1%)
<b>TOTAL NON OPERATING INCOME</b>	<b>947,579</b>	<b>1,302,163</b>	<b>(27.2%)</b>	<b>(389,014)</b>	<b>(343.6%)</b>	<b>955,023</b>	<b>(0.8%)</b>
<b>NET INCOME (LOSS)</b>	<b>\$3,294,160</b>	<b>(\$1,677,986)</b>	<b>(296.3%)</b>	<b>(\$3,426,314)</b>	<b>(196.1%)</b>	<b>\$2,430,597</b>	<b>35.5%</b>

RICE HOSPITAL  
For the Year To Date Period Ending

	December 2015	December 2014	% Var	December 2013	% Var	December 2012	% Var
<b>OPERATING REVENUE</b>							
INPATIENT REVENUE	\$65,254,004	\$63,663,296	2.5%	\$62,291,363	4.8%	\$60,874,196	7.2%
OUTPATIENT REVENUE	142,155,432	124,613,779	14.1%	119,502,264	19.0%	120,441,357	18.0%
<b>TOTAL PATIENT REVENUE</b>	<b>207,409,436</b>	<b>188,277,075</b>	<b>10.2%</b>	<b>181,793,627</b>	<b>14.1%</b>	<b>181,315,553</b>	<b>14.4%</b>
LESS DISCOUNTS & CONTRACTUALS	113,782,644	101,501,899	12.1%	94,128,851	20.9%	90,075,301	26.3%
LESS UNCOMPENSATED CARE	1,446,273	1,109,043	30.4%	1,245,393	16.1%	1,402,653	3.1%
LESS BAD DEBT EXPENSE	1,303,695	2,244,734	(41.9%)	1,751,127	(25.6%)	1,947,330	(33.1%)
<b>TOTAL DEDUCTIONS FROM REVENUE</b>	<b>116,532,612</b>	<b>104,855,676</b>	<b>11.1%</b>	<b>97,125,371</b>	<b>20.0%</b>	<b>93,425,284</b>	<b>24.7%</b>
<b>NET REVENUE FROM PATIENTS</b>	<b>90,876,824</b>	<b>83,421,399</b>	<b>8.9%</b>	<b>84,668,256</b>	<b>7.3%</b>	<b>87,890,269</b>	<b>3.4%</b>
OTHER OPERATING REVENUE	14,511,664	14,560,342	(0.3%)	17,243,452	(15.8%)	17,460,402	(16.9%)
<b>TOTAL OPERATING REVENUE</b>	<b>105,388,488</b>	<b>97,981,741</b>	<b>7.6%</b>	<b>101,911,708</b>	<b>3.4%</b>	<b>105,350,671</b>	<b>0.0%</b>
LESS: WILLMAR MEDICAL SERVICES OPERATING REVENUE	26,510,105	24,177,105	9.6%	22,709,259	16.7%	20,785,386	27.5%
<b>TOTAL OPERATING REVENUE</b>	<b>78,878,383</b>	<b>73,804,636</b>	<b>6.9%</b>	<b>79,202,449</b>	<b>(0.4%)</b>	<b>84,565,285</b>	<b>(6.7%)</b>
<b>OPERATING EXPENSES</b>							
SALARIES AND WAGES	40,674,465	39,747,476	2.3%	40,428,818	0.6%	39,562,138	2.8%
CONTRACT LABOR	2,972,417	2,991,693	(0.6%)	2,443,843	21.6%	3,078,006	(3.4%)
SUPPLEMENTAL BENEFITS	11,420,619	11,623,029	(1.7%)	11,624,854	(1.8%)	11,522,039	(0.9%)
SUPPLIES	7,900,304	7,712,967	2.4%	7,886,866	0.2%	8,125,681	(2.8%)
DRUGS	7,533,339	5,839,486	29.0%	7,005,550	7.5%	8,201,392	(8.1%)
PURCHASED SERVICES	7,801,563	6,971,747	11.9%	5,616,237	38.9%	6,668,001	17.0%
REPAIRS, SERVICE & RENTALS	3,272,872	3,021,561	8.3%	3,026,217	8.2%	2,871,046	14.0%
UTILITIES	1,481,496	1,465,767	1.1%	1,433,918	3.3%	1,448,551	2.3%
INSURANCE	507,973	597,029	(14.9%)	609,564	(16.7%)	594,654	(14.6%)
PATIENT RELATED TRAVEL	223,267	253,164	(11.8%)	285,684	(21.8%)	264,829	(15.7%)
EDUCATION, TRAVEL, & DUES	949,644	814,952	16.5%	893,751	6.3%	853,400	11.3%
OTHER	230,529	284,893	(19.1%)	280,345	(17.8%)	427,093	(46.0%)
DEPRECIATION AND AMORT	6,740,850	7,043,948	(4.3%)	6,995,414	(3.6%)	7,123,827	(5.4%)
INTEREST	1,447,227	1,488,989	(2.8%)	1,468,075	(1.4%)	1,502,142	(3.7%)
TAXES & SURCHARGE	1,637,684	1,763,817	(7.2%)	1,751,266	(6.5%)	1,641,802	(0.3%)
<b>TOTAL OPERATING EXPENSES</b>	<b>94,794,249</b>	<b>91,620,518</b>	<b>3.5%</b>	<b>91,750,402</b>	<b>3.3%</b>	<b>93,884,601</b>	<b>1.0%</b>
LESS: WILLMAR MEDICAL SERVICES OPERATING EXPENSES	17,804,369	15,181,675	17.3%	11,321,200	57.3%	10,409,657	71.0%
<b>NET OPERATING EXPENSES</b>	<b>76,989,880</b>	<b>76,438,843</b>	<b>0.7%</b>	<b>80,429,202</b>	<b>(4.3%)</b>	<b>83,474,944</b>	<b>(7.8%)</b>
<b>OPERATING INCOME (LOSS)</b>	<b>1,888,503</b>	<b>(2,634,207)</b>	<b>(171.7%)</b>	<b>(1,226,753)</b>	<b>(253.9%)</b>	<b>1,090,341</b>	<b>73.2%</b>
<b>NON OPERATING INCOME</b>							
INVESTMENT INCOME	743,143	741,818	0.2%	716,533	3.7%	952,535	(22.0%)
UNREALIZED GAIN (LOSS)	(39,464)	523,281	(107.5%)	(1,199,914)	(96.7%)	9,144	(531.6%)
OTHER GAIN (LOSS)	217,198	1,022	21,152.3%	104,280	108.3%	(8,806)	(2,566.5%)
<b>TOTAL NON OPERATING INCOME</b>	<b>920,877</b>	<b>1,266,121</b>	<b>(27.3%)</b>	<b>(379,101)</b>	<b>(342.9%)</b>	<b>952,873</b>	<b>(3.4%)</b>
<b>NET INCOME (LOSS)</b>	<b>\$2,809,380</b>	<b>(\$1,368,086)</b>	<b>(305.4%)</b>	<b>(\$1,605,854)</b>	<b>(274.9%)</b>	<b>\$2,043,214</b>	<b>37.5%</b>

