

Park Hospital District

NOTICE

SPECIAL BOARD MEETING

OF THE PARK HOSPITAL DISTRICT BOARD OF DIRECTORS

Wednesday, April 29, 2026

at 8:00 a.m.

District Administration Office – Vert Conference Room
1280 Big Thompson Avenue, Estes Park, CO 80517

PUBLIC NOTICE is hereby given that the Park Hospital District Board of Directors will hold a Special Meeting to review and discuss governance and policy matters. Action may be taken by the Board on items listed on the meeting agenda.

AGENDA

- 1. Call to Order**
- 2. Approval of Agenda**
- 3. Executive Session**
Executive Session pursuant to § 24-6-402(4)(b), C.R.S., for the purpose of receiving legal advice from the District's attorney regarding the Memorandum of Understanding, including flow of funds and the associated budget request from UCHHealth.
- 4. Return to Open Session**
- 5. Consideration and approval of the 2026 Directors & Officers (D&O) Insurance Policy Limit (*Discussion/Action*)**
- 6. Park Hospital District Revised 2026 Budget (*Discussion*)**
- 7. Citizen and Board Comments**
- 8. Proposed Agenda Items for Future Meetings**
- 9. Adjournment**

The Board reserves the right to consider other appropriate items not available at the time the agenda was prepared.

Janet Zeschin, Board Secretary

Agenda Title: Executive Session

Executive Session pursuant to § 24-6-402(4)(b), C.R.S., for the purpose of receiving legal advice from the District's attorney regarding the Memorandum of Understanding, including flow of funds and the associated budget request from UCHealth.

Board Action Needed:

Motion to enter Executive Session by announcing the topic to be discussed and citing the specific statute that authorizes the Executive Session; need 2/3 approval.

Example: "I move that we enter Executive Session pursuant to §24-6-402(4)(b), C.R.S., for the purpose of receiving legal advice from the District's attorney regarding the Memorandum of Understanding, including flow of funds and the associated budget request from UCHealth."

Agenda Title: Return to Open Session

Board Action Needed:

Motion to exit Executive Session and return to open session.

Agenda Title: Consideration and Approval of the 2026 Directors & Officers Insurance Policy Limit (*Discussion/Action*)

Background Information:

The Board is asked to consider and select the appropriate coverage limit for the Park Hospital District's 2026 Directors & Officers (D&O) Insurance Policy. D&O insurance provides protection for Board members and the District against claims alleging wrongful acts in the performance of their official duties.

The District's insurance broker, Arthur J. Gallagher Risk Management Services, has obtained initial quotes from Nexus, the prior carrier for Estes Park Health's D&O coverage. Two policy limit options have been presented, both with a \$25,000 retention:

- **Option 1:** \$1,000,000 coverage limit
Annual Premium: \$5,972 + \$150 taxes/fees
- **Option 2:** \$3,000,000 coverage limit
Annual Premium: \$11,528 + \$150 taxes/fees

As part of the proposal, Nexus has agreed to backdate continuity to December 1, 2025, which is significant in ensuring coverage for any potential claims arising since the District's transition and affiliation activities.

Final policy language is expected to be completed shortly. Selection of an appropriate coverage limit is necessary to bind coverage and ensure the District and its Board members are adequately protected moving forward.

Board Action Needed:

The Board should review the proposed Directors & Officers (D&O) insurance coverage options and determine the appropriate policy limit based on the District's risk exposure, governance responsibilities, and budget considerations. Upon selection, the Board should authorize Treasurer Foust to proceed with binding the selected coverage and finalizing the policy with Arthur J. Gallagher Risk Management Services.

Sample Motion:

"I move to approve the 2026 Directors & Officers Insurance Policy with a coverage limit of [\$1,000,000 / \$3,000,000], a \$25,000 retention, and the associated premium, and to authorize Treasurer Foust to finalize and bind coverage with Arthur J. Gallagher Risk Management Services."

Agenda Title: Park Hospital District Revised 2026 Budget (*Discussion*)

Background Information:

The Board is being asked to review a proposed amendment to the Park Hospital District's 2026 Budget. The original adopted budget anticipated only the \$200,000 administrative allowance permitted under the UCHealth lease agreement. However, that amount has proven insufficient to cover actual and anticipated District obligations following the closure of hospital operations on December 1, 2025.

