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June 19, 2017

Mr. Jody Jenner, President & Chief Executive Officer
Broadlawns Medical Center
1801 Hickman Road
Des Moines, IA 50314

Dear Jody:

It is my understanding you will be asking the Broadlawns Board of Trustees at its June 20, 2017 meeting to approve a resolution restricting \$34 million in cash for facility projects.

As you know, the Taxpayers Association has been engaged with Broadlawns finances for a number of years and we pay close attention to planning and decision making. In the past few years, we have supported Broadlawns in a \$60 million cash-funded multi-year capital plan, which is due for completion in fiscal year 2018. When I asked if there were any plans beyond the \$60 million, your response was "just normal ongoing needs, \$5 million per year."

We are much surprised to learn that you now wish to restrict another \$34 million in cash for additional capital projects. I am not aware of a plan for these improvements, and have not observed any public meeting discussion about them. Also, as you continue to express concern about the potential negative impact of future changes in the Affordable Care Act, at least as a reason for further tax reduction, it is puzzling why you would reduce your financial flexibility by taking another \$34 million off the table.

We continue to believe that many decisions about the future of Broadlawns should occur within the context of a broad collaborative assessment of where Broadlawns fits within the context of overall community health needs and system capacity. It seems a new capital improvement plan would best be developed following such an assessment, and we urge you to hold off on restricting additional funds until this is completed.

Gretchen Tegeler
President
Taxpayers Association of Central Iowa