RICE CARE CENTER  
For the Year To Date Period Ending

	December 2015	December 2014	% Var	December 2013	% Var	December 2012	% Var
<b>OPERATING REVENUE</b>							
RICE CARE CENTER REVENUE	\$12,079,526	\$11,210,522	7.8%	\$10,185,462	18.6%	\$9,504,099	27.1%
<b>TOTAL PATIENT REVENUE</b>	<b>12,079,526</b>	<b>11,210,522</b>	<b>7.8%</b>	<b>10,185,462</b>	<b>18.6%</b>	<b>9,504,099</b>	<b>27.1%</b>
LESS DISCOUNTS & CONTRACTUALS	3,161,669	3,141,293	0.6%	3,235,268	(2.3%)	2,250,703	40.5%
LESS UNCOMPENSATED CARE	15,032						
LESS BAD DEBT EXPENSE	27,519	8,339	230.0%	2,609	954.8%	4,255	546.7%
<b>TOTAL DEDUCTIONS FROM REVENUE</b>	<b>3,204,220</b>	<b>3,149,632</b>	<b>1.7%</b>	<b>3,237,877</b>	<b>(1.0%)</b>	<b>2,254,958</b>	<b>42.1%</b>
<b>NET REVENUE FROM PATIENTS</b>	<b>8,875,306</b>	<b>8,060,890</b>	<b>10.1%</b>	<b>6,947,585</b>	<b>27.7%</b>	<b>7,249,141</b>	<b>22.4%</b>
OTHER OPERATING REVENUE	12,777	7,695	66.0%	7,447	71.6%	10,271	24.4%
<b>TOTAL OPERATING REVENUE</b>	<b>8,888,083</b>	<b>8,068,585</b>	<b>10.2%</b>	<b>6,955,032</b>	<b>27.8%</b>	<b>7,259,412</b>	<b>22.4%</b>
LESS: WILLMAR MEDICAL SERVICES							
<b>TOTAL OPERATING REVENUE</b>	<b>8,888,083</b>	<b>8,068,585</b>	<b>10.2%</b>	<b>6,955,032</b>	<b>27.8%</b>	<b>7,259,412</b>	<b>22.4%</b>
<b>OPERATING EXPENSES</b>							
SALARIES AND WAGES	3,152,171	2,791,466	12.9%	2,534,261	24.4%	2,643,815	19.2%
CONTRACT LABOR	1,248,688	1,158,333	7.8%	1,197,456	4.3%	867,347	44.0%
SUPPLEMENTAL BENEFITS	1,091,618	1,055,586	3.4%	1,030,358	5.9%	1,122,598	(2.8%)
SUPPLIES	476,521	492,370	(3.2%)	483,221	(1.4%)	453,480	5.1%
DRUGS	283,953	226,019	25.6%	174,291	62.9%	188,453	50.7%
PURCHASED SERVICES	197,924	176,810	11.9%	239,588	(17.4%)	213,067	(7.1%)
REPAIRS, SERVICE & RENTALS	85,752	65,240	31.4%	69,771	22.9%	44,044	94.7%
UTILITIES	137,906	149,159	(7.5%)	119,996	14.9%	105,521	30.7%
INSURANCE	40,198	46,537	(13.6%)	49,298	(18.5%)	40,323	(0.3%)
PATIENT RELATED TRAVEL	4,272	4,504	(5.2%)	3,478	22.8%	4,407	(3.1%)
EDUCATION, TRAVEL, & DUES	42,642	51,490	(17.2%)	46,206	(7.7%)	50,340	(15.3%)
OTHER	12,743	18,066	(29.5%)	7,559	68.6%	3,353	280.0%
DEPRECIATION AND AMORT	732,587	544,728	34.5%	383,243	91.2%	358,736	104.2%
INTEREST	316,900	333,073	(4.9%)	122,964	157.7%	131,182	141.6%
TAXES & SURCHARGE	420,002	432,097	(2.8%)	421,262	(0.3%)	402,837	4.3%
<b>TOTAL OPERATING EXPENSES</b>	<b>8,243,877</b>	<b>7,545,478</b>	<b>9.3%</b>	<b>6,882,952</b>	<b>19.8%</b>	<b>6,629,503</b>	<b>24.4%</b>
LESS: WILLMAR MEDICAL SERVICES							
<b>NET OPERATING EXPENSES</b>	<b>8,243,877</b>	<b>7,545,478</b>	<b>9.3%</b>	<b>6,882,952</b>	<b>19.8%</b>	<b>6,629,503</b>	<b>24.4%</b>
<b>OPERATING INCOME (LOSS)</b>	<b>644,206</b>	<b>523,107</b>	<b>23.1%</b>	<b>72,080</b>	<b>793.7%</b>	<b>629,909</b>	<b>2.3%</b>
<b>NON OPERATING INCOME</b>							
INVESTMENT INCOME	19,021	16,529	15.1%	4,219	350.8%	4,851	292.1%
OTHER GAIN (LOSS)				(1,772)	(100.0%)		
<b>TOTAL NON OPERATING INCOME</b>	<b>19,021</b>	<b>16,529</b>	<b>15.1%</b>	<b>2,447</b>	<b>677.3%</b>	<b>4,851</b>	<b>292.1%</b>
<b>NET INCOME (LOSS)</b>	<b>\$663,227</b>	<b>\$539,636</b>	<b>22.9%</b>	<b>\$74,527</b>	<b>789.9%</b>	<b>\$634,760</b>	<b>4.5%</b>

