

**MINUTES OF THE BOARD OF DIRECTORS' MEETING
SWEENEY HOSPITAL DISTRICT**

June 28, 2022

Time 18:00

Members Present: Mason Nichols, President; Scott Swift, Vice President
Lisa Leal, Charlie Genella, Leeda Wood,
Violet Weeks arrived at 1835

Members Absent: Patti Foster, Secretary

Others Present: Enrique Leal, III, M.D.
Brian Brooks
Tom Ronayne

Employees Present: Kelly Park, Cindy Burge, Stuart Butler, Dana Quintanilla, Travis Alford,
Stephanie Crowder, Doug Smith, Tommie Reddoch, Kari Schroeter,
Jimmie Mashaw

1. **Call to Order** Mr. Nichols called the meeting to order at 1801.
2. The invocation was given by Charlie Genella.
3. **Record Members Present and Establish A Quorum**
There being 5 members present, a quorum was established. Violet Weeks was running late, Patti Foster was not present.
4. **Public Comments**
 - A. Tom Ronayne – He said he wanted to go over some numbers again. He said he apologizes but he thinks they are important and in the next few months they will be especially important. As of April 30th there was 35.5 million dollars in cash and investments for the district. The end of last fiscal year September 30th was 28.1 million so an increase of 7.4 million dollars. He said there was warning that in the summer it may go down some. He said I assumed the 2.5 million dollar loss between now and the end of the fiscal year there would be 33 million. Again that is a 5.5 million increase over last year and that is what he said when the tax rate was adopted last September. He said I've assumed if we spend 20 million dollars of that on the hospital going forward with a 17million dollar budget then that would leave 13 million in cash in investments when we are done with expending hospital funds on the new hospital. That 20 million and the 28 million dollars loan is 48 million and Kelly had mentioned last time she still has in the neighborhood of 2 million in soft costs not spent that does not include anything that we might get from the Foundation and they have a 2 to 2.5 million dollar goal. He said anyway I am assuming and hoping that the hospital district will consider that it has at least 50 million dollars to spend on the new hospital and anything of substance that has been cut from it in the most recent round that leadership will consider putting that back in. He said if they do, he will defend that publicly, he said he would talk to anybody that would listen to that what is necessary to build a good hospital regardless of what number was chosen a year and one half ago. That 13 million in cash and investments that would remain after a down payment is equivalent to 250 days of cash and operating expenses on hand. One hundred twenty days cash on hand would be 7.2 million not 13 million. Again this is a broken record, he sees no reason not to pass a balanced budget tax rate this year. He said he knows when the abatements

expire that the no new revenue rate will go down by roughly half but the no new revenue rate would still put 5 million dollars a year in savings that is no longer needed. He said Scott asked a question publicly what did he mean by a balanced budget. He commented he thinks he knows. It means we don't withdraw anything from our savings that we preserve the 250 days of cash on hand if that is what you wish to do. It also doesn't add 5 million dollars a year to savings. He said he hopes when Doug gives a reasonable budget this summer and the board adds a reasonable contingency, 10 or 15 percent that you set a tax rate multiplied by your property values will generate the tax revenue needed to balance the budget. He said Scott that is what I mean by a balance budget. He said I know you will have to add debt service that isn't in this year's expenses if you remember what Deborah Whitley said in December of last year, she said a 2 million dollar annual note would benefit a million dollars improved Medicare reimbursement, the depreciation would only add 1 million dollars to your actual expenses and the cash flow you would generate from operating or from taxes. He said he got a private text from another board member during the campaign, but said he would not mention the name because it was private, but the jest of it was what was his campaign all about. He said a few hundred dollars for a few more years. He said certainly that was not what it was all about, there is serious transparency issues, truth and integrity issues that persist and certainly all four of them that ran against the incumbents were for a successful build project this time around. The average tax payors pay a total of 1,000 dollars unnecessarily over the next three years. That is a big deal even if we weren't in the inflation period. It is the kind of callous attitude toward families that should expect a Pelosi, Schumer and Biden on ground and he said he thinks we are better than that. He said if we would commit to a balanced budget, we will not see him here anymore unless you want me to defend a new, well-built hospital and he said he will certainly do that. He said that is all he had.

Mr. Nichols thanked him for his comment.

