

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

May 5, 2020

Time 17:30

Members Present: P. T. Brunner, President, Mason Nichols, Vice-President
Patti Foster, Secretary; Violet Weeks, Scott Swift,
Lisa Leal

Members Absent: Don Schulte

Employees Present: Kelly Park, Cindy Burge, Stuart Butler, Paige Townsend
Noralene Corder via phone

Others Present: Dan Croft, President -First State Bank
Kristine Long, Vice President of Treasury Management - First State Bank
Enrique Leal, III, M.D.

1. **Call to Order** Mr. Brunner called the meeting to order at 1735.
2. The invocation was given by Mr. Nichols.
3. **Record Members Present and Establish a Quorum**
There being 6 members present, a quorum was established.
4. **Public Comments**
None
5. **New Business**
A. **Consider, discuss, and if necessary, take action to approve a Loan Agreement with First State Bank of Louise under the Paycheck Protection Program (PPP) SBA 7 (a) loan program (the "Loan")**

Introductions were done by Mr. Brunner. Kristine Long said Mr. Croft does the loans and she is responsible for the collateral. She handles the positive pay, online banking and deposits at the desk. She offered to come to a future board meeting to give information on services the bank could offer. Noralene Corder joined the meeting via phone.

Dan Croft gave an overview of the SBA loan. The application was approved for \$1,949,772.17 based on annual salaries for 2019 including retirement benefits and health benefits. He stressed the importance of maintaining our records for the request for forgiveness and use the funds for the purpose intended. The loan is for two years at 1% interest. The first six months there is no payment.

After discussion, Mason Nichols made a motion to approve the resolution:

Whereas, the current economic uncertainty related to the COVID-19 pandemic makes a loan necessary to support the ongoing operations of Sweeny Hospital District d/b/a Sweeny Community Hospital;

Whereas, the Small Business Administration is administering the Paycheck Protection Program (PPP) SBA 7 (a) loan program to provide a direct incentive for small businesses, including nonprofits, to keep their workers on the payroll.

Whereas, the loan amount is based on 2.5 times the monthly payroll and may be used on payroll-related expenses together with rent and certain other expenses;

Whereas, the SBA will forgive loans if all employees are kept on the payroll for eight weeks and the money is used for payroll, rent, mortgage interest, or utilities

Whereas, in the event 1) the number of full-time equivalent employees is reduced or 2) wages for individual employees are reduced by more than 25%, then a portion of the loan will be repayable in two years;

Now therefore, it is resolved that:

Sweeny Hospital District d/b/a Sweeny Community Hospital is authorized to borrow the maximum amount available under the PPP SBA loan program or such lesser amount as the Officers shall determine; and

Kelly Park, CEO, and P.T. Brunner, President of the Board of Directors, are each authorized to execute a promissory note and such other documents as are necessary in the name of the Sweeny Hospital District d/b/a Sweeny Community Hospital and take any and all action necessary to obtain the loan.

Scott Swift seconded the motion, unanimous decision, motion carried.

B. Presentation from Kristine Long, The First State Bank, Vice President and Treasury Management Product Manager regarding "Insured Cash Sweep Program and how it can be utilized with the Paycheck Protection Program (PPP) SBA 7 (a) loan program."

Kristine Long distributed information and gave an overview of the Insured Cash Sweep Program and how it is utilized with the Paycheck Protection Program funds.

After discussion, Patti Foster made a motion to allow Kelly Park, PT Brunner and Noralene Corder to open up an Insured Cash Sweep (ICS) account. Ms. Weeks seconded the motion, unanimous decision, motion carried.

6. **Adjournment**

Mr. Swift moved for adjournment, seconded by Ms. Foster. Meeting adjourned at 1845.



P. T. Brunner, President
Recorder: Cindy Burge