**Rice Home Medical**  
**RICE HOME MEDICAL**  
For the 12 Months Ending December 31, 2015

	December 2015	% of Gross Sales	December 2014	% of Gross Sales	December 2013	% of Gross Sales	December 2012	% of Gross Sales
<b>GROSS SALES</b>								
SALES REVENUE	\$8,591,942	61.92%	\$8,140,348	61.01%	\$8,023,636	61.44%	\$6,602,080	63.06%
RENTS REVENUE	5,282,159	38.07%	5,192,097	38.91%	5,022,491	38.46%	3,865,204	36.92%
MISC REVENUE	805	0.01%	11,028	0.08%	14,170	0.11%	2,979	0.03%
<b>GROSS SALES</b>	<b>13,874,905</b>	<b>100.00%</b>	<b>13,343,473</b>	<b>100.00%</b>	<b>13,060,297</b>	<b>100.00%</b>	<b>10,470,264</b>	<b>100.00%</b>
LESS: CONTRACTUAL ALLOWANCES	(4,135,820)	(29.81%)	(4,020,873)	(30.13%)	(4,685,958)	(35.88%)	(2,344,761)	(22.39%)
LESS: UNCOMPENSATED CARE	(2,986)	(0.02%)	(4,334)	(0.03%)	(8,929)	(0.07%)	(9,953)	(0.10%)
LESS: BAD DEBT EXPENSE	(53,494)	(0.39%)	(91,778)	(0.69%)	(51,185)	(0.39%)	(63,747)	(0.61%)
<b>NET SALES</b>	<b>9,682,606</b>	<b>69.79%</b>	<b>9,226,488</b>	<b>69.15%</b>	<b>8,314,225</b>	<b>63.66%</b>	<b>8,051,803</b>	<b>76.90%</b>
<b>COST OF GOODS SOLD</b>								
OXYGEN	80,153	0.58%	80,388	0.60%	100,923	0.77%	134,889	1.29%
EQUIPMENT	814,708	5.87%	1,011,102	7.58%	1,005,181	7.70%	829,422	7.92%
SUPPLY - FREIGHT	163,088	1.18%	150,938	1.13%	176,893	1.35%	168,537	1.61%
SUPPLY	2,602,090	18.75%	2,340,356	17.54%	2,254,361	17.26%	1,895,383	18.10%
EQUIPMENT REPAIR	266,584	1.92%	336,154	2.52%	334,867	2.56%	109,083	1.04%
SHOP EXPENSE	17,127	0.12%	34,318	0.26%	48,783	0.37%	63,422	0.61%
EQUIPMENT RENTAL & LEASES	44,009	0.32%	20,486	0.15%	40	0.00%	0	0.00%
PURCHASE DISCOUNTS	(82,917)	(0.60%)	(84,830)	(0.64%)	(85,701)	(0.66%)	(97,545)	(0.93%)
<b>TOTAL COST OF GOODS SOLD</b>	<b>3,904,841</b>	<b>28.14%</b>	<b>3,888,913</b>	<b>29.14%</b>	<b>3,835,348</b>	<b>29.37%</b>	<b>3,103,190</b>	<b>29.64%</b>
<b>GROSS PROFIT</b>	<b>5,777,764</b>	<b>41.64%</b>	<b>5,337,576</b>	<b>40.00%</b>	<b>4,478,877</b>	<b>34.29%</b>	<b>4,948,613</b>	<b>47.26%</b>
OTHER OPERATING REVENUE	107,983	0.78%	65,665	0.49%	0	0.00%	0	0.00%
<b>TOTAL OPERATING REVENUE</b>	<b>5,885,748</b>	<b>42.42%</b>	<b>5,403,241</b>	<b>40.49%</b>	<b>4,478,877</b>	<b>34.29%</b>	<b>4,948,613</b>	<b>47.26%</b>
<b>OPERATING EXPENSES</b>								
SALARIES & WAGES	2,805,282	20.22%	2,988,834	22.40%	3,040,540	23.28%	2,744,219	26.21%
CONTRACT LABOR	1,150	0.01%	945	0.01%	11,134	0.09%	0	0.00%
SUPPLEMENTAL BENEFITS	1,067,005	7.69%	1,132,744	8.49%	1,101,985	8.44%	774,236	7.39%
SUPPLIES AND DRUGS	97,457	0.70%	92,213	0.69%	128,305	0.98%	105,049	1.00%
PURCHASED SERVICES	338,279	2.44%	311,995	2.34%	470,922	3.61%	304,436	2.91%
REPAIRS, SERVICE & RENTALS	230,444	1.66%	237,658	1.78%	259,366	1.99%	181,523	1.73%
UTILITIES	114,623	0.83%	131,405	0.98%	117,277	0.90%	95,495	0.91%
INSURANCE	49,240	0.35%	47,058	0.35%	49,533	0.38%	73,544	0.70%
PATIENT RELATED TRAVEL	91,005	0.66%	139,064	1.04%	165,864	1.27%	162,787	1.55%
EDUCATION, TRAVEL, & DUES	37,469	0.27%	28,754	0.22%	51,347	0.39%	60,139	0.57%
OTHER EXPENSE	177,528	1.28%	167,227	1.25%	112,946	0.86%	120,428	1.15%
DEPRECIATION & AMORTIZATION	962,507	6.94%	867,895	6.50%	721,071	5.52%	469,987	4.49%
INTEREST EXPENSE	0	0.00%	0	0.00%	64,104	0.49%	48,705	0.47%
TAXES	65,444	0.47%	44,622	0.33%	67,107	0.51%	52,741	0.50%
<b>TOTAL OPERATING EXPENSES</b>	<b>6,037,432</b>	<b>43.51%</b>	<b>6,190,413</b>	<b>46.39%</b>	<b>6,361,501</b>	<b>48.71%</b>	<b>5,193,290</b>	<b>49.60%</b>
<b>NET OPERATING INCOME (LOSS)</b>	<b>(151,684)</b>	<b>(1.09%)</b>	<b>(787,172)</b>	<b>(5.90%)</b>	<b>(1,882,624)</b>	<b>(14.41%)</b>	<b>(244,677)</b>	<b>(2.34%)</b>
INVESTMENT INCOME (LOSS)	(34,446)	(0.25%)	(81,876)	(0.61%)	0	0.00%	0	0.00%
OTHER GAIN (LOSS)	7,682	0.06%	19,512	0.15%	(12,361)	(0.09%)	(2,702)	(0.03%)
<b>NET INCOME (LOSS)</b>	<b>(\$178,449)</b>	<b>(1.29%)</b>	<b>(\$849,536)</b>	<b>(6.37%)</b>	<b>(\$1,894,985)</b>	<b>(14.51%)</b>	<b>(\$247,379)</b>	<b>(2.36%)</b>