5. **Review/Approve Board of Directors' Meeting Minutes:**

A. May 31, 2022 General Meeting

Mr. Swift made a motion to approve the minutes as presented from May 31, 2022. Mr. Genella seconded the motion. Unanimous decision, motion carried.

6. **Finance Committee Report**

Doug Smith gave overview of May 2022 financials.

After discussion, Mr. Genella motioned to approve the May 2022 financials as presented by Doug Smith. Ms. Wood seconded the motion. Unanimous decision, motion carried.

7. **Old Business**

A. Replacement hospital update: Kelly Park

Ms. Park said they have been having meetings. Jimmy Mashaw, herself and the team has been meeting with Tellepsen for weekly meetings. They are hitting some milestones with the project.

Jimmy Mashaw and Larry Murphy were out last week to do a walk through and also today for a meeting with Texas New Mexico. Hopefully we will have some packages out for bid and some of those are looking pretty good but don't have the actual numbers yet. Lisa Leal

inquired if it was local. Ms. Park said they are trying as much as they can. They have a couple out for bid for dirt work that are local but they plan to get a bid out of Houston to compare prices. Charlie Genella said there are some limitations as to what they can pull from southern Brazoria County. On some of the larger scale work or a project like this, some of the local contractors are not set up to execute like a contractor in Houston may be.

Mr. Nichols said he saw the stakes located out there. Ms. Park responded that it is the boundary line for the hospital building. The stakes are the footprint of the building.

Inquiry was made if they are keeping with their timelines. Ms. Park said so far it is looking good.

8. **New Business**

A. Miscellaneous Capital Requests

(1) Consider and take action, if needed to approve capital requests presented

None requested.

9. **Board Committee Reports:**

A. Sweeny Community Hospital Foundation Board Update: Kari Schroeter

Update was given on the following:

- Next Foundation meeting they will elect officers.
- There is about \$525,000 in the bank.
- Still pending on several grant opportunities and finishing up on about 6 grant applications with Dini.

Mr. Swift inquired about the pledge of funds to the Foundation Board and if we have timelines on those. Ms. Schroeter responded that Freeport LNG and Phillips 66 are making payments across five years. Next month we should receive Phillips 66 payment for the year. Freeport LNG are still checking in on us and the rest have already paid.

10. **Administrative Information Report – Kelly Park**

A. CEO Report

Updates were given on the following:

- Continuing with productivity meetings and good tools
- LAB CAP Survey (Accredited by The College of American Pathologists)
- Policies and Procedures re-organization to be done through a new company MCN
- New Website to go live 9/1/2022
- Billboards to be updated with our logo and family pictures
- Labcorp draw station will be shut down effective August 1st
- 709 patients came through the ER, we have an amazing ER group
- West Columbia Health Clinic will be open Monday – Thursday and ½ day on Friday starting August 1st, and we will have 2 providers there. Dr. Erickson has been a blessing opening the West Columbia Clinic on Wednesday on his day off from his Sweeny Clinic. He has done a lot keeping that clinic running and keeping it moving.

B. Human Resources Report - Dana Quintanilla

Update given on the following:

- 186 employees – FT, PT and PRN
- May – fired 4, one FT & 3 PRN

- 5 discharged or resigned, 4 were FT 1 PRN giving a turn over rate of 2.6
- A lot of open positions but we are not hurting but are getting the candidates however today 3 were set up for interviews and 2 did not show.
- A lot of nursing positions are open, 6 FT and 10 PRN that we need to fill

C. Emergency Medical Services Report: Stuart Butler

Update given on the following:

- June - Brazoria calls are down but Sweeny is up
- Highway 522 bridge closed and ESD6 is aware
- 2 trucks are in the shop
- 3 employees have been out with Covid, couple were out on FMLA
- Fuel prices high
- ESD6 to get together regarding making changes on the contract
- ESD6 to select officer in their July meeting

10. CLOSED EXECUTIVE SESSION:

Mr. Nichols announced the Board would go into closed, Executive Session at 1855 to review the following:

A. Discuss Personnel Matters

End of Executive Session

Went out of Executive Session at 1936.

11. Action regarding Executive Session:

None

12. Adjournment

Ms. Wood moved for adjournment, seconded by Ms. Weeks. Meeting adjourned at 1937.



Mason Nichols, President
Recorder: Cindy Burge