

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

September 27, 2021

Time 18:00

Members Present: Mason Nichols, President; Scott Swift, Vice President Patti Foster, Secretary
Lisa Leal, Charlie Genella, Leeda Wood

Members Absent: Violet Weeks

Others Present: Enrique Leal, III, M.D.
John Rambo

Employees Present: Kelly Park, Cindy Burge, Dana Quintanilla, Travis Alford, Stephanie
Crowder, Sarah Hebert, Veronica Scott, Noralene Corder (by phone)
Jimmy Mashaw

1. **Call to Order** Mr. Nichols called the meeting to order at 1800.

2. The invocation was given by Patti Foster.

3. **Record Members Present and Establish A Quorum**
There being 6 members present, a quorum was established.

4. **Public Comments**
A. None

7. **Old Business**

A. Replacement hospital update:

Ms. Park gave a slide show presentation overview of the new hospital showing the exterior and interior. They briefly discussed the dimensions of the new hospital in comparison to the area being placed and the drainage.

Scott Swift commented anything that could be a possible road block or project killer or anything that could be a point of contention there, it should be addressed early. Mr. Nichols also said as things play out we need to make sure we are not on any easements and get with the city too to make sure we are within the lines. With the fire department, not sure if there is an approval process before we break ground to make sure all the fire litigation is correct.

Scott Swift asked if we are consider widening Ross Street. Kelly Park said she spoke with Reese Cook, and they want to hold for now until we are further into the project then we will also get with David Linder.

8. **New Business**

B. Discuss, consider and, if necessary, take action to authorize administration to complete HUD Transfer of Physical Assets procedures for The Colonnades at Reflection Bay

Mr. Nichols said this nursing home is managed by Cantex. This is one of the nursing homes participating in the QIPP program. Mr. Krienke, was contacted to give an overview of the HUD process.

Trent Krienke of Reed, Claymon, Meeker and Hargett gave an overview of the Hud loan process for The Colonnades at Reflection Bay. He said when the hospital acquired the facility 5 to 6 years ago and the facility had a mortgage that was HUD financed. Cantex notified HUD of the change in ownership and change in operator but never went through the process of having the hospital complete the paperwork.

This is a very common process. The hospital district will not become the borrower or guarantor of this mortgage and would not be responsible for the debt. The one key document that the hospital would sign is the security agreement. The security agreement gives the lender the security interest in the day-to-day nursing facility revenue for this facility. There is no lien on any other nursing facility, hospital or clinic assets or revenue. They have worked out the language to carve out the district's share of the QIPP money. The IGT dollars that the district puts up for this facility and the profit that the district makes from this facility is all carved out of the security agreement. In other words, it is not collateral for this loan. It is very rare for a HUD mortgage to go into default.

If there is a default on the loan, we would have the option to get out of the management agreement of this nursing facility for the QIPP program. The paperwork process to transfer physical assets will take about 6 months to complete. Cantex has agreed to pay for the total cost of this process.

After discussion, Charlie Genella motioned to authorize the Chief Executive Officer, Kelly Park, to complete and sign all necessary documentation related to the U.S. Department Housing and Urban Development ("HUD") transfer of physical assets procedures for The Colonnades at Reflection Bay and take action if necessary to close the transaction. Leeda Wood seconded the motion. Unanimous decision, motion passed.

C. Discuss, consider, and approve resolution to open second bank account at First State Bank of Louise for Sweeny Hospital District dba The Colonnades at Reflection Bay

After discussion Patti Foster motioned to open a second bank account at the First State Bank of Louise in the name of Sweeny Hospital District dba The Colonnades at Reflection Bay. Bank account opened to include online services, transfers, wires, ACH and remote deposit capture. The signers and access to the account will be the same as the other nursing home accounts of Sweeny Hospital District. Scott Swift seconded the motion. Unanimous decision, motion carried.

6. Finance Committee Report

Noralene Corder gave an update regarding the Covid funds.
Travis Alford gave overview of August, 2021 financials.

After discussion, Leeda Wood motioned to approve the August 2021 financials. Lisa Leal seconded the motion. Unanimous decision, motion carried.

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

A. August 31, 2021 General Meeting

Patti Foster made a motion to approve the minutes from August 31, 2021.

Charlie Genella seconded the motion. Scott Swift abstained, motion carried.

B. September 14, 2021 Special Called Meeting – FY 22 Budget/Tax Rate 2021

Scott Swift made a motion to approve the minutes from September 14, 2021.

Leeda Wood seconded the motion. Unanimous decision, motion carried.

9. **Board Committee Reports:**

A. Sweeny Community Hospital Foundation Board Update:

The Foundation board did not have a quorum at the last meeting. Those members just visited.

Update given on the capital campaign donations.

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

A. CEO Report

Updates were given on the following:

- Covid update
- ER nurse passed away due to Covid. Service set for this Thursday. In lieu of flowers, request was made by her son to make donations to The Sweeny Hospital Foundation Board in recognition of his mom.
- Consider Coffee Cart for the new hospital

B. Human Resources Report

- **October 20– September 21 report** -Fulltime/Part-time employees 145, 30 termed, 5 for cause, 2 FT resigned. Open positions given and 17 interviews set for this week.
- Benefit open enrollment 100% done
- Press Ganey Employee Engagement surveys – 80% done
- Evaluations roll out next week

C. Emergency Medical Services Report:

No report given.

8. **New Business**

A. Review Construction Manager at Risk Sealed Bids

Five sealed bids have been received for consideration for the selection of the construction manager at risk (CMAR). The following chart is the summary of the companies that submitted their bids with a total of the preconstruction services fixed fee, construction management fee percent of cost and the general conditions percent of cost.

Company Name	Preconstruction Services Fixed Fee	Constr Mgmt Fee (% of cost)	General Conditions (% of Cost)
Lott Brothers	\$17,500	3.25	7.11
Manhattan Construction	\$74,818	2.65	6.25
Tellepsen	\$30,000	3.45	5.17
Archer Western Construction	\$75,000	5.00	5.73
Robins & Morton	\$50,000	2.25	5.92

Leeda Wood made a motion to form a sub-committee of board members consisting of Mason Nichols, Charlie Genella and Lisa Leal with assistance of Jimmy Mashaw, Kelly Park and Larry McKillop. Scott Swift seconded the motion, unanimous decision, motion passed.

Sub-committee to meet next Monday, October 4th at 5:00 p.m. Special called board meeting is set for Thursday, October 7th at 6:00 to review information from the sub-committee and select a Construction Manager at Risk, (CMAR).

11. CLOSED EXECUTIVE SESSION:

Mr. Nichols announced the Board would go into closed, Executive Session at 2103 to review the following:

- A. Consult with Attorney
- B. Medical Staff Credentials
- C. Discuss Deliberations Concerning Real Property

End of Executive Session

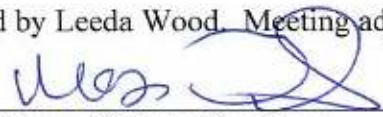
Went out of Executive Session at 2120.

12. Action regarding Executive Session:

Scott Swift made a motion to approve medical staff credentials presented in Executive Session. Lisa Leal seconded the motion, unanimous decision, motion passed.

13. Adjournment

Scott Swift moved for adjournment, seconded by Leeda Wood. Meeting adjourned at 2121.


Mason Nichols, President
Recorder: Cindy Burge