**RICE MEMORIAL HOSPITAL  
CONSOLIDATED CASH FLOW STATEMENT**

**FOR THE PERIOD ENDED:  
December 31, 2015**

Line #	Current YTD	Prior YTD
1 Sources of Cash & Investments:		
2 Net Income	\$ 3,294,167	\$ (1,677,987)
3 Depreciation & Amortization	8,435,944	\$ 8,456,571
4 Debt Proceeds	1,272,018	301,394
5 Other		
6		
7 Total Sources	<u>13,002,129</u>	<u>7,079,979</u>
8		
9 Uses		
10 Property, Plant, and Equipment - Gross	8,024,575	9,233,823
11 Debt Payments/Re-funding	823,950	-
12 Working Capital Changes & Other - Net	4,118,248	2,245,538
13		
14 Total Uses	<u>12,966,774</u>	<u>11,479,362</u>
15		
16 Increase / (Decrease) Cash & Investments	35,355	(4,399,383)
17		
18 Beginning of Period (January 1)	<u>27,553,337</u>	<u>31,952,720</u>
19		
20 End of Period	<u>\$ 27,588,692</u>	<u>\$ 27,553,337</u>

**RICE MEMORIAL HOSPITAL**  
**STATISTICAL AND VOLUME SUMMARY**  
**FOR THE PERIOD ENDED:**  
**December 31, 2015**

Line #		CURRENT MONTH				Act/2014	Prior	Act/Prior	
		Actual	Forecast	Var.	Var. %	2014	Var. %	3 mo avg	Var. %
1	Adult Health Care	573	523	50	9.6%	675	-15.1%	493	16.2%
2	Women and Children's Care	201	193	8	4.1%	182	10.4%	178	12.9%
3	ICCU	50	50	-	0.0%	69	-27.5%	33	51.5%
4	Mental Health	269	225	44	19.6%	212	26.9%	247	8.9%
5	Total Adult & Peds	1,093	991	102	10.3%	1,138	-4.0%	951	14.9%
6									
7	Average Daily Census	35.3	32.0	3.3	10.3%	36.7	-4.0%	31.4	12.5%
8									
9	Average Length of Stay	3.46	3.71	(0.25)	-6.8%	3.68	-6.1%	3.57	-3.1%
10	Average Length of Stay-CMI	3.28	3.61	(0.34)	-9.3%	3.71	-11.6%	3.57	-8.2%
11									
12	Admissions-Inpatient	311	272	39	14.3%	316	-1.6%	270	15.2%
13	Observation patients	126	142	(16)	-11.3%	175	-28.0%	139	-9.4%
14									
15	Medicare Case Mix Index	1.373	1.284	0.089	6.9%	1.124	22.2%	1.230	11.6%
16	Case Mix Index-Total	1.056	1.008	0.048	4.7%	0.994	6.2%	1.000	5.6%
17									
18	Adjusted Admissions	939	789	150	19.0%	939	-0.1%	909	3.3%
19	Adjusted Patient Days	3,299	2,874	425	14.8%	3,383	-2.5%	3,205	2.9%
20									
21	Births	73	67	6	9.0%	66	10.6%	68	7.4%
22									
23	Rice Care Center-Days	2,224	2,325	(101)	-4.3%	2,278	-2.4%	2,152	3.3%
24	Rice Care Center-Average Daily Census	71.7	75.0	(3.3)	-4.3%	73.5	-2.4%	70.9	1.1%
25	Rice Care Center Case Mix Index	1.350	1.050	0.300	28.6%	1.016	32.9%	1.113	21.3%
26									
27									
28									
		YEAR-TO-DATE				Act/2014		Act/2013	
		Actual	Forecast	Var.	Var. %	2014	Var. %	2013	Var. %
29	<u>Patient Days</u>								
30	Adult Health Care	6,252	6,711	(459)	-6.8%	6,886	-9.2%	5,893	6.1%
31	Women and Children's Care	2,351	2,304	47	2.0%	2,295	2.4%	2,305	2.0%
32	ICCU	586	684	(98)	-14.3%	713	-17.8%	682	-14.1%
33	Mental Health	2,834	2,712	122	4.5%	2,718	4.3%	2,365	19.8%
34	Total Adult & Peds	12,023	12,411	(388)	-3.1%	12,612	-4.7%	11,245	6.9%
35									
36	Average Daily Census	32.9	34.0	(1.1)	-3.1%	34.6	-4.7%	33.7	-2.2%
37									
38	Average Length of Stay	3.60	3.71	(0.11)	-2.8%	3.76	-4.2%	3.52	2.3%
39	Average Length of Stay-CMI	3.62	3.68	(0.06)	-1.6%	3.73	-3.0%	3.47	4.3%
40									
41	Admissions-Inpatient	3,338	3,348	(10)	-0.3%	3,354	-0.5%	3,185	4.8%
42	Observation patients	1,894	1,548	346	22.4%	1,603	18.2%	1,837	3.1%
43									
44	Medicare Case Mix Index	1.266	1.284	(0.018)	-1.4%	1.284	-1.4%	1.286	-1.6%
45	Case Mix Index-Total	0.995	1.008	(0.013)	-1.3%	1.008	-1.3%	1.015	-1.9%
46									
47	Adjusted Admissions	10,642	9,709	933	9.6%	9,923	7.2%	9,312	14.3%
48	Adjusted Patient Days	38,225	35,992	2,233	6.2%	37,289	2.5%	32,893	16.2%
49									
50	Births	821	792	29	3.7%	785	4.6%	766	7.2%
51									
52	Rice Care Center-Days	26,383	27,375	(992)	-3.6%	24,222	8.9%	21,291	23.9%
53	Rice Care Center-Average Daily Census	72.3	75.0	(2.7)	-3.6%	66.4	8.9%	63.7	13.4%
54	Rice Care Center Case Mix Index	1.078	1.050	0.028	2.7%	1.055	2.2%	1.023	5.4%