Since that time, the District has incurred and expects to continue to incur additional expenses directly related to the transition and wind-down of operations. These include increased legal fees, costs associated with the termination of the Ascensus retirement plan, and ongoing accounting services necessary to support the District's financial management and compliance requirements.

The proposed amended budget identifies approximately \$389,000 in additional expenditures. To maintain a balanced budget, the transfer to UCHealth is correspondingly reduced from \$4,450,132 to \$4,061,132. The total budget remains balanced at \$4,650,132.

At this time, certain line items—specifically legal services and retirement plan termination—are based on estimates due to pending information. The District has requested the following from Hall & Render to support final budget adoption:

- Actual legal expenses incurred to date, along with a projection of remaining costs through completion of services; and
- A defined scope of work and fee proposal for the Ascensus retirement plan termination process.

The current draft includes an estimated \$80,000 for legal services and \$100,000 for retirement plan termination. These figures are intended as placeholders and will be updated once verified information is received. It is anticipated that the retirement plan termination process may extend into 2027, with any unused funds to be rebudgeted accordingly.

The revised budget should be considered a working document for Board discussion. Final adoption of the amended budget will occur once complete and verified financial information is available, prior to submission to the Colorado Division of Local Government (DOLA).

Board Action Needed:

The Board should review and discuss the proposed Revised 2026 Budget, including the identified additional expenditures and corresponding reduction in the UCHealth transfer. As this version contains estimated figures for certain line items, the Board may provide direction on the proposed assumptions, request modifications, and determine whether to proceed with refining the amendment upon receipt of verified cost information.

The Board may also direct staff to obtain finalized figures from Hall & Render and return with a finalized budget amendment for formal consideration, adoption, and subsequent filing with the Colorado Division of Local Government (DOLA).

PARK HOSPITAL DISTRICT

REVISED 2026 BUDGET — DRAFT

SECTION 1 — PURPOSE OF AMENDMENT

This revised budget is submitted pursuant to C.R.S. 29-1-108, which requires that no expenditure shall be made, or obligation incurred that exceeds the amount appropriated. The original 2026 budget adopted by the Board of Directors did not anticipate the legal costs, retirement plan termination obligations, and district accounting needs arising from the closure of hospital operations effective December 1, 2025. This amendment increases anticipated expenditures by \$389,000 and reduces the transfer to UCHhealth by an equal amount. The budget remains balanced to zero.

SECTION 2 — REVENUE (NO CHANGE)

Line Item	Original Budget	Revised Budget	Change
Tax Revenue	\$4,400,132.00	\$4,400,132.00	\$0.00
Ad Valorem Tax	\$250,000.00	\$250,000.00	\$0.00
TOTAL REVENUE	\$4,650,132.00	\$4,650,132.00	\$0.00

SECTION 3 — ADMINISTRATIVE EXPENSES — ORIGINAL \$200,000 UCH CAP (NO CHANGE)

Line Item	Original Budget	Revised Budget	Change
Audit	\$70,800.00	\$70,800.00	\$0.00
Salary	\$20,800.00	\$20,800.00	\$0.00
Insurance (D&O)	\$10,000.00	\$10,000.00	\$0.00
Legal Expenses	\$50,000.00	\$50,000.00	\$0.00

Line Item	Original Budget	Revised Budget	Change
Board Education	\$4,500.00	\$4,500.00	\$0.00
Travel and Meals	\$4,100.00	\$4,100.00	\$0.00
Supplies / Office	\$1,500.00	\$1,500.00	\$0.00
Dues and Subscriptions	\$1,200.00	\$1,200.00	\$0.00
Miscellaneous	\$16,600.00	\$16,600.00	\$0.00
Office Rental	\$14,400.00	\$14,400.00	\$0.00
Contract Services	\$6,100.00	\$6,100.00	\$0.00
SUBTOTAL ADMIN	\$200,000.00	\$200,000.00	\$0.00

These 11 line items represent the \$200,000 annual administrative allowance under the UCHealth lease agreement. No changes are proposed to this section.

