



DeKalb County Government

Manuel J. Maloof Center
1300 Commerce Drive
Decatur, Georgia 30030

Agenda Item

File ID: 2017-1364

Substitute

12/5/2017

Public Hearing: YES NO

Department: Chief Executive Office

SUBJECT:

Commission District(s): All Districts.

Extension of the Fulton-DeKalb Hospital Authority Agreement through December 31, 2019.

Information Contact: Zachary Williams, Chief Operating Officer and Executive Assistant

Phone Number: 404-371-2174

PURPOSE:

To consider approving an extension of the existing agreement between the County and the Fulton-DeKalb Hospital Authority, created pursuant to the Hospital Authorities Law (O.C.G.A. §31-7-70 et seq.) for the purpose of addressing the medical care needs of their citizens. DeKalb County and Fulton County provide funding to the Hospital Authority which funding in turn is provided to the Grady Memorial Hospital Corporation to provide such services. This agreement will extend the current arrangement between the Hospital Authority and the counties through December 31, 2019.

NEED/IMPACT:

This intergovernmental agreement is intended to establish the transition and management of certain services and signifies a mutually beneficial, efficient and cooperative working relationship between the two governments.

FISCAL IMPACT:

The operational subsidy for FY2017 from DeKalb County to Grady Hospital was \$12.9 million. Debt payments related to Grady were an additional \$7.5 million.

RECOMMENDATION:

To approve the attached extension of the contract and authorize the Chief Executive Officer to execute all necessary documents and request the Authority to convene a quarterly meeting of appropriate officials in Fulton County, DeKalb County, and the Authority to discuss substantive contract amendments.

September 12, 2017

CONTRACT EXTENSION AGREEMENT

THIS CONTRACT EXTENSION AGREEMENT (this "Agreement") made and entered into in triplicate this ____ day of _____, 2017, by and among FULTON COUNTY, GEORGIA ("Fulton County") acting by and through its Board of Commissioners, DEKALB COUNTY, GEORGIA ("DeKalb County") acting by and through its governing authority, and THE FULTON-DEKALB HOSPITAL AUTHORITY (the "Authority").

WITNESSETH:

WHEREAS, the Authority was activated by both Fulton County and DeKalb County (together, the "Counties") in 1941 pursuant to the Hospital Authorities Law as it then existed (and now codified in O.C.G.A. §31-7-70 *et seq.*), as amended (the "Act") for the purpose of addressing the medical care needs of their citizens and the acquisition and construction of adequate and necessary hospital facilities;

WHEREAS, the Counties and the Authority are authorized, pursuant to provisions of the Constitution of the State of Georgia, to contract for such medical services and hospitalization and provide such hospital facilities and projects and provide financing therefor pursuant to O.C.G.A. §31-7-84, §31-7-85 and other provisions of the Act;

WHEREAS, in 1945 the Authority acquired the land, buildings and equipment which then constituted the Grady Memorial Hospital from the City of Atlanta and the Authority and the Counties entered into an operating contract in connection therewith (the "1945 Contract");

WHEREAS, in order to provide for a "new" Grady Hospital, the Authority and the Counties entered into a new 30-year contract in 1953 (the "1953 Contract") under which the Counties agreed to pay debt service on the revenue bonds used to finance the construction of the new hospital and to provide funding for its operation;

WHEREAS, the 1953 Contract was superseded by a subsequent 30-year contract among the Authority and the Counties made effective as of January 1, 1984 (the "1984 Contract") which provided for the financing of certain renovations to the Hospital;

WHEREAS, to facilitate the financing of various improvements and other capital expenditures with respect to the Hospital and its related facilities, the 1984 Contract was amended by Amendment Number One to Contract, dated December 30, 1987; Amendment Number Two to Contract, dated July 14, 1988; Amendment Number Three to Contract, dated December 29, 1988; and Amendment Number Four to Contract, dated June 22, 1989; and Amendment Number Five to Contract, dated December 14, 1989;

WHEREAS, the term of the 1984 Contract was extended for a two-year period ending December 31, 2015 by resolutions adopted by the Fulton County Board of Commissioners on July 17, 2013 and by the DeKalb County governing authority on October 8, 2013;

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WHEREAS, the term of the 1984 Contract was extended for a one-year period ending December 31, 2017 by resolutions adopted by the Fulton County Board of Commissioners on June 15, 2016 and by the DeKalb County governing authority on April 26, 2016; and

WHEREAS, the Counties and the Authority approved a Lease and Transfer Agreement, dated as of April 7, 2008, by and between the Authority and Grady Memorial Hospital Corporation (the "Corporation"), pursuant to which operational control of certain assets comprising the Grady Health System were leased or transferred by the Authority to the Corporation, without assignment or modification of the 1984 Contract, except for provision for payment by the Authority to the Corporation of monies received from the Counties under the 1984 Contract, as set forth in the Lease and Transfer Agreement.

WHEREAS, in order to continue the Counties' support of medical services and hospitalization for the indigent sick of their respective communities and to assist the Authority and the Corporation in providing adequate facilities for such purpose, pending a systematic change in federal and state health care funding in Georgia, the parties hereto wish to further extend the 1984 Contract.

NOW, THEREFORE, in consideration of the premises and the mutual undertakings as hereinafter set out, **IT IS AGREED** between Fulton County, DeKalb County and The Fulton-DeKalb Hospital Authority, each acting by and through its duly authorized officers, pursuant to resolutions duly and properly adopted, as follows:

1. Extension of Contract. The term of Contract among the parties hereto made effective as of January 1, 1984 (said contract, as amended to date, the "Contract") is hereby extended, and said Contract shall be and remain in full force and effect through and including December 31, 2019 or such earlier time as a substantial modification to the current system of federal and state funding of health care and indigent health care shall have been approved and implemented in Georgia and the new Operating Agreement shall have been negotiated and executed by the Authority and the Counties.

2. Counterpart Execution. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

3. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Georgia.

4. Amendments. This Agreement may only be amended in a writing executed by all of the parties hereto.

September 12, 2017

IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized officers, have caused this Contract to be executed in triplicate the day and year first above written.

FULTON COUNTY

By: _____
Chairman, Board of Commissioners

ATTEST:

Clerk
(SEAL)

DEKALB COUNTY

By: _____
Chief Executive Officer

ATTEST:

Clerk
(SEAL)

THE FULTON-DEKALB HOSPITAL AUTHORITY

By: _____
Chairman, Board of Trustees

ATTEST:

Secretary
(SEAL)