**RICE MEMORIAL HOSPITAL  
STATISTICAL AND VOLUME SUMMARY  
FOR THE PERIOD ENDED:  
December 31, 2015**

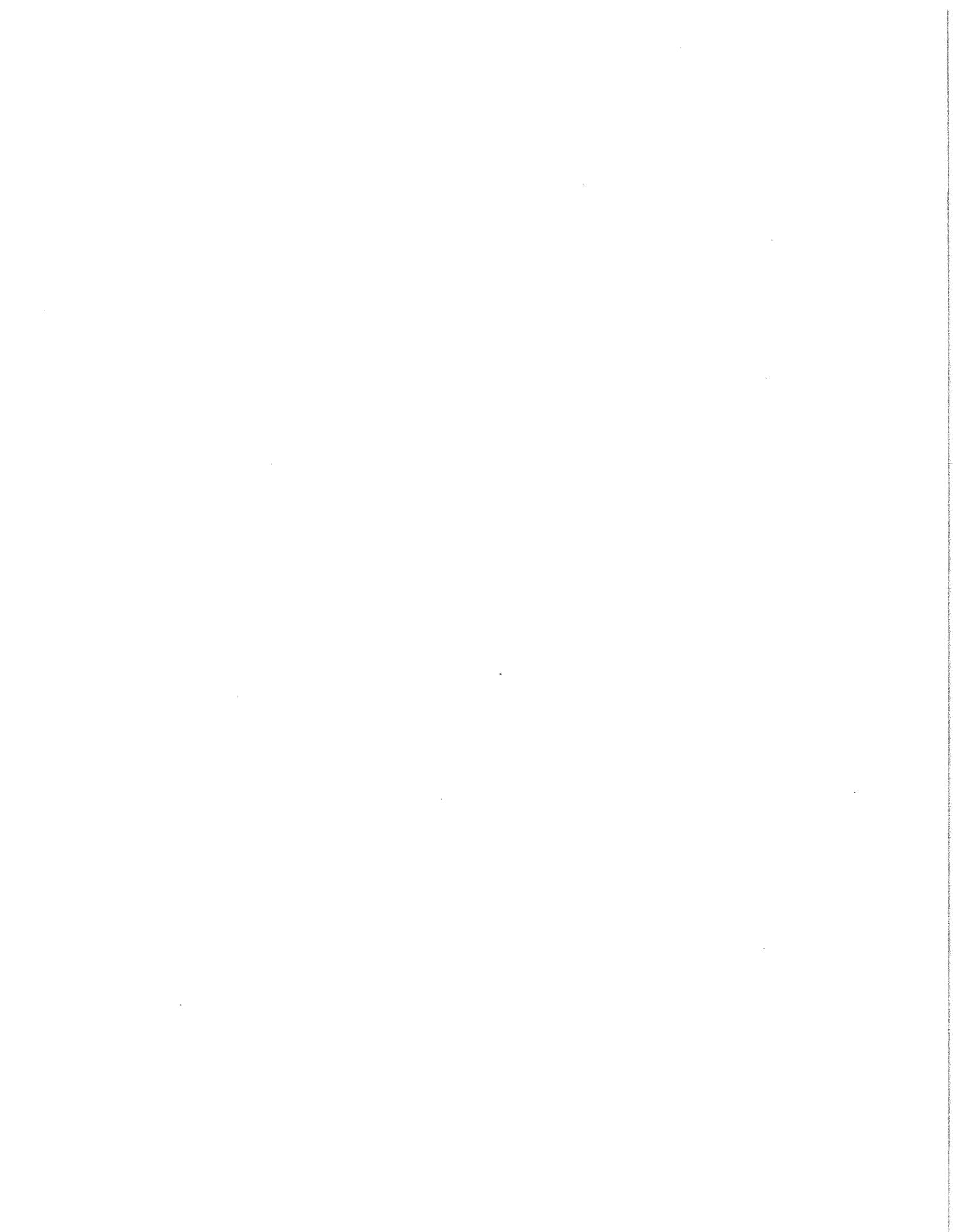
	CURRENT MONTH				2014	Act/2014	Prior	Act/Prior
	Actual	Forecast	Var.	Var. %		Var. %	3 mo avg	Var. %
<b>Ancillary Services</b>								
1 IP Surgeries	92	79	13	16.5%	82	12.2%	74	24.3%
2 OP Surgeries	228	196	32	16.3%	190	20.0%	212	7.5%
3 Total Surgeries	320	275	45	16.4%	272	17.6%	286	11.9%
4								
5 ER Visits-Inpatient	194	182	12	6.6%	215	-9.8%	165	17.6%
6 ER Visits-Outpatient	885	989	(104)	-10.5%	1,110	-20.3%	937	-5.5%
7 ER Visits-Total	1,079	1,171	(92)	-7.9%	1,325	-18.6%	1,102	-2.1%
8								
9 Lab Tests	23,399	22,348	1,051	4.7%	24,023	-2.6%	21,906	6.8%
10 Medical Imaging Procedures	1,472	1,438	34	2.4%	1,515	-2.8%	1,411	4.3%
11 Radiation Oncology Treatments	475	238	237	99.6%	202	135.1%	533	-10.9%
12 Medical Oncology Visits	714	279	435	155.9%	285	150.5%	694	2.9%
13								
14 Dialysis Treatments	961	1,024	(63)	-6.2%	1,017	-5.5%	1,031	-6.8%
15 Rehab Visits	3,744	3,830	(86)	-2.2%	3,971	-5.7%	3,887	-3.7%
16 Hospice Visits	1,930	1,816	114	6.3%	1,767	9.2%	1,992	-3.1%
17 Ambulance Runs	238	234	4	1.7%	262	-9.2%	224	6.3%
18								
19								
<b>20 Full Time Equivalentents (FTE's)</b>								
21 FTE's - Hospital	629	589	40	6.8%	605	4.1%	615	2.3%
22 FTE's - Care Center	91	86	5	6.2%	92	-0.8%	92	-1.3%
23 FTE's - Home Medical	70	73	(3)	-4.1%	74	-6.0%	73	-4.1%
24 Total FTE's	790	748	42	5.6%	771	2.5%	780	1.3%