SECTION 4 — ADDITIONAL ANTICIPATED EXPENSES (NEW — \$389,000)

Line Item	Amount	Status	Explanation
Legal Fee Overrun (Already Incurred)	\$110,000.00	VERIFIED	Legal fees incurred above the \$50,000 budget through approximately March 2026. Invoices on hand.
Anticipated Legal Fees (March–April 2026)	\$80,000.00	ANTICIPATED	Ongoing legal matters related to hospital closure transition, CORA compliance, governance, and board operations.
Hall & Render — Retirement Plan Unwind	\$40,000.00	ANTICIPATED	Legal counsel for termination of the district retirement plan (Ascensus/403(b)).
Ascensus Retirement Plan Termination Fee	\$100,000.00	ANTICIPATED	Plan termination and distribution administration fees. Includes \$19,897.59 in invoices currently on hand (3 invoices: \$5,936.50, \$2,956.25, \$11,004.84 — Q4 2025 admin fee and related charges).

Line Item	Amount	Status	Explanation
District Accounting Services	\$9,000.00	ANTICIPATED	Procurement of independent accounting firm for ongoing district financial reporting.
Miscellaneous Cushion	\$50,000.00	CONTINGENCY	Contingency reserve for unanticipated costs related to district wind-down operations and transition.
SUBTOTAL ADDITIONAL	\$389,000.00		

These expenses were not anticipated at the time of original budget adoption and arise directly from the closure of hospital operations effective December 1, 2025.

SECTION 5 — TRANSFER TO UCHEALTH (REVISED)

	Original	Revised	Change
Transfer to UCHHealth	\$4,450,132.00	\$4,061,132.00	(\$389,000.00)

The transfer to UCHHealth is reduced by \$389,000 to fund the additional anticipated expenses identified in Section 4. This represents an 8.7% reduction in the original transfer amount.

SECTION 6 — REVISED BUDGET SUMMARY

Category	Original Budget	Revised Budget	Change
Total Revenue	\$4,650,132.00	\$4,650,132.00	\$0.00
Administrative Expenses (UCH Cap)	\$200,000.00	\$200,000.00	\$0.00
Additional Anticipated Expenses	\$0.00	\$389,000.00	+\$389,000.00
Transfer to UCHealth	\$4,450,132.00	\$4,061,132.00	(\$389,000.00)
TOTAL EXPENDITURES	\$4,650,132.00	\$4,650,132.00	\$0.00
SURPLUS / (DEFICIT)	\$0.00	\$0.00	\$0.00

BUDGET BALANCES TO ZERO

NO DEFICIT



April 30, 2026

Agenda Item: 7

Agenda Title: Citizen and Board Comments

Background Information:

This item is placed on the agenda to give members of the audience an opportunity to comment on any item not on the agenda. It is also an opportunity for the Board to make comments on items that are not covered in the agenda

The Board may either wish to respond to the citizens' comment depending on the background information available or listen to the comments without taking any action. The Board may also table the discussion to a future meeting allowing time for staff to prepare background

Attachments:

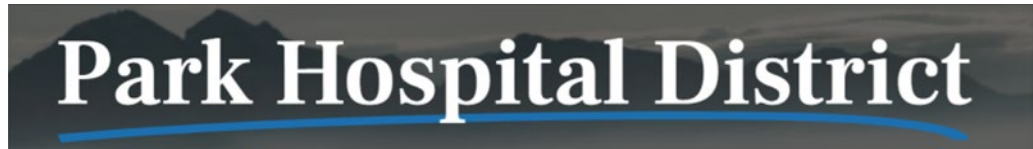
- Resolution
- Report
- Contract

- Letter
- Minutes
- Map

Other:

Board Action Needed:

No action can be taken from citizens or Board comments since such comments were not included on the posted agenda.



April 30, 2026

Agenda Item: 8

Agenda Title: Proposed Agenda Items for Future Meetings

Background Information:

The Board will discuss and identify potential agenda items for upcoming meetings. This provides an opportunity for Board members to suggest topics for future consideration, ensure alignment with District priorities, and support effective meeting planning.

This item is intended to facilitate forward-looking discussion and assist with the development of future meeting agendas.

Board Action Needed:

None. Discussion only. Direction may be provided for future agenda planning.