	YEAR-TO-DATE				2014	Act/2014	2013	Act/2013
	Actual	Forecast	Var.	Var. %		Var. %		Var. %
<b>29 Ancillary Services</b>								
30 IP Surgeries	939	942	(3)	-0.3%	919	2.2%	968	-3.0%
31 OP Surgeries	2,396	2,157	239	11.1%	2,024	18.4%	2,080	15.2%
32 Total Surgeries	3,335	3,099	236	7.6%	2,943	13.3%	3,048	9.4%
33								
34 ER Visits-Inpatient	2,183	2,157	26	1.2%	2,097	4.1%	1,879	16.2%
35 ER Visits-Outpatient	11,572	11,709	(137)	-1.2%	11,347	2.0%	9,716	19.1%
36 ER Visits-Total	13,755	13,866	(111)	-0.8%	13,444	2.3%	11,595	18.6%
37								
38 Lab Tests	266,548	274,566	(8,018)	-2.9%	275,059	-3.1%	244,909	8.8%
39 Medical Imaging Procedures	17,634	17,244	390	2.3%	17,620	0.1%	15,457	14.1%
40 Radiation Oncology Treatments	6,639	2,970	3,669	123.5%	2,965	123.9%	4,289	54.8%
41 Medical Oncology Visits	7,693	3,096	4,597	148.5%	2,928	162.7%	2,275	238.2%
42								
43 Dialysis Treatments	12,237	12,093	144	1.2%	11,870	3.1%	9,062	35.0%
44 Rehab Visits	46,197	46,737	(540)	-1.2%	46,463	-0.6%	40,806	13.2%
45 Hospice Visits	22,112	21,966	146	0.7%	22,483	-1.7%	20,440	8.2%
46 Ambulance Runs	2,782	2,880	(98)	-3.4%	2,902	-4.1%	2,433	14.3%
47								
48								
<b>49 Full Time Equivalentents (FTE's)</b>								
50 FTE's - Hospital	614	603	11	1.9%	618	-0.6%	641	-4.2%
51 FTE's - Care Center	92	86	7	8.1%	86	7.2%	82	13.4%
52 FTE's - Home Medical	71	74	(2)	-3.1%	78	-8.3%	80	-11.5%
53 Total FTE's	778	762	16	2.1%	782	-0.5%	803	-3.1%

**RICE MEMORIAL HOSPITAL  
KEY PERFORMANCE INDICATORS**

**FOR THE PERIOD ENDED:**

Line #	12/31/15 Actual	2015 YTD Actual	2015 Forecast	2014 Actual	2013 Actual	2012 Actual	2011 Actual	Industry Benchmarks
1	<b>OPERATIONAL</b>							
2	<b>Operating Margin</b>							
3	Rice Hospital	-2.9%	2.4%	1.3%	-3.6%	-1.5%	1.3%	5.0%
4	Rice Care Center	-5.8%	7.2%	8.7%	6.5%	1.0%	8.7%	-0.1%
5	Rice Home Medical	8.8%	-1.5%	1.9%	-9.0%	-22.5%	-3.0%	1.4%
6								
7	Consolidated Operating Margin	-1.8%	2.4%	1.8%	-3.3%	-3.2%	1.4%	4.4%
8								
9	Consolidated Excess Margin	-0.6%	3.3%	2.6%	-1.8%	-3.6%	2.4%	5.8%
10								
11	EBIDA Operating Margin	8.1%	12.9%	12.6%	7.1%	7.0%	11.6%	14.6%
12								
13	<b>FINANCIAL</b>							
14	Debt/Capitalization Ratio		43.5%	44.5%	45.8%	46.3%	43.3%	46.3%
15	Debt Service Coverage		3.6	3.0	2.4	1.8	3.0	3.5
16	Net Days In Accounts Receivable-Consolidated		63	48	53	52	64	55
17	Days of Cash		116	119	116	128	114	116
18	Unrestricted Cash/Debt		59%	62%	57%	64%	63.0%	58.6%
19	Cushion Ratio		7.4	8.0	7.7	8.9	7.1	6.3
20	Average Age of Plant		11.4	11.0	10.6	9.3	9.1	9.2
21	Financial Strength Index		0.94	1.00	(0.33)	(0.52)	0.75	1.65
22	<b>PRODUCTIVITY</b>							
23	<b>Rice Hospital</b>							
24								
25	Controllable Expense/Adj. Admit	\$ 9,436	\$ 8,008	\$ 8,197	\$ 8,255	\$ 8,287	\$ 7,610	
26								
27	Total Operating Expense % of NPR + OOR	102.3%	89.9%	90.0%	93.5%	90.0%	89.1%	85.0%
28								
29	Compensation Ratio	56.2%	52.3%	50.0%	55.5%	52.6%	50.5%	48.1%
30								
31	FTE per Adjusted Admit	13.1	13.5	14.4	14.6	14.9	14.6	13.4
32	FTE per Adjusted Patient Day	3.7	3.8	4.1	3.9	4.2	4.1	3.8
33								
34	Supply Expense per CMI Adjusted Discharge	\$ 895	\$ 748	\$ 771	\$ 770	\$ 755	\$ 739	
35	Drug Expense per CMI Adjusted Discharge	\$ 829	\$ 713	\$ 584	\$ 684	\$ 762	\$ 614	
36	Total Supply & Drug Expense per CMI Adj. Disch	\$ 1,724	\$ 1,461	\$ 1,355	\$ 1,454	\$ 1,517	\$ 1,353	
37								
38	Bad Debt as % of Net Patient Revenue		1.4%	2.0%	2.6%	2.0%	2.2%	2.1%
39								
40	Capital Expense (Interest + Depreciation)		8.6%	9.0%	9.3%	9.1%	9.0%	9.6%
41								
42	<b>Rice Care Center</b>							
43	Hours per Resident Day	6.5	6.7	6.5	6.7	6.6	6.7	6.5
44								
45	Total Operating Expense %	105.8%	92.8%	91.3%	93.5%	99.0%	91.3%	100.1%
46								
47	<b>Rice Home Medical</b>							
48	Sales per FTE	\$ 256,600	\$ 194,900	\$ 191,600	\$ 171,700	\$ 161,600	\$ 144,500	\$ 158,000
49								
50	Total Operating Expense %	84.9%	102.6%	96.8%	115.5%	142.0%	104.9%	97.7%
51								
52	Inventory Turns		4.6		4.9	4.7	5.8	6.0
53	Inventory Days on Hand		79.9		74	78	63	61
54								





**COUNCIL ACTION REQUEST**

**DATE:** February 22, 2016

**SUBJECT:** Revised Draft of City Purchasing Policy

**RECOMMENDATION:** It is respectfully requested the City Council consider the Finance Committee's recommendation to:

Adopt the March 2016 City of Willmar Purchasing Policy

**BACKGROUND:** Staff was requested by Administrator Kruse to update the Purchasing Policy, setting levels of authority. In 2004, the City adopted a purchasing policy setting the amount the City Administrator could approve at \$20,000. In 2013, the City Council amended that policy to request the Council approve all Vehicle and Capital Improvement expenditures above \$10,000. This means that for every capital purchase that is in the budget, staff must bring them to Committee and justify the purchase for a second or third time and then the Council must again approve the purchase.

City Administrator Kruse has requested the amount the City Administrator can approve for both budgeted and unbudgeted items be set at \$25,000. Records indicate all items approved through the Capital Improvement Process for the last 25 years have never been rejected after formally adopted by the City Council. A few recent examples show why this is relevant for the Council to do.

1) In the past month, the ice plant at the Civic Center went down. The cost to repair and get the operation back on line was \$15,000. City Administrator Kruse responded to a request from Community Education and Recreation Director Brisendine to continue to complete the repairs. Technically, based on the current policy, this amount is over \$10,000 and should have had an emergency City Council meeting to authorize.

2) At the last City Council meeting, two pickups and some GIS equipment was submitted to Public Works Committee and Council for approval. The proposed purchases had already gone through an extensive review by the Capital Improvement Committee comprised of mechanics, operator, Directors, City Administration and ultimately the City Council. Funds were identified and appropriated. This results in the repetitive approvals of items which, when reviewed, have always been purchased. The exception is when the Department Director decides to delay the purchase for good reason.

3) In today's Finance Committee packet, the Public Works Director submitted a request to purchase and install lighting in the Public Works Building. This amount was \$ 24,261. Staff was prepared to bring this one and only item to the Public Works Committee, but that being the only item it did not make sense to have a meeting just for that. Staff redirected the lighting purchase to the Finance Committee. The work was evaluated and included in the CIP budget at \$35,000, and it seems unnecessary due to the actual amount being less than the approved level of funding, to bring it back to another Committee and the Council.

In 2004, \$ 20,000 was the amount the City Administrator could approve. In today's dollars, at 3% inflation, that amount would be over **\$ 28,000**. So it seems reasonable to entrust the City Administrator with up to \$25,000 with the direction that the Administrator keep the Council informed, especially about unbudgeted items like the ice plant.

At the February 8<sup>th</sup> Finance Committee meeting they recommended some changes which staff has included. Further, they requested some additional time to think about the various policy amounts.

**FINANCIAL CONSIDERATION:** None

**LEGAL:** The Council has the authority to set policy and spending limits on staff.

**Department/Responsible Party:** Steven B. Okins, Finance Director

**Reviewed By:** Larry Kruse, City Administrator

**CITY OF ~~ARDEN HILLS~~WILLMAR**  
**PURCHASING POLICY**  
**(Revised 4/28/2014/1/2016)**

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**GENERAL PHILOSOPHY**

The City of ~~Arden Hills~~Willmar is committed to be responsible, prudent, and wise in spending the taxpayer's funds.

The purchasing policy was developed by the City to be followed and enforced. It is difficult to identify every possible scenario in this document that might be considered prudent or imprudent. In addition, the city is cognizant of the value not only of the following spending policies, but also the public perception of prudence. The City employees should make every attempt to adhere to the policies and exercise good business judgment in spending. It is recognized that even the best policies will need to be revised periodically and modified as needed.

**PURCHASING**

**POLICY:**

The City's policy is to purchase goods and services at the most cost effective and competitive rates, yielding the desired service, turnaround and value for the dollar. This practice must ensure the best utilization of funds, vendor selection, and adherence to ethical business practices including integrity, honesty, and avoidance of conflict of interest.

**SCOPE:**

This policy applies to purchase of goods or services that includes: competitive bidding, vendor selection, signature authority, ~~and~~ purchase orders, ~~and coding~~.

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**COMPETITIVE BIDDING**

- ~~1. Purchases between \$7,500 and \$50,000. Purchases of goods and services must be competitively bid. At least, two written bids must be obtained from the vendors.~~
- ~~2. Purchases over \$50,000 must be advertised as sealed bids.~~
- ~~3. Purchases at and over \$2,500, but under \$7,500. Obtain a minimum of two verbal or faxed bids from vendors.~~
- ~~4. No bids required for purchases under \$2,500~~

The City follows the rules pursuant to Minnesota State Statute 471.345.

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1. If the amount of the contract is estimated to exceed \$100,000, sealed bids shall be solicited by public notice in the manner and subject to the requirements of the law governing contracts by the particular municipality or class thereof.
2. Purchases between \$25,000 and \$100,000, the contract may be made either upon sealed bids or by direct negotiation, by obtaining two or more quotations for the purchase or sale when possible, and without advertising for bids or otherwise complying with the requirements of competitive bidding. All quotations obtained shall be kept on file for a period of at least one year after receipt thereof.
3. Purchases under \$25,000 may be made either upon quotation or in the open market, in the discretion of the governing body. If the contract is made upon quotation it shall be based, so far as practicable, on at least two quotations which shall be kept on file for a period of at least one year after their receipt.
4. Other provisions of the statute as listed in the statute.

**Note: The current statute should always be referenced or referred to for the most recent revisions to the law,**

It is not the policy of the City to accept the lowest bidding vendor. The acceptance of the bid may be based on a number of factors, including: Cost, demonstrated working experience in the specific area, past experience with the City, overall quality of work, and in emergency situations.

Exception to this policy may be made in order to maintain continuity of services, their in-depth knowledge of the City's operations or systems, the uniqueness of the services offered, and in emergency situations. Examples include, but not limited to: Auditing Services, Financial Services, Engineering Services, Legal Services, Maintenance Contracts, Building Maintenance, Architectural Services, and other similar services. Exception can also be made if the project requires unique skills or if bids cannot be obtained due to lack of interest from the vendors. It is the responsibility of the department head to document the rationale for the vendor selection, particularly when the lowest bid is not accepted and/or if a bid was only received or obtained from one vendor.

**Spending Not Requiring Council Action**

**AUTHORIZATION LIMITS**

Individual	\$ Limit - Budgeted	\$ Limit - Unbudgeted
City Administrator	up to \$ <del>7,500</del> <b>7,500</b> <del>25,000</del> <b>25,000</b>	up to \$

Purchasing Policy  
M. Siddiqui, 7/21/04 Revised 4/28/14

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~~Finance Director/Treasurer~~ Department Directors up to \$  
~~5,000~~ 5,000 up to \$ ~~2,500~~ 2,500 ~~5,000~~  
~~Public Works Director~~ up to \$ ~~2,500~~ 2,500 up to \$  
~~1,000~~ 1,000  
~~Community Development Director~~ up to \$ ~~2,500~~ 2,500 up to \$  
~~1,000~~ 1,000

Note: All payments for capital purchases in excess of \$~~7,500~~ 25,000 must be preapproved ~~approved~~ by the City Council, unless the project, in aggregate, was previously approved by the City Council. Monthly reports for all approved unbudgeted expenditures shall be provided to the City Council by the City Administrator. The department director, along with the concurrence of the ~~Finance Director~~ Finance Director, may delegate signature authority to another individual in their department for a set dollar amount, which should be significantly lower than their own signing authority. This authority must be in writing and be kept in the Finance Department.

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*Items not requiring Council authorization prior to payment, but is part of the approved budget and over the authorization limits as described above:*

- Payroll and payroll related payments
- Employee Expense reimbursements
- Insurance Premiums
- Routine Operations (utilities, supplies, cleaning services, etc.)
- Items that were previously approved by the Council.
- Emergency payments or other payments to avoid late fees or interest charges.

1. Finance will process payments on a bi-weekly basis. Payments that do not require Council authorization will be issued ~~on-Fridays~~ the same time as Council authorized ones.
2. Payments that require Council action will be issued after the approval.
3. A complete list of all paid and unpaid claims will be presented at the regular Council meeting under the consent agenda items.

### PURCHASE ORDERS & CODING INVOICES

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It is a prudent business practice to issue purchase orders prior to the purchase of goods and services. As a practical matter, no purchase orders are required for purchases under \$~~5~~ 1,000. Purchase orders can only be signed by the authorized individuals as outlined above with their respective signing authority. The City Administrator ~~or the Finance Director~~ Director or their designee may co-sign a purchaser order if the order exceeds the director's authorization level.

Purchase orders are issued by the individual departments and retained by them until the goods and services are received. Upon the receipt of the invoice, the department head

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will approve the invoice for payment and forward the invoice, along with the purchase order to the Finance Department for processing.

All invoices are required to be coded and signed by the department head, or authorized delegate, before forwarding them to the Finance Department for processing.

### NEW VENDORS

Selecting new vendors is at the discretion of the department head. When selecting a new vendor the department head or authorized delegate is required to also obtain an IRS Form W-9 from the vendor. The City requires the IRS Form W-9 before payment can be processed for the vendor.